
EXHIBIT F17

WASTEWATER CONVEYANCE AGREEMENT, DATED
NOVEMBER 20, 2018, BY AND BETWEEN AQUA RESOURCES,
INC., TREDYFFRIN TOWNSHIP, EAST WHITELAND TOWNSHIP,
WILLISTOWN TOWNSHIP, CHARLESTOWN TOWNSHIP,
SCHUYLKILL TOWNSHIP, EAST PIKELAND TOWNSHIP,
EASTTOWN TOWNSHIP, EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY, THE BOROUGH OF MALVERN, TREDYFFRIN
TOWNSHIP MUNICIPAL AUTHORITY, AND VALLEY FORGE
SEWER AUTHORITY

WASTEWATER CONVEYANCE AGREEMENT

AMONG

AQUA RESOURCES, INC.

AND

THE TOWNSHIPS OF TREDYFFRIN, EAST WHITELAND, WILLISTOWN,
CHARLESTOWN, SCHUYLKILL, EAST PIKELAND AND EASTTOWN, EASTTOWN
TOWNSHIP MUNICIPAL AUTHORITY, THE BOROUGH OF MALVERN, TREDYFFRIN
TOWNSHIP MUNICIPAL AUTHORITY AND VALLEY FORGE SEWER AUTHORITY.

DATED NOVEMBER 20, 2018

WASTEWATER CONVEYANCE AGREEMENT

THIS WASTEWATER CONVEYANCE AGREEMENT (the "Agreement"), dated as of November ____, 2018 by and between AQUA RESOURCES, INC., (the "Company"), and THE TREDYFFRIN TOWNSHIP MUNICIPAL AUTHORITY (the "Tredyffrin Authority"), THE TOWNSHIPS OF TREDYFFRIN, EAST WHITELAND, WILLISTOWN, CHARLESTOWN, SCHUYLKILL, EAST PIKELAND AND EASTTOWN (hereinafter referred to as "Township" or collectively "Townships"); THE BOROUGH OF MALVERN (hereinafter referred to as "Borough"); EASTTOWN TOWNSHIP MUNICIPAL AUTHORITY ("ETMA"); and VALLEY FORGE SEWER AUTHORITY ("VFSA"). Townships, Borough, ETMA and VFSA are referred to as a "Municipality" or collectively referred to as "Municipalities". Company and each of the Municipalities are referred to as a "Party" or collectively as "Parties".

RECITALS:

WHEREAS, the Tredyffrin Authority owns the Valley Creek Trunk Sewer system ("VCTS");

WHEREAS, the VCTS accepts Wastewater (defined below) emanating from the Municipalities through its interceptors or trunk sewers, including pumping stations and appurtenances, and conveys such Wastewater to the VFSA treatment plant (the "Treatment Plant");

WHEREAS, the Municipalities entered into that certain Valley Forge Sewage Treatment Plant Agreement dated November 1, 1970 (together with the 1994 Addendum thereto, the "VFSA Agreement") for the construction, operation and maintenance of the Treatment Plant and is attached hereto as Exhibit A;

WHEREAS, the Municipalities entered into that certain Valley Creek Trunk Sewer System Agreement dated November 1, 1970 (the "1970 Agreement") for the collection and conveyance of Wastewater from the Municipalities through the VCTS to the Treatment Plant;

WHEREAS, the Municipalities entered into a Settlement Agreement dated July 18, 2017 (the "Settlement Agreement") in which the Municipalities agreed to sell the VCTS subject to the terms of the Settlement Agreement and the Asset Purchase Agreement (defined below);

WHEREAS, Company, the Tredyffrin Authority and the Township of Tredyffrin have entered into an Asset Purchase Agreement on the date of this Agreement, which provides, among other things, (i) at closing, the Tredyffrin Authority agreed to sell the VCTS to Company (the "Asset Purchase Agreement") and (ii) the Parties agreed to enter this Agreement;

WHEREAS, pursuant to the Settlement Agreement, upon closing of the Asset Purchase Agreement the 1970 Agreement automatically terminates and becomes null and void (except for Article IV as set forth in the Settlement Agreement);

WHEREAS, pursuant to the Settlement Agreement and Section 2.1 hereof, upon closing of the Asset Purchase Agreement, this Agreement becomes effective;

WHEREAS, the Municipalities desire to send all of their Wastewater through the VCTS to be treated at the Treatment Plant by the VFSA in accordance with the VFSA Agreement;

WHEREAS, Company agrees to collect Wastewater from the Municipalities and convey that Wastewater to the VFSA pursuant to the terms and conditions of this Agreement and the Asset Purchase Agreement; and

WHEREAS, VFSA agrees to accept, treat, and dispose of all Wastewater delivered to it by the Company pursuant to this Agreement and the VFSA Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the Parties covenant and agree to the following terms and conditions of service:

ARTICLE I. DEFINITIONS

1.1. In addition to terms defined in the Agreement, these words and phrases shall have the following meaning when used in this Agreement:

- a. **Applicable Law.** All laws, statutes, regulations, directives, orders, ordinances and approvals relating to Wastewater quality and governance of sewerage collection and conveyance systems adopted or administered by the United States Environmental Protection Agency ("USEPA") or Pennsylvania Department of Environmental Protection ("DEP"), and including the rules and regulations established by the VFSA in the VFSA General Code and any standards established by permit, court order, the VFSA Agreement or this Agreement.
- b. **Arbitration Act.** Shall mean the Pennsylvania Judicial Code, 42 Pa. C.S. §§ 7301-7320.
- c. **Connection Point.** The location at which each of the Municipalities' Wastewater connects to the VCTS metering equipment. The facilities comprising the Connection Point are at or near where a Municipality owned Wastewater pipe and the VCTS connect. Each Connection Point will be determined by Company as soon as reasonably practicable after the Effective Date.
- d. **Effective Date.** As defined in Article II of the Agreement.
- e. **Industrial Users.** Shall mean the permitted industrial users with pre-treatment responsibilities imposed by the USEPA or PADEP, as supplemented from time to time by VFSA, in accordance with and as set forth in the VFSA Agreement. Schedule 1.1 sets forth the names and addresses of current, permitted Industrial

Users with pre-treatment responsibilities, their permitted flow limit, if any, and their IPP (defined below) requirements.

