

EXECUTION COPY

MEMORANDUM OF UNDERSTANDING

By and among the TOWNSHIP OF HAMILTON ("Hamilton"), the TOWNSHIP OF POCONO ("Pocono"), the TOWNSHIP OF STROUD and the STROUD TOWNSHIP SEWER AUTHORITY (collectively, "Stroud"), the BOROUGH OF STROUDSBURG ("Stroudsburg"), the TOWNSHIP OF SMITHFIELD ("Smithfield"), the BOROUGH OF EAST STROUDSBURG ("East Stroudsburg"), the BRODHEAD CREEK REGIONAL AUTHORITY ("BCRA"), all of Monroe County, Pennsylvania, the BRODHEAD WATERSHED ASSOCIATION ("BWA"), a not-for-profit corporation, and CITIZENS FOR PENNSYLVANIA'S FUTURE ("PennFuture"), a not-for-profit corporation.

The undersigned, as duly authorized representatives of and on behalf of their respective organizations, agree to the following terms and conditions to the implementation of a comprehensive solution to the wastewater disposal needs of Hamilton, Pocono, Stroud and Stroudsburg (the "Project").

- A. BCRA shall serve as a regional wastewater treatment authority serving Pocono, Stroud and Stroudsburg as municipal bulk treatment service customers. Affected residents of Hamilton will be served by, or on behalf of, Pocono.
1. Stroudsburg/Stroud shall convey and assign to BCRA their existing sewage treatment plant and required common use facilities, including all required permits and contracts (together the "STP"), within four weeks after BCRA receives a construction (Part 2) permit for the 2.5 MGD Upgrade (hereinafter defined), or earlier if Stroud and Stroudsburg determine it is necessary to implement the terms of this Memorandum of Understanding (the "Memorandum"). This Memorandum shall be deemed to convey a sufficient equitable interest in the STP to enable BCRA to immediately undertake appropriate planning, design and permitting activities as contemplated herein.
 2. BCRA will own, finance, design, construct and operate the STP, including the upgrades necessary to allow the STP to treat up to 2.5 MGD (hereinafter defined) of wastewater (the "2.5 MGD Upgrade") and the upgrades necessary to allow the STP to treat at least 4.5 MGD of wastewater (the "4.5 MGD Upgrade"), and accommodate not less than the effluent characteristics for Pocono described in Exhibit A attached hereto. The maximum waste characteristics applicable to Stroud and Stroudsburg shall be comparable to Pocono's. BCRA will proceed, when appropriate, to acquire additional real property to accommodate the Project, apply for the transfer or assignment of existing permits, and expeditiously apply for new permits and approvals required for the Project and the operation of the STP. BCRA shall contract for all professional services necessary to implement the Project under the milestones described below. All start up and "soft" costs

incurred by BCRA prior to obtaining permanent financing, including the cost of acquiring additional real property to accommodate the Project, shall be reimbursed from funds provided by Pocono, Stroud and Stroudsburg in accordance with paragraph B3 below, payable within 30 days of the date of periodic invoices prepared by BCRA. Each municipality shall adopt a resolution, prior to BCRA paying any Project costs from its own funds, confirming its obligation to reimburse BCRA for such costs.

3. Pocono will purchase its interest in the existing STP for the amount of approximately \$3,900,000 (44% of \$8,800,000) allocable to Stroud (60%) and Stroudsburg (40%) by assuming a portion of the debt otherwise attributable to Stroud and Stroudsburg at the time of the 2.5 MGD Upgrade and at time of the 4.5 MGD Upgrade (the "Purchase Credits"). 50% of the Purchase Credits will be applied by BCRA for the benefit of Stroud and Stroudsburg at the time of the 2.5 MGD Upgrade and 50% of the Purchase Credits will be applied at the time of the 4.5 MGD Upgrade.
4. BCRA will enter into bulk sewage treatment agreements with Pocono, Stroud, Stroudsburg based on the formulas outlined in this Memorandum and as further negotiated by such parties (the "Treatment Agreements"). Each municipality will continue to own (or construct) and operate its respective sewage collection system and set rates payable by individual users within its boundaries. Any such municipality may elect to contract with BCRA for billing, management and operation services regarding its collection system under separate agreement. As to those parties executing the Treatment Agreements, the Treatment Agreements shall supersede this Memorandum.
5. All design and permitting efforts undertaken to date by Pocono in connection with its individual sewage treatment plant project will be at the sole cost and expense of Pocono. Pocono will assume all costs associated with the design and construction of the collection facilities necessary to serve customers in Pocono and the designated portion of Hamilton.
6. Smithfield hereby consents, under the provisions of BCRA's Articles of Incorporation, to BCRA undertaking the Project as contemplated by this Memorandum. Smithfield shall not be held liable in any way whatsoever for such activities of BCRA, including Project indebtedness, in the absence of an express guaranty or other agreement under which Smithfield becomes a future participant in the Project facilities.

