SETTLEMENT AGREEMENT BETWEEN THE TOWNSHIP OF SCOTCH PLAINS, RAHWAY VALLEY SEWERAGE AUTHORITY, BOROUGHS OF GARWOOD, KENILWORTH AND ROSELLE PARK, CITY OF RAHWAY, TOWN OF WESTFIELD, AND TOWNSHIPS OF CLARK, CRANFORD, SPRINGFIELD AND WOODBRIDGE SETTLING DISPUTES REGARDING SCOTCH PLAINS

Dated as of March 1, 1994

TABLE OF CONTENTS

Article	Title	Page
Article I	Definitions	5
Section 1.01.	Definitions in Agreement	5
Section 1.02.	Additional Terms	6
Section 1.03.	Other Terms	7
Article II	Use of Westfield Peak Flow Rights	7
Article III	Scotch Plains' Membership in the RVSA	8
Article IV	Permanent Meters	10
Article V	Representations, Warranties and Covenants	14
Section 5.01.	Representations, Warranties and Covenants of the Authority	14
Section 5.01.1.	Corporate Existence of Authority	14
Section 5.01.2.	Binding Obligation of Authority	14
Section 5.02.	Representations, Warranties and Covenants of Westfield	14
Section 5.02.1.	Corporate Existence of Westfield	14
Section 5.02.2.	Binding Obligation of Westfield	15
Section 5.03.	Representations, Warranties and Covenants of Scotch Plains	15
Section 5.03.1.	Corporate Existence of Scotch Plains	15
Section 5.03.2.	Binding Obligation of Scotch Plains	15

Article VI	Remedies	15
Section 6.01.	Remedies for Default	15
Article VII	Successors and Assigns	16
Section 7.01.	Assignment	16
Article VIII	Miscellaneous Provisions	16
Section 8.01.	Severability	16
Section 8.02.	Governing Law	16
Section 8.03.	Headings	16
Section 8.04.	Waiver	16
Section 8.05.	Non-Exclusivity	17
Section 8.06.	Entire Agreement	17
Section 8.07.	Authorization	18
Section 8.08.	Merger of Agreements	18
Section 8.09.	Additional Documents	18
Section 8.10.	Ordinances	18
Section 8.11.	Fair Agreement	19

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made as of the 1st day of March, 1994, by and among the Township of Scotch Plains ("Scotch Plains"), a municipality of the State of New Jersey, with offices located at 430 Park Avenue, Scotch Plains, New Jersey 07076, Rahway Valley Sewerage Authority, a governmental entity organized under the laws of the State of New Jersey, with offices located at 1050 Hazelwood Avenue, Rahway, New Jersey 07065 ("RVSA" or the "Authority"), and the Town of Westfield ("Westfield"), with offices located at 425 East Broad Street, Westfield, New Jersey, 07090, as well as the Boroughs of Garwood ("Garwood"), Kenilworth ("Kenilworth"), and Roselle Park ("Roselle Park"), the City of Rahway ("Rahway"), and the Townships of Clark ("Clark"), Cranford ("Cranford"), Springfield ("Springfield") and Woodbridge ("Woodbridge"), municipal corporations duly organized under the laws of the State of New Jersey (hereinafter Garwood, Kenilworth, Roselle Park, Rahway, Cranford, Clark, Springfield and Woodbridge are collectively referred to as the "Consenting Municipalities") (hereinafter the Consenting Municipalities, together with Westfield, all members of the Authority, are sometimes collectively referred to as the "Member Municipalities").

W I T N E S S E T H

WHEREAS, the Member Municipalities entered into a certain agreement dated August 8, 1951 by which the Authority was established pursuant to the New Jersey Sewerage Authority Law, N.J.S.A. 40:14A-1 et seq. ("1951 RVSA Agreement");

WHEREAS, pursuant to Article 9.1 of the 1951 RVSA Agreement and prior to any Member Municipality selling flow rights to any other Member Municipality or any non-member municipality, such selling municipality is required to offer the same amount of flow rights for sale to each of the other Member Municipalities ("Right of First Refusal");

WHEREAS, Scotch Plains and Westfield entered into a certain agreement dated June 28, 1948 (the "1948 Scotch Plains-Westfield Agreement"), whereby Scotch Plains purchased flow rights from Westfield in the amount of 1.0 mgd average daily flow, not to exceed 2.0 mgd peak flow;

WHEREAS, Scotch Plains and Westfield entered into a certain agreement amending the 1948 Scotch Plains-Westfield Agreement dated August 21, 1973 (the "1973 Scotch Plains-Westfield Agreement"), whereby Westfield sold to Scotch Plains flow rights in the amount of an additional .25 mgd average daily flow, not to exceed .50 mgd peak flow ("Supplemental Flow"), subject to all of the terms contained in the 1948 Scotch Plains-Westfield Agreement;

WHEREAS, in 1990 Scotch Plains and Westfield entered into a third agreement amending the 1948 Scotch Plains-Westfield Agreement (the "1990 Scotch Plains-Westfield Agreement"), whereby Westfield sold to Scotch Plains flow rights in the amount of an additional 1.0 mgd average daily flow, not to exceed 2.0 mgd peak

flow ("Additional Supplemental Flow"), subject to all of the terms contained in the 1990 Scotch Plains-Westfield Agreement;

WHEREAS, sewage flows from Westfield into the RVSA Sewerage System through the Westfield Spur, which spur is also used for the transmission of sewage from Scotch Plains;

WHEREAS, because the transmission capacity of the Westfield Spur is limited, peak flow transmission by Westfield through the Westfield Spur has been restricted so as not to exceed the maximum established by the 1951 RVSA Agreement (the "Westfield Transmission Maximum");

WHEREAS, the Westfield Transmission Maximum is set forth in Section 8.1 of the 1951 RVSA Agreement at page 4;

WHEREAS, pursuant to Section 8.1 of the 1951 RVSA Agreement, the Westfield Transmission Limitation to the Westfield Spur has been established as 11.11 mgd peak flow;

WHEREAS, the Westfield Transmission Maximum to the Westfield Spur includes transmission of sewage from Scotch Plains;