- f. **Industrial Waste Survey.** As defined in Article VIII of the Agreement.
- g. **IPP.** Shall mean the Approved Publicly Owned Treatment Works (“POTW”) Pretreatment Program administered by a POTW that meets the criteria established in Sections 403.8 and 403.9 of the applicable federal regulations and which has been approved by a Regional Administrator or State Director in accordance with Section 403.11 of the applicable federal regulations. Notwithstanding anything to the contrary in this definition, nothing shall prohibit a Municipality from adopting a stricter set of standards to apply within its jurisdiction.
- h. **Prohibited Discharge.** A waste, pollutant, or other substance which is prohibited to be discharged into the Treatment Plant as set forth in the VFSA General Code (as defined below), as amended and supplemented from time to time.
- i. **Prudent Industry Practices.** Those methods, techniques, standards, and practices which, at the time they are employed and in light of the circumstances known or believed to exist at the time, are generally accepted as showing skill and good judgment in the wastewater treatment and collection industry as practiced in the Eastern United States for facilities of a similar nature and in a similar location as the VCTS. Prudent Industry Practices is not necessarily defined as optimal methods, techniques, standards and practices to the exclusion of others, but rather to refer to a range of methods, techniques, standards and practices that are reasonable under the circumstances. At a minimum, Prudent Industry Practices shall include those requirements set forth in the VFSA Agreement and Applicable Law.
- j. **VFSA General Code.** Shall mean the VFSA General Code of Rules and Regulations including Chapter 110 thereof, found at <https://www.ecode360.com/12738210> as promulgated by VFSA from time to time.
- k. **Wastewater.** The water-carried wastes from residences, businesses, buildings, institutions, and industrial establishments, singularly or in combination currently conveyed by each Municipality through the VCTS.

ARTICLE II. TERM AND TERMINATION

2.1. **Effective Date.** It is agreed between the Parties that this Agreement shall become effective (hereinafter referred to as the “Effective Date”) on the date of the Closing as defined in the Asset Purchase Agreement. If the Asset Purchase Agreement does not close and is terminated, the Agreement shall be null and void.

2.2. Term.

2.2.1. Original Term. The Agreement shall commence on the Effective Date. The original term of the Agreement shall continue in full force and effect for and through fifty (50) years following the Effective Date (the "Original Term").

2.2.2. Renewal. Following the Original Term, unless otherwise terminated by written agreement of all Parties at least three hundred and sixty five (365) days prior to the expiration of the Original Term, the Agreement shall automatically renew for an additional fifty (50) years (the "Extended Term"). Following the Extended Term, the Parties to this Agreement may renew this Agreement. Such renewal must be agreed to in writing by all Parties.

ARTICLE III. CONVEYANCE AND ACCEPTANCE OF WASTEWATER

3.1. Conveyance of Wastewater. Each Municipality shall convey all of its Wastewater to its Connection Point in an amount not to exceed their Flow Limit, as that term is defined in Section 3.4 of this Agreement.

3.2. Municipalities Wastewater Systems. The Municipalities shall be responsible for the construction, operation and maintenance of their respective sanitary sewer systems necessary to convey Wastewater to its Connection Point, including but not limited to all costs, expenses, capital, design, permitting, acquisition or any required easements or rights of way, and the installation, construction, operation, and maintenance of any necessary pumping station(s), tank(s), and pipe. The Municipalities shall own, maintain, and be responsible for all components of their respective sanitary sewer systems up to the Connection Points with the VCTS. Any enlargement, expansion, or change in collection system operations of the Municipalities' respective sanitary sewer systems that would require an increase in their Flow Limit (as defined below) must be approved by Company and VFSA and must conform with the Act 537 plan and the permit for the Treatment Plant. Nothing in this Agreement shall be construed to alter the Municipalities' jurisdiction or responsibility over sewage facilities planning and sewer service through the Act 537 planning program, or their respective zoning, subdivision and land development ordinances and comprehensive land use planning policies.

3.3. Connection Points. The Municipalities, at their cost and expense, shall provide Company with an appropriate easement or other mutually agreeable property rights necessary to accept the Municipalities' Wastewater flow at the Connection Points. The cost and expense for obtaining such easements or mutually agreeable property rights shall be paid proportionally by each Municipality in each Municipality's respective percentage amount set forth on Schedule 9.1. No new Connection Points may be made without first obtaining the written approval of Company. All new connections to the VCTS shall be accomplished in accordance with Company's and VFSA's requirements at the sole cost of the connecting Municipality. Meters required by Section 4.1 shall be installed at any new connection by Company at the connecting Municipality's cost. Company may charge a fee for each new connection in accordance with Applicable Law.

3.4. **Flow Limit.** The Municipalities shall convey and Company shall accept Wastewater delivered by the Municipalities to their respective Connection Points in an amount not to exceed the "Peak Flow" amounts for each Municipality set forth in Schedule 3.4 of this Agreement and as amended from time to time by agreement among the Parties (the "Flow Limit"); provided, however, Company agrees that each of the Municipalities shall be permitted to buy and sell its existing capacity (as set forth on Schedule 3.4) pursuant to Section 3C(1)(e) of the Settlement Agreement. In the event that any of the "Peak Flow" Flow Limits contained in Schedule 3.4, during any calendar year has been exceeded for any consecutive thirty (30) day period (an "Exceedance Event"), Company, in its commercially reasonable discretion may determine that it does not have adequate capacity in the VCTS to permit additional Connection Points to the Municipalities' Wastewater systems that are subject to this Agreement. If Company makes such a determination, it shall provide notice thereof pursuant to Section 12.5 of this Agreement and the Municipalities shall not add any additional flow to the VCTS nor shall they construct or cause to be constructed any expansion or enlargement of their respective systems from and after the date of such notice until approval therefor is issued by VFSA.