B. The Treatment Agreements will allocate and limit STP capacity (including hydraulic, BOD, ammonia and phosphorus), and the operating costs and debt service payable by BCRA.

1. Capacity Allocation: The Treatment Agreements shall allocate and reserve specified quantities of hydraulic capacity for the exclusive use of each identified municipality and their customers as follows:

a. Existing STP (2.0 MGD Total Available)

Pocono	0.50 MGD
Stroud	0.80 MGD
Stroudsburg	0.70 MGD

b. Following the 2.5 MGD Upgrade

Pocono/Hamilton	1.00 MGD
Stroud	0.80 MGD
Stroudsburg	0.70 MGD

c. Following the 4.5 MGD Upgrade

Pocono/Hamilton	2.00 MGD
Stroud	1.50 MGD
Stroudsburg	1.00 MGD

For all purposes of this Memorandum, and the Treatment Agreements, MGD shall mean millions of gallons per day, calculated as total annual flow divided by 365.

2. Operation and Routine Maintenance Costs ("O&M")

a. Budgeted O&M will be submitted by BCRA to the municipal customers by November 1 of each year with the estimated O&M cost allocation payable by each municipality to include in their respective budgets and rate structure (BCRA could serve as the billing agent for collecting bills in the name of a municipality).

b. Total flow would be metered at the outflow point and the flow by each municipality would be metered separately.

c. O&M would be allocated based on each municipality's annual percentage of the total flow.

d. There would be penalties for excessive flow (hydraulic and strength above that contemplated by Exhibit A).

3. Debt Service

- a. Upon execution of the Treatment Agreements, BCRA will borrow funds for the initial design and other soft costs for the Project, the construction of the 2.5 MGD Upgrade, the construction of the 4.5 MGD Upgrade, and to acquire additional real property necessary to accommodate the Project. Such financings shall include all associated issuance costs and capitalized interest on each financing through the date projected to occur when the initial Pocono customers can be served and revenues collected following completion of the 2.5 MGD Upgrade.
- b. The allocation of the principal amount of (and associated interest on) total BCRA Project debt at the time of construction of the 2.5 MGD Upgrade (inclusive of the debt allocated for design described above) shall be allocated and paid as follows (reduced by 50% of the Purchase Credits):

Pocono/Hamilton	44.45%
Stroud	33.33%
Stroudsburg	22.22%.

- c. The allocation of the principal amount of (and associated interest on) total BCRA Project debt at the time of construction of the 4.5 MGD Upgrade (inclusive of the debt allocated for design and the 2.5 MGD Upgrade described above), shall be allocated and paid by each municipality in accordance with the following methodology:

Pocono/Hamilton: The sum of (1) the principal amount of BCRA debt previously allocated to Pocono/Hamilton in connection with the Project, including the debt assumed by Pocono in connection with the Purchase Credits, plus (2) 44.45% of additional Project debt up to \$32,000,000, plus (3) 44.45% of additional Project debt in excess of \$35,000,000.

Stroud: The sum of (1) the principal amount of BCRA debt previously allocated to Stroud in connection with the Project, net of the deduction for one-half of the Purchase Credits, plus (2) 33.33% of additional Project debt up to \$32,000,000, (minus the remaining one-half of the Purchase Credits), plus (3) 59% of additional Project debt between \$32,000,000 and \$35,000,000, plus (4) 33.33% of the principal amount of Project debt in excess of \$35,000,000.