WHEREAS, Scotch Plains's share of Westfield's transmission to the Westfield Spur has been limited to 4.5 mgd peak flow pursuant to the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the 1990 Scotch Plains-Westfield Agreement("Scotch Plains' Transmission Limitation");

WHEREAS, a certain action entitled "Borough of Mountainside v. Rahway Valley Sewerage Authority, the Boroughs of Garwood, Kenilworth and Roselle Park, the City of Rahway, the Town of

Westfield, and the Townships of Clark, Cranford, Springfield and Woodbridge," Docket No. L-016401-87, Superior Court of New Jersey, Union County ("Litigation"), was commenced by Mountainside in or about January 1987;

WHEREAS, Scotch Plains sought to intervene in the Litigation and was granted status to intervene as a party-plaintiff by Order dated May 10, 1989;

WHEREAS, Scotch Plains, the Authority and Westfield (hereinafter collectively referred to as the "Participants") have undertaken settlement negotiations to resolve the disputes among the Participants directly, and the Consenting Municipalities indirectly;

WHEREAS, this Agreement, together with those documents incorporated herein by reference, are intended to embody all of the terms and conditions of the settlement among the Participants, and with the approval of the Consenting Municipalities; and

WHEREAS, the Participants and the Consenting Municipalities are entering into this Agreement to avoid further expense, inconvenience and delay, dispose of potentially burdensome and protracted litigation, permit, where applicable, the continued fulfillment of their respective duties and responsibilities unhindered by the demands of the Litigation and the distraction and diversion of their personnel, and thereby put to rest the

controversy regarding Scotch Plains, except as may be otherwise expressly provided in this Agreement;

NOW, THEREFORE, in consideration of the terms, covenants, conditions and agreements contained herein, it is hereby agreed by and among the parties, as follows:

Article I

DEFINITIONS

Section 1.01. Definitions in Agreement. Throughout this Agreement, each of the following terms shall have the meaning set forth opposite said term unless the context clearly otherwise requires:

(a) "Agreement" - This Agreement dated as of the date hereinabove first written, together with all attachments, and as it may be amended from time to time.

(b) "Consulting Engineer" - The Engineer of the Rahway Valley Sewerage Authority or his agent or representative.

(c) "MGD" - Million gallons per day, a measure of sewage flow.

(d) "NJDEP" - The State of New Jersey, Department of Environmental Protection

(e) "Peak Flow" - The maximum rate of flow in terms of million gallons per day contributed to the sewer and transmitted to the RVSA Sewerage System by a municipality for any period of time however brief.

(f) "Peak Flow Rights" - The peak flow to which each Member Municipality is entitled in the Sewer, or parts thereof, in accordance with the terms of Article 8 of the 1951 RVSA Agreement.

(g) "RVSA Sewerage System" - Any devices, facilities, structures, equipment or works owned or operated by the RVSA for the purpose of transmission, storage,

treatment, recycling and reclamation of industrial and domestic wastes, including sewers, conduits, pipelines and other conveyances, outfall sewers, sewage collection systems, cooling towers and ponds, pumping, power and other equipment and their appurtenances; extensions, improvements; and any other works including sites for the treatment process or for ultimate disposal of residues resulting from such treatment.

(h) "Sewer" - A pipe or conduit constituting a part of the RVSA Sewerage System, used or usable to collect and convey sewerage and to which ground, surface, storm and other non-sewerage waters or liquids are not admitted intentionally.

(i) "Sewerage" - A combination of the water-borne wastes from residences, businesses, institutions and industrial establishments, together with such ground, surface and stormwaters as may be present in the RVSA Sewerage System.

(j) "Westfield Transmission Maximum" - The maximum rate of flow in terms of million gallons per day contributed to the sewer and transmitted to the Westfield Spur of the RVSA Sewerage System for any period of time however brief.

(k) "Treatment Works Approval" - An approval issued by the NJDEP pursuant to N.J.S.A. 58:10A-6 and N.J.A.C. 7:14A-22 et seq., or pursuant to former N.J.S.A. 58:12-3.

(l) "Treatment Works Sewer Connection Endorsement" - An application to be filed with the RVSA by any User not subject to NJDEP Treatment Works Approval, prior to building, installing, modifying or operating any facility for the collection, treatment, or discharge of wastewater, including any connection as defined herein.

Section 1.02. Additional Terms. The following additional terms are defined elsewhere in this Agreement: "1948 Scotch Plains-Westfield Agreement", "1951 RVSA Agreement", "1973 Scotch Plains-Westfield Agreement", "1990 Scotch Plains-Westfield Agreement", "Admission Payment", "Interest", "Order Date",

"Permanent Meter", "Right of First Refusal", "Scotch Plains' Transmission Limitation", and "Settlement Order".

Section 1.03. Other Terms. If a term is not defined in this Agreement, the term shall be defined as found in the following documents or sources in the following order of priority: (a) 1951 RVSA Agreement; (b) N.J.S.A. 40:14A-1; (c) any other New Jersey statute which is applicable to sewerage authorities; and (d) any New Jersey regulations which are applicable to sewerage authorities.

Article II

Use of Westfield Peak Flow Rights

Section 2.01. Until such time as Scotch Plains becomes a member of RVSA, if ever, Scotch Plains and Westfield shall be considered as jointly utilizing the peak flow rights belonging to Westfield; provided that (i) the combined peak flows generated by Scotch Plains and Westfield do not exceed the peak flow rights belonging to Westfield as set forth in the 1951 RVSA Agreement; (ii) the combined contribution by Scotch Plains and Westfield of flow to the Westfield Spur does not exceed the Westfield Transmission Maximum; and (iii) Scotch Plains conforms fully to the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the 1990 Scotch Plains-Westfield Agreement.

Section 2.02. The 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the

1990 Scotch Plains-Westfield Agreement shall not change the amount of peak flow rights belonging to Westfield pursuant to the 1951 RVSA Agreement, unless and until such time as Scotch Plains may become a member of the RVSA, if ever, in accordance with the terms of this Agreement. In such event, Westfield's peak flow rights under the 1951 RVSA Agreement shall be reduced by the peak flow rights allocated to Scotch Plains by that amount purchased by Scotch Plains pursuant to the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the 1990 Scotch Plains-Westfield Agreement.