3.5. **Exceedance Charge.** If there is an Exceedance Event, then the Municipality(s) which are responsible for the Connection Point where the Exceedance Event was measured shall pay to Company a charge in the amount of One Thousand Dollars (\$1,000) per day in the aggregate beginning on the thirty-first (31st) day and each successive day for which there is an exceedance (an "Exceedance Charge"); *provided, however*, that the charge for any responsible Municipality which has a "Peak Flow" Flow Limit less than 150,000 GPD (a "Low Flow Municipality") shall instead be \$100 per day (the "Low Flow Exceedance Charge"). The Exceedance Charge shall be allocated among each responsible Municipality based upon the following formula: the Municipality's total gallons per day in excess of its "Peak Flow" Flow Limit divided by the total gallons per day of each exceedance; *provided, however*, that the allocable portion of the Exceedance Charge payable by a Low Flow Municipality as a result of such allocation process shall not exceed the daily Low Flow Exceedance Charge and any balance allocated to the Low Flow Municipality(s) over that amount shall be waived by Company. Company may increase the amount of the Exceedance Charge on the fifth (5th) anniversary of the Effective Date by the amount representing the increase in the Consumer Price Index ("CPI") since the Effective Date, and may increase the Exceedance Charge amount annually thereafter by annual CPI increases. If it cannot be determined from which Municipality the Exceedance Event originated, Company shall bill any charge, fine, or other penalty resulting from such Exceedance Event to all Municipalities based on their flow proportion which shall be calculated by comparing each Municipality's total flow for the previous calendar year to the total aggregate flow for the previous calendar year. The remedies stated herein are exclusive in relation to Exceedance Charge.

3.6. **Acceptance of Wastewater.** In accordance with the VFSA Agreement and this Agreement, Company shall accept all Wastewater from each Municipality and convey all of the Wastewater from the Municipalities to the Treatment Plant. In accordance with the VFSA Agreement and this Agreement, VFSA shall accept all Wastewater conveyed through the VCTS from Company.

ARTICLE IV. METERING

4.1. **Meters.** All Wastewater flows from the Municipalities conveyed to the Connection Points shall be metered by metering equipment. Company shall assume ownership of and inspect all meters existing at the beginning of this Agreement, if any, at each Connection Point and determine, in Company's sole discretion, whether the existing meter shall be replaced. In accordance with the Asset Purchase Agreement and Section 3.3 hereof, the Municipalities shall convey to Company all property rights that are necessary for Company to access, operate, and maintain the meters existing at the beginning of this Agreement and at all Connection Points. If new or replacement meters are necessary at any Connection Point, in Company's sole judgment, such meters shall be procured and installed by Company at its sole cost and expense. All flow that is pumped or flow that is under pressure in a pipeline shall utilize a magnetic flow meter. All flow that is conveyed by gravity shall utilize an area-velocity flow meter with a standard flume (Palmer Bowlus, Parshall or other non-clog design).

4.2. **Operation and Maintenance of Meters.** Company shall own and operate the metering equipment for the purposes of measuring the volume of Wastewater delivered to the Connection Points for conveyance through the VCTS to the Treatment Plant, and shall be responsible for the designing, installing, daily operation, calibration, updating, and replacement, as necessary and in accordance with Article X hereof, of metering devices. The Company shall provide VFSA and the Municipalities with readings of meters on the first day of each quarter for the prior quarterly period.

4.3. **Calibration and Testing.**

4.3.1 Meter equipment and remote readouts shall be tested, calibrated, maintained, and repaired at least annually by Company at Company's cost. The results of all testing and calibration undertaken by the Company shall be provided to each Municipality no later than seven (7) business days from completion of such bi-annual testing and calibration. If any Municipality requests additional testing, calibration, maintenance and repair, such expenses associated shall be at the cost of the Municipality.

4.3.2 If a Municipality and Company cannot agree as to the inaccuracy of any meter, such Municipality may request that the meter be tested by an independent testing facility mutually agreed to by the Municipality and Company and such independent testing facility's determination of accuracy shall be conclusive. The cost of the testing shall be borne fifty percent (50%) by the Municipality and fifty percent (50%) by Company.

4.3.3 If upon any test, the percentage of inaccuracy of any metering equipment is found to be in excess of three percent (3%), the calibration thereof shall be corrected, and any billing shall be adjusted, for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the most recent date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters appear to be malfunctioning such that the amount of Wastewater conveyed cannot be ascertained or computed from the reading thereof, the Wastewater conveyed through the period such meters are out of service or

out of service shall be estimated and agreed upon by the Parties hereto upon the basis of the best data available. The amount of Wastewater conveyed during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

4.3.4 Company shall provide notice pursuant to Section 12.5 of this Agreement to each Municipality that has exceeded its Flow Limit for seven (7) consecutive days. Such notice shall be provided to each Municipality promptly after such determination.

ARTICLE V. QUALITY OF WASTEWATER

5.1. **Sewer Use Ordinances.** The Municipalities shall maintain and administer uniform ordinances, resolutions, rules or regulations to: (1) prohibit users of their respective collection systems from making Prohibited Discharges and to prevent the infiltration of stormwater into the collection systems, and (2) maintain and/or otherwise comply with the IPP. The IPP shall include measures to cause the Municipalities to periodically survey their respective sanitary sewer systems to ensure, among other things, that all dischargers of high strength waste or other Prohibited Discharges are included in the IPP, and measures to periodically check any self-reporting done by the Industrial Users of the Municipality to confirm that accurate information is reported.