Stroudsburg: The sum of (1) the principal amount of BCRA debt previously allocated to Stroudsburg in connection with the Project, net of the deduction for one-half of the Purchase Credits, plus (2)

22.22% of additional Project debt up to \$32,000,000, (minus the remaining one-half of the Purchase Credits), plus (3) 41% of additional Project debt between \$32,000,000 and \$35,000,000, plus (4) 22.22% of the principal amount of Project debt in excess of \$35,000,000.

- d. BCRA Debt Service on any future STP projects (after completion of the 4.5 MGD Upgrade) would be paid by the recipient of the additional capacity resulting from the project, or if no new capacity, based on the percentage of total capacity allocated to each municipality at that time.
 - e. The municipalities shall guaranty BCRA debt incurred in connection with the Project in the same percentages as their allocation of debt service principal at each stage described above (net of the Purchase Credits).
 - f. A municipality would have the option to tender cash (from an individual borrowing or grant) in lieu of an allocation and payment of a like principal amount of BCRA debt.
 - g. Outstanding debt of Stroud would not be assumed by BCRA and remain the obligation of Stroud.
 - h. BCRA would be added as a beneficiary in the application for gaming (grant) funds previously submitted by Pocono in relation to its individual sewer system project and pending before Monroe County. Pocono would receive the first \$10,000,000 of such funds distributed by Monroe County and all funds distributed in excess of such amount will be transferred to BCRA to be applied to this Project to pay or retire debt previously allocated or reduce debt previously allocated in the proportions described above (but not reduce the amount or application of the Purchase Credits). BCRA would be encouraged to seek additional grant and subsidized loan funding for the Project, for which it would apply in its own name.
- C. The parties will cooperate and take all reasonable action (or refrain from any interference) required to expedite the multiple phases of the Project.
- 1. BWA, PennFuture, East Stroudsburg, Stroud and Stroudsburg will not appeal Pocono's permit to construct the "dry sewer" project (which does not include construction of a Pocono owned sewage treatment plant) or other permits or approvals required to construct the balance of Pocono's sewage collection and transmission system.
 - 2. Pocono shall construct a force main substantially along the route described in the attached Exhibit B to the STP. Any changes to such route shall be in locations that, in the reasonable judgment of Pocono, will minimize environmental

incursion. Stroud and Stroudsburg will grant permission to Pocono to construct such force main in non-state roads to the STP, and will consent to, and cooperate in, the exercise of eminent domain by Pocono to acquire necessary property interests to construct such force main. Restrictions and conditions for road openings and construction placed upon Pocono by Stroud and Stroudsburg shall be no greater than that which has historically been placed on private developers and other private persons seeking to undertake comparable activities.

3. BCRA, Pocono, Hamilton, Stroud and Stroudsburg will proceed expeditiously to comply with all planning and permitting requirements with the express goal of achieving the following major milestones:
 - a. Engagement of design consultant: 30 days from Memorandum execution
 - b. Treatment Agreement(s) executed: 60 days from Memorandum execution
 - c. Act 537 Planning Adopted by Municipalities: December, 2008
 - d. Substantial completion of the Pocono conveyance system (and commence treatment of Sanofi and Great Wolf wastewater): June, 2011
 - e. Substantial completion of the 2.5 MGD Upgrade: November, 2011
 - f. Substantial completion of the 4.5 MGD Upgrade: November, 2012
4. Pocono will not file any further applications for approval of a separate wastewater treatment plant so long as the Project is proceeding expeditiously, in view of the major milestones stated in paragraph C3. If Pocono determines that the Project is not proceeding expeditiously, Pocono shall provide all parties hereto written notice of such determination and allow a period of at least 60 days for discussion among the parties prior to filing any application for permits to construct its own sewage treatment plant. In the event that Pocono files an application for any permit to construct its own treatment plant, the remaining parties hereto shall be free to oppose or appeal such permit. In such event, Pocono shall pay or reimburse BCRA for its allocable share of all Project costs paid through the date Pocono provides written notice to BCRA that it intends to file an application to construct its own treatment plant.
5. The appeals filed by or within the control of Pocono, BWA, East Stroudsburg, Stroud and Stroudsburg to Pocono's NPDES Permit will be held in abeyance while the Project is proceeding expeditiously, as described in paragraph C4 above. BWA, Stroud, Stroudsburg, East Stroudsburg and Pocono will jointly file a motion to stay such appeals (subject to paragraph C4 above), or to resolve or withdraw them by consent of all parties. Such parties may request a conference call with the judge assigned to the appeals to ensure that the intention of this

Memorandum is understood. If allowed by the judge, BCRA shall be invited to participate in any such conference call.