Section 2.03. Nothing herein contained shall constitute approval of or acquiescence by any party except Scotch Plains and Westfield in the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the 1990 Scotch Plains-Westfield Agreement, including but not limited to those provisions dealing with the sale of peak flow rights and/or the right of Scotch Plains to purchase peak flow rights offered by any member of RVSA; except as may be otherwise set forth herein.

Article III

Scotch Plains' Membership in the RVSA

Section 3.01. As a condition of membership in the Authority, Scotch Plains shall (i) pay to the Authority within six (6) months of the Order Date the sum of Two Hundred Fifty Thousand ($250,000) Dollars ("Admission Payment"), together with

all interest accruing on that amount ("Interest") from the date ("Order Date") that an order is entered, and Scotch Plains is given notice of said order, approving this Agreement ("Settlement Order") until the Admission Payment is made; and (ii) install the Permanent Meters pursuant to Article Four of this Agreement. Based upon the annual rate derived from the Standard & Poor's Municipal 15-Bond Average Index, Interest shall accrue at 5.44%.

Section 3.02. In the event it is determined after at least three (3) months worth of peak flow data has been generated by the Permanent Meters as described in Article IV of this Agreement that (i) Scotch Plains is exceeding its peak flow rights as established in accordance with the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield Agreement and the 1990 Scotch Plains-Westfield Agreement and this Agreement, and/or (ii) the contribution of Scotch Plains of flow into the Westfield Spur exceeds Scotch Plains' Transmission Limitation, then the Authority reserves the right to impose technical requirements on Scotch Plains as the Authority may determine are appropriate as of that time. Upon satisfaction of the conditions contained in Section 3.01, Scotch Plains shall become a member of the Authority and shall appoint its initial representative to the Authority for a period of five (5) years commencing with the immediately prior February 1st.

Section 3.03. Pursuant to the terms of the 1948 Scotch Plains-Westfield Agreement, the 1973 Scotch Plains-Westfield

Agreement, the 1990 Scotch Plains-Westfield Agreement, and this Agreement, in the event that Scotch Plains becomes a member in the Authority, Scotch Plains's peak flow rights for purposes of the 1951 RVSA Agreement shall be 4.5 mgd.

Section 3.04. If, after becoming a member, Scotch Plains's peak flows are determined to exceed 4.5 mgd more than ten (10) times in any one measuring year, the Authority reserves the right, pursuant to applicable statutes, regulations, the 1951 RVSA Agreement, and this Agreement, to prohibit new and/or additional hookups in Scotch Plains and reserves the right to require Scotch Plains to take steps necessary to reduce the excess flow, so that the eleventh (11th) highest peak flow recorded during the current or next measuring year for Scotch Plains ("Excess Flow") is less than 4.5 mgd, including but not limited to providing additional means for conveying such Excess Flow, and/or providing means for retaining flows so that Excess Flows do not occur.

Article IV

Permanent Meters

Section 4.01. Scotch Plains shall install two permanent meters, which are (i) equivalent to an ADS meter, **and/or** (ii) compatible with the ADS meters recently installed by the Authority on the RVSA Sewerage System, and (iii) compatible with RVSA's computer software and hardware for reading and analyzing RVSA's meters ("Permanent Meters").

Section 4.02. The two Permanent Meters shall be installed at Scotch Plains's own cost and expense in the following locations and/or manner:

(1) An ADS type flow meter, including all required electrical, telemetric, site restoration, etc., shall be installed in the existing 18" sanitary sewer located in Tamques Park, Westfield, New Jersey in the furthest downstream manhole of the Scotch Plains system.

(2) A telemetric interface unit ("black box"), which is capable of converting and transmitting data in a form compatible with the Authority's metering system, shall be installed at the existing magmeter at the Lambert's Mill Road Pumping Station.

(a) The black box must be capable of receiving the industry standard 4-20 mA flowmeter output signal.

(b) In the event that the existing magmeter is no longer functional, it shall be replaced by Scotch Plains.

(c) The Authority shall not be required to adjust any meter readings because of fluctuations due to the pump station being operated in an on/off or flowmatching fashion and Scotch Plains may be subject to additional rental charges pursuant to the 1951 RVSA Agreement.

(d) A new chart recorder with totalizer shall be installed at the Pumping Station to record the pump output. The recorder shall be for local use only and the only the data

transmitted by the black box shall be used by the Authority for determining user charges and measuring flowrates.

(e) The frequency of flowrate measurement from the totalized flowrate through the phone modem shall be at a rate acceptable to the Authority.

Section 4.03. The Permanent Meters shall be installed in the manner described in Section 4.02 and in complete operation no later than ninety (90) days from the Order Date. Upon completion of installation, Scotch Plains shall notify the Authority. The Authority's representatives shall then determine within fifteen (15) days of receipt of said notification whether the Permanent Meters have been installed and are operational in accordance with this Agreement. If they determine that the Permanent Meters, or either of them, are not properly installed and/or operational, Scotch Plains shall undertake to install same or make them operational within thirty (30) days thereafter at the very latest.

Section 4.04. Once the Permanent Meters are in operation and are accepted by the Authority, the Authority shall then maintain the Permanent Meters.

(1) However, so long as Scotch Plains is not a member of the Authority, Scotch Plains shall be responsible for all costs related to maintenance of the Permanent Meters and shall reimburse RVSA for all such costs including, but not limited to, the costs of RVSA personnel and any separate charges imposed by

any third parties in connection with the Permanent Meters, including but not limited to monthly analysis of the Permanent Meters' results. Scotch Plains shall be required to pay all such charges within thirty (30) days of receipt of RVSA's invoice for same.

(2) In the event that the existing magmeter at the Lambert's Mill Pumping Station is not operational, ceases to operate, or fails to operate within a reasonable degree of accuracy comparable to the ADS meters utilized by the Authority, all within five (5) years from the date that the work described in Section 4.03 is completed, then and in such event, and not withstanding anything otherwise contained herein, Scotch Plains shall be responsible, at its sole cost and expense, for repairing and/or replacing that meter with a type which is acceptable to the Authority. If repairs are made by Scotch Plains which require further repairs more than two times in the same calendar year, Scotch Plains shall be obligated to replace the meter with a type acceptable to the Authority.