5.2. During the term of this Agreement, the Municipalities shall provide Company, on a semi-annual basis, a list of all Industrial Users discharging to the Municipalities' wastewater systems and whose Wastewater is conveyed at the Connection Point. The Company shall provide VFSA with a copy of such list within seven (7) days of receipt.

5.3 At least once every six (6) months, the Municipalities shall provide, or cause to be provided, to the Company copies of all reports and Wastewater analysis results of Industrial Users discharging to the Municipalities' wastewater systems and whose Wastewater is conveyed at the Connection Point to Company. These reports and analysis results will be provided to Company within thirty (30) days of receipt by the Municipalities, but in no case be longer than six months from the last report. The Company shall provide VFSA with a copy of such list upon the request of VFSA. The Municipalities shall take prompt enforcement action against any Industrial User which does not comply with the requirements of this Article V.

ARTICLE VI. PROHIBITED DISCHARGES

6.1 **Prohibited Discharges.** Company shall not be responsible for any fines, charges or fees arising from or related to Prohibited Discharges by any Municipality. If a Municipality chooses to take pretreatment enforcement action independent of VFSA, such Municipality shall comply in all material respects with the VFSA's approved Enforcement Response Program (the "ERP") which includes a matrix of escalating enforcement responses, up to and including termination of service. Upon discovery that a Prohibited Discharge is being conveyed by a Municipality's Wastewater system to Company:

6.1.1. The Municipality shall provide verbal notification to the Company and verbal communication to VFSA in accordance with the VFSA Agreement, the VFSA General Code and the ERP, and provide confirmation thereof in writing to Company, within twenty-four (24) hours.

6.2 If the Municipality fails to cease a Prohibited Discharge in accordance with the ERP, in addition to penalties available to VFSA under the VFSA Agreement, VFSA General Code and the ERP, the Company may, at its option, without liability and at the Municipality's cost, charge the Municipality a penalty of One Thousand Dollars (\$1,000) per day (the "Prohibited Discharge Charge") until such time as that Municipality returns to compliance with the ERP. The Prohibited Discharge Charge may be increased in the same manner set forth in Section 3.6 above for the Exceedance Charge.

6.1.1. The remedies stated herein are the Company's exclusive remedies in relation to Prohibited Discharges.

ARTICLE VII. SAMPLING AND MONITORING OF QUALITY

7.1. **Sampling and Monitoring Equipment.** Company shall install the sampling and monitoring equipment at every Connection Point. Company shall own and operate the sampling and monitoring equipment for the purpose of sampling and analyzing the Wastewater delivered at the Connection Points consistent with Section 7.4 below, and shall be responsible for designing, installing, operating, updating and replacing, in accordance with Prudent Industry Practices, of such sampling and monitoring equipment. The costs of the sampling and monitoring equipment, installation of the sampling and monitoring equipment and installed components at all Connections Points shall be paid by Company. Sampling and monitoring equipment shall include but not be limited to electric and mechanical provisions for twenty-four (24) hour composite sampling. Nothing in this Section 7.1 shall be construed to modify VFSA's rights or remedies under Article V of the VFSA Agreement.

7.2. **Access to Sampling and Monitoring Facilities.** Company shall own and operate the sampling and monitoring facilities and equipment. The Municipalities shall have full and complete access to the sampling and monitoring facilities and equipment upon twenty-four (24) hours' notice to Company for the purpose of observing the proper operations of the facilities.

7.3. **Testing and Calibration.** Company shall test, calibrate, maintain, and repair the sampling and monitoring equipment annually, the costs of which shall be paid by Company. The results of such testing and calibration shall be provided to each Municipality no later than seven (7) business days from completion.

7.4. **Collection of Samples.** Company shall collect all samples, and:

7.4.1. Company shall collect and arrange for testing of all samples at intervals determined at Company's discretion, and in compliance with NPDES permit requirements.

7.4.2. Company shall determine the parameters for all such sampling and testing.

7.4.3. Company will provide the results of any sampling to the Municipalities at such Municipality's request. All analytical results will be obtained utilizing approved sample collection procedures and analytical procedures listed in the most current version of 40 CFR Part 136. All sample analysis will be performed by a laboratory accredited by PADEP for the approved method. Sample collection and preservation will be documented on all chain of custody forms, a copy of which will become part of the data package included with the analytical report. Company shall provide VFSA with copies of all analytical data within seven (7) days of receipt.

7.4.4. A Municipality may request a portion of samples taken by Company if a Municipality wants to conduct its own analyses. Samples may be split between Company and a Municipality for laboratory analysis if requested by the Municipality a minimum of forty-eight (48) hours in advance. If such a request is made, the Municipality shall be responsible for sample pick-up and delivery to the selected laboratory and shall be responsible for all costs.

7.4.5. A Municipality may request additional sampling and analysis at the Municipality's cost.

7.4.6. If a Municipality and Company cannot agree as to the results of any sampling or testing by the other, samples shall be sent to and tested by an independent laboratory mutually agreed to by the Municipality and Company and such independent laboratory's determination of sampling or testing shall be conclusive. The cost of these samples shall be borne fifty percent (50%) by the Municipality and fifty percent (50%) by Company.

ARTICLE VIII. INSPECTION AND ENFORCEMENT

8.1. **Industrial Waste Survey.** The Municipalities shall maintain a current Industrial Waste Survey list in accordance with the following:

8.1.1. The Industrial Waste Survey list shall include the facility name and address of all commercial and Industrial Users whose Wastewater passes through each of the Connection Points to the VCTS, the nature of each Industrial User's business and the name and contact information of a responsible person to be contacted at each Industrial User.