(3) RVSA shall not charge Scotch Plains for reading the Permanent Meters and changing any tapes, if and when necessary.

(4) Scotch Plains shall be permitted, at its own expense, to read the Permanent Meters and to obtain a copy of any analysis of the Permanent Meters performed for or by RVSA.

Article V

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.01. Representations, Warranties and Covenants of the Authority. The Authority hereby makes the following representations, warranties and covenants.

Section 5.01.1. Corporate Existence of Authority. The Authority is a body politic and corporate and a public instrumentality of the State of New Jersey, duly organized and validly existing under the laws of the State of New Jersey, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

Section 5.01.2. Binding Obligation of Authority. The Authority has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by the Authority and constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

Section 5.02. Representations, Warranties and Covenants of Westfield. Westfield hereby makes the following representations, warranties and covenants.

Section 5.02.1. Corporate Existence of Westfield. Westfield is a municipal corporation, duly organized and validly existing under the laws of the State of New Jersey, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

Section 5.02.2. Binding Obligation of Westfield. Westfield has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by Westfield and constitutes a legal, valid and binding obligation of Westfield, enforceable against Westfield in accordance with its terms.

Section 5.03. Representations, Warranties and Covenants of Scotch Plains. Scotch Plains hereby makes the following representations, warranties and covenants.

Section 5.03.1. Corporate Existence of Scotch Plains. Scotch Plains is a municipal corporation, duly organized and validly existing under the laws of the State of New Jersey, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

Section 5.03.2. Binding Obligation of Scotch Plains. Scotch Plains has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by Scotch Plains and constitutes a legal, valid and binding obligation of Scotch Plains, enforceable against Scotch Plains in accordance with its terms.

Article VI

Remedies

Section 6.01. Remedies for Default. Any remedy provided in this Agreement shall be cumulative; i.e., in addition to each and every remedy herein provided; and in addition to all

other suits, actions or legal proceedings, the Authority **and Consenting Municipalities** shall be entitled as of right to an injunction or other equitable relief against any breach of any of the provisions of this Agreement.

Article VII

Successors and Assigns

Section 7.01. Assignment. No party shall, in whole or in part, assign its rights and responsibilities under this Agreement, or otherwise dispose of any right, title or interest under this Agreement, without obtaining written approval of RVSA.

Article VIII

Miscellaneous Provisions

Section 8.01. Severability. If any provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be deemed affected thereby.

Section 8.02. Governing Law. This Agreement shall be governed by and construed and enforced pursuant to the substantive and procedural laws of the State of New Jersey.

Section 8.03. Headings. All headings in this Agreement are for ease of reference only and do not constitute part of this Agreement.

Section 8.04. Waiver. Failure on the part of any party to this Agreement to enforce its rights under any provision of this Agreement or any of the other agreements referred to herein shall not be construed as a waiver of that party's right

to enforce such provision(s) in the future. Specifically such failure shall not operate as a waiver of any provisions of this Agreement, or of any power herein reserved to the Authority, or any right to damages herein provided, nor shall any waiver of any breach of this Agreement be held to be a waiver of any other or subsequent breach.

Section 8.05. Non-Exclusivity. This Agreement is the result of extensive negotiations between the parties. It is agreed that this Agreement shall not be considered the exclusive product of any one of the parties and no provision of this Agreement shall be construed as a matter of law for or against any of the parties.

Section 8.06. Entire Agreement. This Agreement contains the entire agreement among the parties as it relates to the disputes involving Scotch Plains. There are no other terms, understandings, obligations, covenants, representations, statements, conditions or inducements, oral or otherwise, of any kind whatsoever. No change or addition shall be made to this Agreement except by written memorandum executed by the parties. The requirement for such a writing shall apply to any waiver of the requirement of a written modification pursuant to this Article, and this requirement shall be deemed an essential term of this Agreement. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Section 8.07. Authorization. This Agreement has been executed on behalf of the parties by their proper corporate officers who, by their execution and delivery, individually represent that the execution and delivery of this Agreement has been duly authorized by the appropriate authority and that they have the requisite capacity to bind their respective governmental agency.

Section 8.08. Merger of Agreements. The parties acknowledge that this Agreement is intended to supplement and amend any and all existing agreements among the parties, whether written or oral and, upon execution and delivery hereof, all such previous agreements, if any, or representations shall become merged in this Agreement, including but not limited to the 1951 RVSA Agreement.

Section 8.09. Additional Documents. The parties agree to execute any and all further documents and to do such further and other things that may be reasonably necessary to effectuate fully the provisions of this Agreement including a Settlement Order in the form attached as Exhibit 1, which shall be held in escrow by counsel to the Authority until this Agreement has been executed on behalf of all of the parties.

Section 8.10. Ordinances. The parties shall each adopt an ordinance in the form attached as Exhibit 2, pursuant to the Interlocal Government Services Act, N.J.S.A. 40:8A-1 et seq., within forty-five (45) days from the date that the Settlement

Order is executed by the Court, and RVSA shall adopt a resolution authorizing entry into this Agreement, pursuant to N.J.S.A. 40:14A-1, et seq. within the same time frame. The Member Municipalities shall each adopt an ordinance amending the 1951 RVSA Agreement, in the form attached as Exhibit 3, pursuant to the Interlocal Government Services Act, N.J.S.A. 40:8A-1 et seq., and the Sewerage Authority Act, N.J.S.A. 40:14A-1 et seq., within forty-five (45) days from the date that the Settlement Order is executed by the Court.