8.1.2. An updated list shall be provided to Company and VFSA within thirty (30) days of the Effective Date of this Agreement. The list shall include Industrial User that have been added as well as those that have been removed or where site operations have changed.

8.1.3. The Municipalities shall provide to Company results of its updated Industrial Waste Survey lists annually.

ARTICLE IX. BILLING, PAYMENT, AND RATES

9.1. **Billing and Rates.**

9.1.1. Subject to Sections 9.1.2-.4, Company shall bill each Municipality the effective rate applicable to each Municipality as set forth on Schedule 9.1. Billing shall occur on a monthly basis. After the third (3rd) anniversary of the Effective Date, billings from Company shall be based on metered flows measured at the Connection Points.

9.1.2. Opener Process. No sooner than two hundred ten (210) days and no later than one hundred eighty (180) days prior to the (i) eighth (8th) anniversary of the Effective Date or (ii) any subsequent five (5) year anniversary of the Effective Date (e.g., no sooner than two hundred ten (210) days and no later than one hundred eighty (180) days prior to year thirteen (13), eighteen (18), twenty-three (23), etc.) (each, an "Opener Period"), any Party may send written notice to the other Parties that it desires to open negotiations (each such notice, an "Opener Notice") among the Parties in order to set a percentage escalator solely with respect to a capital expenditure escalator (a "Capex Escalator") to be used to increase the annual revenue requirement/rate as set forth on Schedule 9.1 and such Capex Escalator shall go into effect, if agreed upon by the Parties pursuant to this Section 9.1.2 or as determined by Section 9.1.3, beginning on the one hundred eightieth (180th) day after the delivery of any Opener Notice and such Capex Escalator shall continue in effect until a new Capex Escalator is agreed upon, if any, by the Parties pursuant to this Section 9.1.2 or as determined by Section 9.1.3. The Parties shall negotiate the Capex Escalator in good faith. If the Parties are unable to agree in writing to a Capex Escalator within twenty (20) business days of an Opener Notice, the Parties agree to the procedures set forth in Section 9.1.3 below. If no Opener Notice is delivered during any Opener Period, the revenue requirement/rate shall only be increased annually by the CPI until a Capex Escalator is determined in accordance with Section 9.1.

9.1.3. Arbitration Process. If the procedures described in Section 9.1.2 do not result in resolution of a Capex Escalator within twenty (20) business days following receipt of the Parties of a Opener Notice (unless otherwise extended by written agreement of all Parties) the dispute shall be resolved by arbitration in accordance with the AAA Rules then in effect. Any Party may initiate the arbitration, as provided in the AAA Rules. Any arbitration conducted pursuant to this Section 9.1.3 shall be governed by the statutory arbitration provisions of the Arbitration Act. The place of arbitration shall be Tredyffrin Township, Pennsylvania unless the Parties agree otherwise. The arbitral panel shall determine the rights and obligations of the Parties in accordance with the substantive laws of the Commonwealth of Pennsylvania and without regard to conflicts of laws principles thereof. Except as agreed by the Parties, the arbitral panel shall have no power to alter or modify any terms or provisions of this Agreement, or to render any award that, by its terms or effects, would alter or modify any term or provision of this Agreement other than to set a Capex Escalator. The Parties shall be entitled to reasonable production of relevant, non-privileged documents, carried out expeditiously in order to disclose capital expenditures and capital plans. If the Parties are unable to agree upon such document production, the arbitral panel shall have the power, upon application of any Party, to make all appropriate orders for production of documents by any Party. At the request of any Party, the arbitral panel shall have the discretion to order the examination by deposition of any witness to the extent the arbitral tribunal deems such examination appropriate or necessary. The arbitral panel shall be composed of three (3) arbitrators, one (1) to be selected by the Municipalities (by majority vote), one (1) to be selected by the Company and the third (3rd), who shall act as chairman of the panel, to be selected by the two (2) previously-selected arbitrators. If, within ten (10) business days, the two (2) previously-selected

arbitrators cannot agree on the selection of the third (3rd) arbitrator, then the third (3rd) arbitrator shall be selected by the AAA pursuant to the AAA Rules. Once the arbitral panel has been composed, the arbitrators shall act as neutrals and not as party arbitrators, and no Party shall engage in any ex parte communication with any member of the arbitral panel. Each Party shall bear its own attorney fees, expenses, and costs for the arbitration. Some or all of the Municipalities may agree to engage one (1) attorney to represent them as a group and share attorney fees, expenses, and costs. Company shall pay one-half (1/2) of the expenses and costs associated with engaging the arbitral panel. Each Municipality shall pay its proportional share (based upon each Municipality's percentage share of Wastewater flow in the twelve (12) month period immediately preceding an Opener Notice) of the remaining one-half (1/2) of the expenses and costs associated with engaging the arbitral panel. Any future increase in the Capex Escalator determined by the arbitral panel shall be in effect for a five (5) year period and shall be in writing, stating the reasons upon which it is based. The determination of the Capex Escalator must be determined by arbitral panel prior to the one hundred eightieth (180th) day after the delivery of any Opener Notice and such determination shall be final and binding on the Parties, subject only to such review and other proceedings as provided by the Arbitration Act. Judgment on the award may be entered by any court with competent jurisdiction in accordance with the Arbitration Act.

9.1.4. The Parties acknowledge that the VCTS, including all VCTS operations and utility services to be provided by Company under this Agreement and the imposition of the rates set forth on Schedule 9.1 may become subject to the jurisdiction of the Pennsylvania Public Utility Commission (the "PaPUC") and the applicable provisions of the Public Utility Code of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes. If the PaPUC exercises jurisdiction over any matter that is the subject of this Agreement, then the Parties acknowledge and agree to the jurisdiction of the PaPUC and to be bound by its oversight, regulations, and rate-making procedures; *provided, however*, if the PaPUC exercises jurisdiction over the imposition of the rates or rate-making procedures, Company shall not seek to implement rates other than those set forth on Schedule 9.1 until after the third anniversary of the Effective Date.

9.2. **Estimated Billing.** If a dispute over the inaccuracy of a meter at a Connection Point or a meter at a Connection Point is agreed to have been reading inaccurately, an estimated billing shall be issued based on the procedure set forth in Article IV hereof.

9.3. **Payment.** The Municipalities shall pay each monthly bill in full within thirty (30) days after the bill date. Amounts not paid when due shall be subject to interest in the amount of six percent (6%) per annum of the amount due.

ARTICLE X. COMPLIANCE WITH RULES, REGULATIONS, STANDARDS, AND LAWS

10.1. Compliance.

10.1.1. Company will be solely responsible for the proper conveyance of Wastewater received from the Municipalities in accordance with Applicable Law. Company and the Municipalities shall be responsible for the proper conveyance of Wastewater received from the Municipalities to the Treatment Plant in accordance with the VFSA Agreement. The

Municipalities acknowledge that Company has no ability or obligation to affect the quality or flow of Wastewater prior to the Connection Points.

10.1.2. The Municipalities shall be solely responsible for the delivery of the Wastewater to the Connection Point in a manner compliant with all the laws, regulations, requirements, and standards of the DEP, the USEPA, and the VFSA Agreement.

10.1.3. The Parties to this Agreement shall comply with all local, state, and federal regulations, standards, and laws currently in effect and as amended, adopted, or enacted regarding their respective obligations hereunder for the collection and treatment of Wastewater, the operation of their respective systems and any additional services provided according to the terms and provisions of this Agreement.

10.1.4. On the Effective Date, Company will obtain sole ownership and control of Wastewater conveyance facilities comprising the VCTS. During the Original Term and the Extended Term (if applicable) of the Agreement, Company shall operate, maintain, repair, and improve the VCTS using Prudent Industry Practices for facilities comparable to the VCTS and, at a minimum: (1) in a manner that would be required by the PaPUC if the Agreement and the VCTS were subject to its jurisdiction and (2) in a manner necessary for the Municipalities to comply with the VFSA Agreement. Company retains the sole exclusive right to make all managerial and other decisions regarding the VCTS, including, but not limited to, those decisions regarding operation, maintenance, upkeep, expansion, abandonment, or replacement of all or a portion of the VCTS in accordance with Prudent Industry Practices and while abiding by the effective rate then applicable to each Municipality.

ARTICLE XI. INDEMNIFICATION AND ENFORCEMENT

11.1 **Indemnification by Municipalities.** To the extent permitted by law, the Municipalities agree to defend, indemnify, and hold harmless Company from and against all claims, actions, suits, demands, losses, interest, penalties, and liabilities ("Losses") arising from performance of the terms and conditions of this Agreement (*except* for any Losses that are caused by Company) by reason of:

11.1.1. Injury (including death) to persons and damages to property resulting from operation under this Agreement to convey the Municipalities' Wastewater through the VCTS, where such injury (including death) is due to the negligence of a Municipality or the Municipalities or their employees, agents or the inherent nature of their operation;

11.1.2. An action of any kind whatsoever by USEPA, DEP, or VFSA, as a result of any action or inaction by a Municipality with respect to its wastewater system and for any work undertaken by the Municipalities, their contractors or consultants, to the Municipalities' respective wastewater systems necessary and required by the USEPA or DEP;

11.1.3. Any breach by any Municipality of their obligations under this Agreement.

11.2: **Indemnification by Company.** Company shall defend, indemnify, and hold harmless the Municipalities from and against all Losses (i) arising from Company's failure in the operation of the VCTS in accordance with Prudent Industry Practices and (ii) any breach by Company of its obligations under this Agreement and the VFSA Agreement.

ARTICLE XII. MISCELLANEOUS

12.1. **Inspection and Audit.** Company and the Municipalities agree to maintain complete and accurate records and accounts concerning their responsibilities under this Agreement. All Parties shall, at all times, have the right to examine and inspect said records and accounts upon thirty (30) days' written notice, unless such examination is deemed an emergency in which case the right shall be provided as soon as practicable. If required by law or regulation, Company and the Municipalities shall make said records and accounts immediately available to federal and state authorities.

12.2. **Successors and Assignment.** This Agreement is binding on any successors of each Party. Company may assign this Agreement to a parent, subsidiary or affiliate of Company, or an entity that acquires all, or substantially all of the assets or shares of Company or any of Company's parents. In the event that an entity seeks to acquire Company's rights pursuant to this Agreement, the acquiring entity shall obtain the prior written consent of the Municipalities, which consent shall not be unreasonably withheld or delayed. The Municipalities shall not confer, transfer, convey, assign, or license to any third party any rights obtained under this Agreement including, but not limited to, assignment of Wastewater conveyance capacity without the prior express written consent of Company, which consent shall not be unreasonably withheld, conditioned or delayed.

12.3. **Severability.** Each provision of this Agreement is severable from the whole, and if one provision is declared invalid, the other provisions shall remain in effect.

12.4. **No Waiver.** Failure by a Party to enforce any provision of this Agreement, or the waiver thereof in any instance shall not be construed as a general waiver of rights.

12.5. **Notices.** Any notice given or made pursuant to this Agreement will be effective only if in writing and delivered in person, by messenger, by overnight delivery, or by certified mail, return receipt to a Party at the address below:

If to Company:

Aqua Resources, Inc.
762 W. Lancaster Ave.
Bryn Mawr, PA 19010
Attention: President

With a required Copy to:

Aqua Resources, Inc.