Section 8.11. Fair Agreement. The parties acknowledge that this is a fair agreement and that it is not the result of any fraud, duress or undue influence exercised by any of the parties or any third persons upon any of the parties or upon some third party. This Agreement contains the entire understanding of the parties as it relates to the disputes involving Scotch Plains, and there are no representations, promises, warranties, covenants or undertakings other than those expressly set forth herein. Legal counsel have been independently selected, and the parties represent, each to the other, that their respective legal counsel have fully reviewed and fully explained to them the legal and practical effect of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

ATTEST: RAHWAY VALLEY SEWERAGE AUTHORITY

Richard P. Gonder, Secretary

By: Allen Chin, Chairman

ATTEST:

Joy C. Vreeland, Town Clerk

TOWN OF WESTFIELD

By: Garland C. Boothe, Jr., Mayor

ATTEST:

Kathleen R. Leonard, Tp. Clerk

TOWNSHIP OF CLARK

BY: Robert Ellenpost, Mayor

ATTEST:

TOWNSHIP OF SPRINGFIELD

Helen E. Keyworth
Helen Keyworth, Township Clerk

By: Marsha Forman
Marsha Forman, Mayor

ATTEST:

Philip M. Cerria, Township Clerk

PHILIP M. CERRIA
MUNICIPAL CLERK

TOWNSHIP OF WOODBRIDGE

By: James E. McGreevey, Mayor

ATTEST:

John F. Laezza

John F. Laezza, Township Clerk

TOWNSHIP OF CRANFORD

By: Carolyn J. Vollero

Carolyn J. Vollero, Mayor

ATTEST:

Doris Polidore
Doris Polidore, Borough Clerk

BOROUGH OF GARWOOD

By: Michael Crincoli
Michael R. Crincoli, Mayor

ATTEST: 12-23-94

Margaret Adler
Margaret Adler, Borough Clerk

BOROUGH OF KENILWORTH

By: Joseph J. Rego
Joseph J. Rego, Mayor

ATTEST:

BOROUGH OF ROSELLE PARK

Julia K. Kaulfers, Borough Clerk

By: Helen Ryan, Mayor

ATTEST:

Jean D. Kuc, Borough Clerk

CITY OF RAHWAY

By: James J. Kennedy, Mayor

Exhibit 1

GREENBAUM, ROWE, SMITH, RAVIN & DAVIS
Metro Corporate Campus One
P.O. Box 5600
Woodbridge, New Jersey 07095-0988
(908) 549-5600
Attorneys for Defendant,
Rahway Valley Sewerage Authority

BOROUGH OF MOUNTAINSIDE, Plaintiff, v. RAHWAY VALLEY SEWERAGE AUTHORITY, THE BOROUGHS OF GARWOOD, KENILWORTH AND ROSELLE PARK, THE CITY OF RAHWAY, THE TOWN OF WESTFIELD AND THE TOWNSHIPS OF CLARK, CRANFORD, SPRINGFIELD, WOODBRIDGE AND SCOTCH PLAINS Defendants.	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION UNION COUNTY Docket No. L-016401087 P.W. CIVIL ACTION **CONSENT ORDER SETTLING SCOTCH PLAINS INTERVENTION COMPLAINT ONLY**

THIS MATTER having been opened to the Court and the Court having considered the application of the parties to enter into a Settlement Order approving the Settlement Agreement entered into by the parties relating to the disputes involving Scotch Plains and approving modifications to the 1951 Rahway Valley Sewerage Authority Agreement; and it appearing that (i) the claims asserted by Mountainside, to the extent they are not or have not yet been settled, continue and are not affected by the entry of this Order; (ii) the Cross-Claim asserted by Clark is not affected by the entry of this Order to the extent it has not yet been settled; (iii) consent has been given by

all parties to the entry into this Order; (iv) the Plaintiff on the Intervention Complaint, Township of Scotch Plains, and each Defendant that is a member municipality of the Rahway Valley Sewerage Authority ("RVSA") have adopted or are about to adopt ordinances approving entry into the aforementioned Settlement Agreement; (v) RVSA has adopted or is about to adopt a resolution approving entry into the aforementioned Settlement Agreement; (vi) each Defendant that is a member municipality of the Rahway Valley Sewerage Authority ("RVSA") has adopted or is about to adopt ordinances approving the modifications to the aforementioned agreements; and good cause having been shown;

IT IS on this day of January, 1995,

ORDERED that the aforementioned Settlement Agreement and the terms embodied therein relating to Scotch Plains, a copy of which is attached hereto as Exhibit A, be and hereby is approved; and it is further

ORDERED that the Complaint on Intervention of Scotch Plains be, and hereby is, dismissed with prejudice and without costs; and it is further

ORDERED that a copy of this Order shall be distributed to all counsel for all parties within 7 days of receipt of same by counsel for the Rahway Valley Sewerage Authority.

EDWARD W. BEGLIN, JR., A.J.S.C.

Exhibit 2

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE MAYOR AND CLERK OF THE BOROUGH OF GARWOOD TO EXECUTE AN AGREEMENT WITH THE RAHWAY VALLEY SEWERAGE AUTHORITY, THE TOWNSHIPS OF CRANFORD, CLARK, SCOTCH PLAINS, SPRINGFIELD AND WOODBRIDGE, THE BOROUGHS OF KENILWORTH AND ROSELLE PARK, THE CITY OF RAHWAY, AND THE TOWN OF WESTFIELD TO RESOLVE VARIOUS DISPUTES RELATED TO THE TOWNSHIP OF SCOTCH PLAINS

BE IT ORDAINED BY THE MAYOR AND COUNCIL of the Borough of Garwood, County of Union, State of New Jersey, as follows:

Section 1. The Mayor and Clerk of the Borough of Garwood are hereby authorized to execute a certain agreement on behalf of Garwood with the municipalities of Cranford, Kenilworth, Roselle Park, Rahway, Westfield, Clark, Scotch Plains, Springfield and Woodbridge and the Rahway Valley Sewerage Authority for the purpose of settling disputes related to a portion of a certain law suit entitled "Borough of Mountainside v. Rahway Valley Sewerage Authority, et als.," Docket No. L-016401-87, Superior Court of New Jersey, Union County, specifically a certain interventions complaint previously asserted by the Township of Scotch Plains; as well as resolving certain other disputes involving Scotch Plains, all referenced in said agreement.

Section 2. A copy of the agreement referred to herein is available for review in the offices of the Borough Clerk.

Section 3. This ordinance shall take effect upon second reading and publication in accordance with New Jersey law.