762 W. Lancaster Ave.
Bryn Mawr, PA 19010
Attention: General Counsel

If to Tredyffrin Township Municipal Authority:

110 DuPortail Road
Berwyn, PA 19312
Attention: Executive Director

With a required Copy to:

110 DuPortail Road
Berwyn, PA 19312
Attention: Solicitor

If to The Township of Tredyffrin:

110 DuPortail Road
Berwyn, PA 19312
Attention: Township Manager

With a required Copy to:

110 DuPortail Road
Berwyn, PA 19312
Attention: Solicitor

If to The Township of East Whiteland:

Municipal Building
209 Conestoga Road
Frazer, PA 19355
Attention: Township Manager

With a required Copy to:

Municipal Building
209 Conestoga Road
Frazer, PA 19355
Attention: Solicitor

If to the Township of Willistown:

688 Sugartown Road
Malvern, PA 19355

Attention: Township Manager, Secretary

With a required Copy to:

688 Sugartown Road
Malvern, PA 19355
Attention: Solicitor

If to the Township of Easttown: ,

566 Beaumont Road
Devon, PA 19333
Attention: Township Manager

With a required Copy to:

566 Beaumont Road
Devon, PA 19333
Attention: Solicitor

If to The Township of Charlestown:

4030 Whitehorse Road
Malvern, PA 19355
Attention: Township Manager

With a required Copy to:

4030 Whitehorse Road
Malvern, PA 19355
Attention: Solicitor

If to The Township of Schuylkill:

111 Valley Park Road
Phoenixville, PA 19460
Attention: Township Manager

With a required Copy to:

111 Valley Park Road
Phoenixville, PA 19460
Attention: Solicitor

If to The Township of East Pikeland:

1158 Rapps Dam Road
Phoenixville, PA 19460
Attention: Township Manager

With a required Copy to:

1158 Rapps Dam Road
Phoenixville, PA 19460
Attention: Solicitor

If to Easttown Township Municipal Authority:

566 Beaumont Road
Devon, PA 19333
Attention: Chairman

With a required Copy to:

566 Beaumont Road
Devon, PA 19333
Attention: Solicitor

If to The Borough of Malvern:

Borough Hall
1 E. First Avenue
Malvern, PA 19355
Attention: Borough Manager

With a required Copy to:

Borough Hall
1 E. First Avenue
Malvern, PA 19355
Attention: Solicitor

If to Valley Forge Sewer Authority:

333 Pawling Road
Phoenixville, PA 19460
Attention: Business Manager

With a required Copy to:

333 Pawling Road

Phoenixville, PA 19460

Attention: Solicitor

12.6. **Complete Agreement.** The terms of this Agreement constitute the entire agreement among the Parties concerning the subject matter hereof, and this Agreement may be modified only in a writing signed by all Parties. This Agreement and the schedules incorporated herein shall be modified and/or amended only by writing signed by all Parties.

12.7. **Titles and Headings.** Titles and headings to sections or paragraphs herein are inserted merely for convenience of reference and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

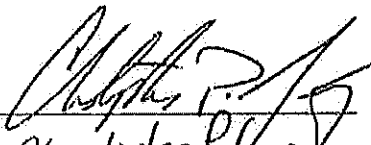
12.8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

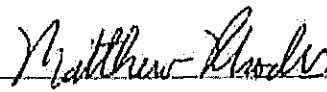
12.9. **Applicable Law.** This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Pennsylvania (without giving effect to the principles of conflicts of laws thereof). The Parties hereto irrevocably agree and consent to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Chester County, Pennsylvania, for the adjudication of any matters arising under or in connection with this Agreement. Any action initiated in court shall be filed and litigated (including all discovery proceedings) exclusively in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Chester County, Pennsylvania, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court.

[The remainder of this page was intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the date first written above.

AQUA RESOURCES, INC.

Attest: 
Printed: Christopher P. King
Its: SUB C, and Secretary

By: 
Printed: Matthew Rhodes
Its: EVP, Strategy and Corporate Development

TREDYFFRIN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

THE TOWNSHIP OF TREDYFFRIN

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

THE TOWNSHIP OF EAST WHITELAND

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the date first written above.

[COMPANY]

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

TREDYFFRIN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: William F Martin

Printed: WILLIAM F MARTIN

Its: SECRETARY

By: Stanford Nishikawa

Printed: STANFORD NISHIKAWA

Its: SN

THE TOWNSHIP OF TREDYFFRIN

Attest: William F Martin

Printed: WILLIAM F MARTIN

Its: SECRETARY

By: Heather B Greenberg

Printed: Heather B Greenberg

Its: HBY

THE TOWNSHIP OF EAST WHITELAND

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the date first written above.

[COMPANY]

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

TREDYFFRIN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

THE TOWNSHIP OF TREDYFFRIN

Attest: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

THE TOWNSHIP OF EAST WHITELAND

Attest: Donna Wilkett
Printed: Donna Wilkett
Its: 12/10/18 Secretary

By: Susan Drummond
Printed: Susan Drummond
Its: 12/10/18 President

THE TOWNSHIP OF WILLISTOWN

Attest: David R. Burman

Printed: DAVID R. BURMAN

Its: SECRETARY

By: Robert T. Lange

Printed: ROBERT T. LANGE

Its: CHAIRMAN

THE TOWNSHIP OF EASTTOWN

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

THE BOROUGH OF MALVERN

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

VALLEY FORGE SEWER AUTHORITY

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

THE TOWNSHIP OF WILLISTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF EASTTOWN

Attest: *D.C.F.*

By: *Man J. Hepp*

Printed: *Daniel C. Fot*

Printed: *Man J. Hepp*

Its: *Township Sec / Mgr.*

Its: *M J*

EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE BOROUGH OF MALVERN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

VALLEY FORGE SEWER AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF WILLISTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF EASTTOWN