_____
Michael R. Crincoli, Mayor

Attest:

_____
Doris Polidore, Borough Clerk

Introduced:_____

Initial Publication Date: _____

Adopted:_____

Final Publication Date: _____

Exhibit 3

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE MAYOR AND CLERK OF THE TOWNSHIP OF CRANFORD TO EXECUTE AN AGREEMENT WITH THE TOWNSHIPS OF WOODBRIDGE, CLARK, AND SPRINGFIELD, THE BOROUGHS OF GARWOOD, KENILWORTH, AND ROSELLE PARK, THE CITY OF RAHWAY, AND THE TOWN OF WESTFIELD AMENDING AN AGREEMENT DATED AUGUST 8, 1951 BY WHICH THE RAHWAY VALLEY SEWERAGE AUTHORITY WAS ESTABLISHED

BE IT ORDAINED BY THE Township Committee of Cranford, County of Union, State of New Jersey, as follows:

Section 1. The Mayor and Clerk of the Township of Cranford are hereby authorized to execute an agreement with the municipalities of Garwood, Kenilworth, Roselle Park, Rahway, Westfield, Clark, Springfield and Woodbridge for the purpose of amending a certain agreement, dated August 8, 1951, by which the Rahway Valley Sewerage Authority ("Authority") was established ("Agreement") by Cranford, Garwood, Kenilworth, Roselle Park, Rahway, Westfield, Clark, Springfield and Woodbridge ("Member Municipalities"), pursuant to the New Jersey Sewerage Authority Law, N.J.S.A. 40:14A-1 et seq.

Section 2. Section 8.1 of the Agreement is amended in part so as to provide an alternative provision as it relates to Westfield which shall only become applicable and effective if and when the Township of Scotch Plains ("Scotch Plains") becomes a member of the Authority in accordance with a certain agreement between Scotch Plains, the Member Municipalities and the Authority, dated as of March 1, 1994 ("Scotch Plains Agreement").

The existing provision as to Westfield now reads:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Westfield	Joint Trunk Section 1	14.92
	Joint Trunk Section 1A	14.92
	Joint Trunk Section 2	14.92
	Joint Trunk Section 3	14.92
	Westfield Spur	11.11
	Cranford Sub Trunk	4.31
	Garwood Main Spur	4.31
	S. Garwood Spur	1.72
	N. Garwood Spur	2.59

The amended portion of this Section as it relates to Westfield and Scotch Plains, to become effective as of the date Scotch Plains becomes an Authority member, shall provide as follows:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Westfield	Joint Trunk Section 1	10.42
	" " " 1A	10.42
	" " " 2	10.42
	" " " 3	10.42
	Westfield Spur	6.61
	Cranford Sub Trunk	4.31
	Garwood Main Spur	4.31
	S. Garwood Spur	1.72
	N. Garwood Spur	2.59

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Scotch Plains	Joint Trunk Section 1	4.5
	" " " 1A	4.5
	" " " 2	4.5
	" " " 3	4.5
	Westfield Spur	4.5

Section 3. Section 8.1 of the Agreement is further amended in part so as to provide an alternative provision as it relates to Cranford which shall only become applicable and effective if and when the Borough of Mountainside ("Mountainside") becomes a

member of the Authority in accordance with a certain agreement between Mountainside, the Member Municipalities and the Authority, dated as of April 1, 1994 ("Mountainside Agreement"). The existing provision as to Cranford now reads:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Cranford	Joint Trunk Section 1	11.75
	" " " 1A	11.75
	" " " 2	11.75
	" " " 3	10.25
	Cranford Sub Trunk	10.25

Also Cranford has the right to contribute to the various spurs and sub-trunks within its limits for a total contribution at a rate not to exceed 10.25 M.G.D. but such contribution shall be made at such points as not to exceed the capacity of the spurs and sub-trunks when added to the rights of contribution to such spurs and sub-trunks of Westfield, Garwood, Kenilworth, Springfield and Roselle Park, provided, however, that Cranford shall have no right to contribute to the Garwood spurs and shall have no right to contribute in excess of 1.5 M.G.D. to the Roselle Park Spur.

The amended portion of this Section related to Mountainside and Cranford, to become effective as of the date that Mountainside becomes an Authority member, shall provide as follows:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Cranford	Joint Trunk Section 1	11.75 minus MPFR
	" " " 1A	11.75 minus MPFR
	" " " 2	11.75 minus MPFR
	" " " 3	10.25 minus MPFR
	Cranford Sub Trunk	10.25 minus MPFR

Also Cranford has the right to contribute to the various spurs and sub-trunks within its limits for a total contribution at a rate not to exceed 10.25 M.G.D., but such contribution shall be made at such points as not to exceed the capacity of the spurs and sub-trunks when added to the rights of contribution to such spurs and sub-trunks of Westfield, Garwood, Kenilworth, Springfield and Roselle Park, and Scotch Plains and/or Mountainside, if either Scotch Plains and/or Mountainside, or both, possess any such rights, and if either Scotch Plains or

Mountainside, or both, become members of the Authority; provided, however, that Cranford shall have no right to contribute to the Garwood spurs and shall have no right to contribute in excess of 1.5 M.G.D. to the Roselle Park Spur.

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Mountainside	Joint Trunk Section 1	MPFR
	" " " 1A	MPFR
	" " " 2	MPFR
	" " " 3	MPFR
	Cranford Sub Trunk	MPFR
	Cranford Spur	MPFR

Section 4. Section 8.1 of the Agreement is further amended in part so as to provide alternative provisions as they relate to Clark, Garwood and Rahway, some of which amendments shall only become applicable and effective if, and when, Clark exercises certain rights to purchase Peak Flow Rights from Garwood and/or Rahway in accordance with a certain Agreement between the member municipalities and the Authority dated as of September 1, 1994 ("Clark Agreement"). The existing provisions as to Garwood, Clark and Rahway now read:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Garwood	Joint Trunk Section 1	5.29
	" " " 1A	5.29
	" " " 2	5.29
	" " " 3	5.29
	Cranford Sub Trunk	5.29
	Cranford Spur	5.29
	Garwood Main Spur	5.29
	N. Garwood Spur	3.47
	S. Garwood Spur	2.32

Garwood's contribution to the North Garwood Spur and the South Garwood Spur shall be made at such points as not to exceed the capacities of the spurs when added to Westfield's right of contribution to said spurs.

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Clark Township	Joint Trunk Section 1	3.01
	" " " 1A	3.01
	" " " 2	3.01
	" " " 3	3.01

Also Clark Township has the right to contribute to the various spurs and sub-trunks within its limits for a total contribution at a rate not to exceed 3.01 M.G.D. but such contribution shall be made at such points as not to exceed the capacity of the spurs and sub trunks when added to the rights of contribution to such spurs and sub-trunks of Westfield, Garwood, Kenilworth, Springfield, Roselle Park, and Cranford.

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Rahway	Joint Trunk Section 1	16.84
	" " " 1A	14.86
	" " " 2	11.86
	Woodbridge Spur	1.98

Also Rahway has the right to contribute to Joint Trunk Section 3 but such contribution shall be limited to an amount which will not exceed the capacity of the said Section 3 when added to the rights of contribution of Westfield, Garwood, Kenilworth, Springfield, Roselle Park, Cranford and Clark Township.

The amended portions of this Section as they relate to Garwood, Clark and Rahway shall provide as follows, to become effective as of the effective date of this Amendment, or, where indicated, when Clark exercises certain rights to purchase Peak Flow Rights from Garwood and/or Rahway in accordance with the Clark Agreement and the Authority approves same:

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Garwood	Joint Trunk Section 1	4.44
	" " " 1A	4.44
	" " " 2	4.44
	" " " 3	4.44
	Cranford Sub Trunk	5.29
	Cranford Spur	5.29
	Garwood Main Spur	5.29
	N. Garwood Spur	3.47
	S. Garwood Spur	2.32

Garwood's contribution to the North Garwood Spur and the South Garwood Spur shall be made at such points as not to exceed the capacities of the spurs when added to Westfield's right of contribution to said spurs.

Pursuant to the terms of the Clark Agreement, Garwood may hereafter from time to time sell a portion of its Peak Flow Rights to Clark, subject to all of the terms and conditions contained within the Clark Agreement including but not limited to approval by the Authority. Should at any time Garwood sell any portion of its Peak Flow Rights to Clark in accordance with the Clark Agreement, then and in that event Garwood's rates of peak flow through Joint Trunk Sections 1, 1A, 2 and 3 herein described or hereafter amended shall be reduced by the amount of Peak Flow Rights so conveyed without the necessity for adoption of a formal ordinance approving this modification. Notwithstanding any provision contained herein to the contrary, the member municipalities shall have been deemed to have waived their respective rights of first refusal as to each such sale of flow rights by Garwood pursuant to the Clark Agreement, provided each member municipality receives notice from the Authority or Clark of the sale no later than 30 days prior to its consummation, and provided such notice sets forth the respective Peak Flow Rights of Garwood and Clark before and after the proposed sale.

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Clark Township	Joint Trunk Section 1	4.26
	" " " 1A	4.26
	" " " 2	4.26
	" " " 3	4.26

Also Clark Township has the right to contribute to the various spurs and sub-trunks within its limits for a total contribution at a rate not to exceed 3.86 M.G.D. throughout Clark, except Clark may contribute at a rate not to exceed 4.26 M.G.D. at or below where the Winfield Park Spur connects with the Joint Trunk. However, such contributions shall be made at such points

as not to exceed the capacity of the spurs and sub trunks when added to the rights of contribution to such spurs and sub-trunks of Westfield, Garwood, Kenilworth, Springfield, Roselle Park, and Cranford, and/or Scotch Plains and/or Mountainside, if either Scotch Plains or Mountainside, or both, become members of the Authority. Also Clark has the right to contribute to Joint Trunk Section 3, but such contribution shall be limited to an amount which will not exceed the capacity of the said Joint Trunk Section 3 when added to the rights of contribution of Westfield, Garwood, Kenilworth, Springfield, Roselle Park and Cranford, and/or Scotch Plains and/or Mountainside, if either Scotch Plains or Mountainside, or both become members of the Authority.

Pursuant to the terms of the Clark Agreement, Clark may from time to time buy a portion of the Peak Flow Rights of Garwood and/or Rahway, subject to all of the terms and conditions contained within the Clark Agreement. Should at any time hereafter Clark buy any portion of the Peak Flow Rights of Garwood and/or Rahway in accordance with the Clark Agreement, then and in that event Clark's rates of peak flow through Joint Trunk Sections 1, 1A, 2 and 3 herein described or hereafter amended shall be increased by that amount of flow rights purchased without the necessity for adoption of a formal ordinance approving this modification. Notwithstanding any provision contained herein to the contrary, the member municipalities shall have been deemed to have waived their respective rights of first refusal as to each such purchase of flow rights by Clark pursuant to the Clark Agreement, provided each member municipality receives notice from the Authority or Clark of the sale no later than 30 days prior to its consummation, and provided such notice sets forth the respective Peak Flow Rights of Garwood, Clark and Rahway before and after the proposed sale.

Municipality	Parts of the Trunk Sewer System	Rates of Flow In Millions of Gallons Per Day
Rahway	Joint Trunk Section 1	16.44
	" " " 1A	14.46
	" " " 2	11.46
	Woodbridge Spur	1.98

Also Rahway has the right to contribute to Joint Trunk Section 3 but such contribution shall be limited to an amount which will not exceed the capacity of the said Section 3 when added to the rights of contribution of Westfield, Garwood, Kenilworth, Springfield, Roselle Park, Cranford and Clark Township and/or Scotch Plains and/or Mountainside, if either Scotch Plains or Mountainside, or both, become members of the Authority.

Pursuant to the terms of the Clark Agreement, Rahway may hereafter from time to time sell a portion of its Peak Flow Rights to Clark, subject to all of the terms and conditions contained within the Clark Agreement including but not limited to approval by the Authority.

Should at any time Rahway sell any portion of its Peak Flow Rights to Clark in accordance with the Clark Agreement, then and in that event Rahway's rates of peak flow through Joint Trunk Sections 1, 1A and 2 herein described or hereafter amended shall be reduced by that amount of Peak Flow Rights conveyed. Notwithstanding any provision contained herein to the contrary, the member municipalities shall have been deemed to have waived their respective rights of first refusal as to each such sale of flow rights by Rahway pursuant to the Clark Agreement, provided each member municipality has received notice from the Authority of the sale no later than 30 days prior to its consummation, and provided such notice sets forth the respective Peak Flow Rights of Clark and Rahway before and after the proposed sale.