Attest: _____

By: _____

Printed: _____

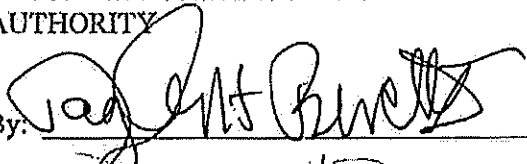
Printed: _____

Its: _____

Its: _____

EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____

By:  _____

Printed: _____

Printed: DOUGLAS H. BURNETT

Its: _____

Its: CHAIR

THE BOROUGH OF MALVERN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

VALLEY FORGE SEWER AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF WILLISTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF EASTTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE BOROUGH OF MALVERN

Attest: Mary Lou Whitcomb

By: Christopher Bashore

Printed: Mary Lou Whitcomb

Printed: Christopher Bashore

Its: Borough Manager

Its: Borough Manager

VALLEY FORGE SEWER AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF WILLISTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF EASTTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

EASTTOWN TOWNSHIP MUNICIPAL
AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE BOROUGH OF MALVERN

Attest:  _____

By:  _____

Printed: DAVID C. DEWEY

Printed:  _____

Its: _____

Its: _____

VALLEY FORGE SEWER AUTHORITY

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF CHARLESTOWN

THE TOWNSHIP OF CHARLESTOWN

Attest: *[Signature]*

Printed: LINDA M. CSETE

Its: Secretary

By: *[Signature]*

Printed: FRANK A. PIHERO

Its: Chairman

THE TOWNSHIP OF SCHUYLKILL

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

THE TOWNSHIP OF EAST PIKELAND

Attest: _____

Printed: _____

Its: _____

By: _____

Printed: _____

Its: _____

THE TOWNSHIP OF CHARLESTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF SCHUYLKILL

Attest: Madeline Harbison

By: Fred R. Parry

Printed: Madeline Harbison

Printed: Fred R. Parry

Its: Township Secretary

Its: Vice-Chairman

THE TOWNSHIP OF EAST PIKELAND

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF CHARLESTOWN

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF SCHUYLKILL

Attest: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

THE TOWNSHIP OF EAST PIKELAND

Attest: Kimberly Moretti

By: Ronald M. Graham

Printed: Kimberly Moretti

Printed: Ronald M. Graham

Its: Township Manager

Its: Chairman, Board of Supervisors

Schedule 1.1

Industrial Users

	Company	Municipality	Industry Type	City	Goes Through
1	Devault Foods	Charlestown	Large Flow Non-categorical	Devault	East Whiteland Township
2	Fujirebio Diagnostics	East Whiteland	Medium-Flow Non-categorical	Malvern	East Whiteland Township
3	Infiana USA, Inc.	Tredyffrin	Medium Flow Non-categorical	Malvern	Willistown Township
4	Janssen Biotech Inc.	East Whiteland	Pharmaceutical part 439 subpart A	Malvern	East Whiteland Township
5	Micron Technologies, Inc. (Catalent	East Whiteland	Pharmaceutical Prep 439,47 Subpart D	Malvern	East Whiteland Township
6	Orthovita DBA Stryker	East Whiteland	Small-Flow Non-categorical	Malvern	East Whiteland Township
7	Paoli Memorial Hospital	Willistown	Large-Flow Non-categorical	Paoli	Willistown Township
8	PECO Energy	Tredyffrin	Small-Flow Non-categorical	Berwyn	Tredyffrin
9	TEVA/Cephalon Inc.	Charlestown	Small-Flow Non-categorical	Malvern	East Whiteland Township

Schedule 3.4

Flow Limit

<u>Municipality</u>	<u>Exhibit B Cost %</u>	<u>Existing Reserved Capacity - Peak Flow (GPD)</u>	<u>Transfers (GPD)</u>	<u>Total Existing Reserve Capacity - Peak Flow (GPD)</u>	<u>Total Existing Reserve Capacity - Average Flow (GPD)</u>
VFSA Pumping Station	0.14%	28,224	11,000	39,224	17,054
East Whiteland**	30.09%	6,066,144		6,066,144	2,637,454
Easttown	14.22%	2,866,752		2,866,752	1,246,414
Malvern	7.93%	1,598,688		1,598,688	695,082
Tredyffrin	33.25%	6,703,200	(11,000)	6,692,200	2,909,652
Willistown	<u>14.37%</u>	<u>2,896,992</u>		<u>2,896,992</u>	<u>1,259,562</u>
	100.00%	20,160,000	-	20,160,000	8,765,217

** Also includes Charlestown Township

Schedule 9.1

	Years 1-3	Year	Year	Year	Year	Year	Year	Year	Years
Revenue Requirement/Rate	Allocation	1	2	3	4 [1]	5 [2]	6 [2]	7 [3]	8-50 [4]
Valley Forge Sewer Authority	0.29%	5,800	5,800	5,800					
Tredyffrin Township	16.32%	326,400	326,400	326,400					
Easttown Township	20.48%	409,600	409,600	409,600					
Borough of Malvern	6.63%	132,600	132,600	132,600					
Willistown Township	21.37%	427,400	427,400	427,400					
East Whiteland Township	34.91%	698,200	698,200	698,200					
Revenue Requirement/Rate		2,000,000	2,000,000	2,000,000	3,100,000	3,193,000	3,288,790	4,013,000	

[1] After the third anniversary of the Effective Date, billings from the Company will be based on metered flows measured at the Connection Points.

[2] The rates that will be effective on the fifth and sixth anniversaries, respectively, of the Effective Date, will be the rate in the prior year plus 3.00%.

[3] The rates that will be effective on the seventh anniversary of the Effective Date will be set at \$4,013,000.

[4] Beginning 180 days prior to the eighth anniversary of the Effective Date, rates shall be set in accordance with Section 9.1 of the Agreement.