Section 8.1 of the Agreement is further amended as it relates to Clark, Garwood and Rahway and which additional amendment shall only become applicable and effective if, and when, Clark exercises certain rights to purchase Peak Flow Rights from Garwood and/or Rahway in accordance with a certain Agreement between the member municipalities and the Authority dated as of September 1, 1994 ("Clark Agreement").

Section 5. The Agreement is further amended to add Sections 8.6, 8.7 and 8.8, as follows:

8.6.1. Until such time as Scotch Plains becomes a member of the Authority, if ever, Scotch Plains and Westfield shall be considered as jointly utilizing the Peak Flow Rights belonging to Westfield pursuant to various agreements previously executed between Westfield and Scotch Plains, dated June 28 1948 ("1948 Scotch Plains Agreement"), August 21, 1973 ("1973 Scotch Plains Agreement") and April 23, 1990 ("1990 Scotch Plains Agreement"); provided that (i) the combined Peak Flow Rights generated by Westfield and Scotch Plains do not exceed Westfield's Peak Flow Rights as set forth in this Agreement; and (ii) Scotch Plains conforms fully to the terms and conditions of the Scotch Plains Agreement.

8.6.2. Until such time as Mountainside becomes a member of the Authority, if ever, Mountainside and Cranford shall be considered as jointly utilizing the Peak Flow Rights belonging to Cranford pursuant to various agreements previously executed between Cranford and Mountainside, dated September 1, 1951 ("Original Mountainside Agreement") and September 1, 1992 ("Supplemental Mountainside Agreement"); provided that (i) the combined Peak Flow Rights generated by Cranford and Mountainside do not exceed Cran-

ford's Peak Flow Rights as set forth in this Agreement; and (ii) Mountainside conforms fully to the terms and conditions of the Mountainside Agreement.

8.7.1. In the event that Scotch Plains becomes a member of the Authority pursuant to the terms of the Scotch Plains Agreement, Westfield's Peak Flow Rights shall be reduced by the Peak Flow Rights allocated to Scotch Plains pursuant to Section 8.8, as hereafter amended.

8.7.2. In the event that Mountainside becomes a member of the Authority pursuant to the terms of the Mountainside Agreement, Cranford's Peak Flow Rights shall be reduced by the Peak Flow Rights allocated to Mountainside pursuant to Section 8.8, as hereafter amended.

8.8.1. In the event that Scotch Plains becomes a member of the Authority pursuant to the Scotch Plains Agreement, Scotch Plains' Peak Flow Rights for purposes of this Agreement shall be 4.5 M.G.D.

8.8.2. In the event that Mountainside becomes a member of the Authority pursuant to the Mountainside Agreement, Mountainside's Peak Flow Rights for purposes of this Agreement ("Mountainside Peak Flow Rights" or "MPFR") shall be determined at that time to be a minimum of 3.0 M.G.D. and a maximum of 3.3 M.G.D., depending upon the final amount of additional Peak Flow Rights purchased by Mountainside pursuant to the Supplemental Mountainside Agreement.

Section 6. Section 9.2 of the Agreement is amended as follows:

9.2.1. Whenever the Authority shall be advised that any member municipality has exceeded or is exceeding its authorized Peak Flow Rights, as described in Section 8.1 as amended ("Peak Flow Rights"), the Authority shall adopt a resolution fixing a time and place at which a meeting of the Authority shall be held to consider the matter, and a certified copy of said resolution shall be mailed to the Clerk of said municipality at least one (1) week prior to the date fixed for such meeting. At said meeting or any adjournments thereof, a hearing shall be conducted by the Authority for the purpose of providing said municipality with the opportunity to present evidence disputing whether it has exceeded its Peak Flow Rights or the amount that it has exceeded. If the Authority shall find that said municipality has exceeded its Peak Flow Rights for any parts of ten separate days in the preceding measuring year, said municipality shall pay, in addition to all other charges for services during the year in which such excess use occurs, an annual Peak Flow Rights rental charge for the prior measuring year on the Peak Flow Rights used in excess of said municipality's Peak Flow Rights ("Excess Rental Charge").

9.2.2. The Excess Rental Charge shall be assessed at the rate of $5,000.00 per annum per M.G.D. and shall be paid as provided in Section 11.10 hereof. Monies paid to the Authority on account of such excess use in the trunk sewer, excepting that of the Woodbridge Spur, shall be credited to the account of all member municipalities in the proportion that the then unused Peak Flow Rights of each member municipality in Joint Trunk Section 1-A bears to the total unused Peak Flow Rights of all other member municipalities in such Section 1-A. Monies paid to the Authority on account of excess use of the Woodbridge Spur shall be credited to the account of the member municipality then having unused Peak Flow Rights in the Woodbridge Spur.

9.2.3. Notwithstanding anything herein contained in this Section 9.2 to the contrary, Clark shall only be assessed Excess Rental Charge on an annual basis for Peak Flow Rights if Clark has exceeded Peak Flow Rights of 5.0 M.G.D. ("Surcharge") on more than ten separate days, as more fully described in Article 5 of the Clark Agreement. The amount of the Surcharge shall be determined annually based upon the eleventh (11th) highest Peak Flow Rights reading for Clark in excess of 5.0 M.G.D. during the preceding measuring year as shown on the graph to be attached as Exhibit A to the Agreement. Clark shall be required to adopt a bond ordinance in the amount of the Surcharge assessed on Clark for the preceding measuring year, and the Surcharge for each measuring year shall be expended by Clark on Infiltration/Inflow work to the Clark sewerage system, all as more fully described in the Clark Settlement Agreement.

Section 7. Copies of the agreements referred to herein are available for review in the offices of the Municipal Clerk.

Section 8. This Ordinance shall take effect upon second reading and publication in accordance with New Jersey law.

Section 9. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed.

Section 10. In the event any provision of this Ordinance shall be declared invalid by any court of competent jurisdiction, such a declaration of invalidity shall not affect the remaining provisions of this Ordinance except insofar as such provision of this Ordinance as is declared invalid shall be inseparable for

the remainder of any provision thereof.

Attest:

_____
, Mayor

_____
Arlene M. Gigon, Township Clerk

Introduced:_____, 1995 Adopted:_____, 1995

Initial Publication Date: _____, 1995

Final Publication Date: _____, 1995