6. Upon issuance of a DRBC docket approval and a NPDES permit for the 4.5 MGD Upgrade, Pocono shall relinquish its DRBC docket approval and NPDES permit authorizing discharge of treated wastewater to Brodhead Creek.
7. BWA, its undersigned officers and directors (individually as well as on behalf of BWA), East Stroudsburg and PennFuture will not oppose any application or appeal any approval or permit for the 2.5 MGD Upgrade or the 4.5 MGD Upgrade, nor advise or support any other person opposing any application or appealing any approval or permit for the 2.5 MGD Upgrade or the 4.5 MGD Upgrade (including but not limited to sewage planning approvals, wastewater discharge authorizations and construction approvals for such projects).
8. BCRA shall provide BWA, East Stroudsburg and PennFuture reasonable opportunity to review and comment on (but not oppose outright) all application submittals relating to the 2.5 MGD Upgrade and the 4.5 MGD Upgrade prior to submission to the regulatory agencies. BWA, East Stroudsburg and PennFuture agree to return comments at least 20 days prior to submission to the regulatory agencies.
9. Pocono shall provide BWA, East Stroudsburg and PennFuture reasonable opportunity to review and comment on (but not oppose outright) all application submittals relating to its sewage collection system prior to submission to the regulatory agencies. BCRA also shall be included in such review in order to evaluate potential impacts at the STP. BWA, East Stroudsburg and PennFuture agree to return comments at least 20 days prior to submission to the regulatory agencies.
10. Stroud, Stroudsburg, Pocono and Hamilton shall provide to one another and to BWA, East Stroudsburg and PennFuture reasonable opportunity to review and comment on (but not oppose outright) all sewage planning submittals relating to the Project prior to submission to the regulatory agencies. BWA, East Stroudsburg and PennFuture agree to return comments at least 20 days prior to submission to the regulatory agencies. Representatives of Stroud, Stroudsburg, Pocono, Hamilton, BCRA, BWA, East Stroudsburg and PennFuture shall participate in a meeting to take place 30 days after the execution of this Memorandum, to discuss planning efforts to date and voice any concerns.
11. The parties understand and agree that BWA may continue to advocate for decentralized wastewater management, and to submit data relevant to water use determinations, consistent with the terms and spirit of this Memorandum.

12. The parties shall issue a joint press release within one week of the execution of this Memorandum acknowledging the cooperation of all parties in agreeing to a comprehensive solution to the wastewater needs of Hamilton, Pocono, Stroud and Stroudsburg.
13. The parties understand that Sanofi Pasteur Inc. intends to seek planning and other regulatory approval to increase its discharge to Swiftwater Creek, pending implementation of the Project and availability of the proposed collection and treatment services. The parties to a separate Agreement attached as Exhibit C will not oppose any application or appeal any approval or permit authorizing the increased discharge by Sanofi Pasteur, nor advise or support any other person opposing any such application or appealing any such approval or permit, except as provided in such Agreement attached as Exhibit C.
14. The BCRA's participation in the STP project is contingent upon unanimous consent of the project by its incorporating municipalities. Pocono, Stroud and Stroudsburg shall make funds available to BCRA which it can draw as needed to pay startup and soft costs. Pocono, Stroud and Stroudsburg acknowledge that BCRA's ability to fund the Project is contingent upon the strength of each municipality's DCED approved municipal guarantee, and that BCRA will use its "best commercially reasonable efforts" to fund same.
15. The duties and obligations of BCRA to proceed with the Project shall be conditioned upon its execution of an appropriate intermunicipal agreement with Pocono, Stroud and Stroudsburg.

ACCEPTANCES:

ATTEST:

TOWNSHIP OF HAMILTON,
Monroe County, Pennsylvania

David B. Emmer
(Assistant) Secretary

By: *[Signature]*
Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF POCONO,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF STROUD,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ACCEPTANCES:

ATTEST:

TOWNSHIP OF HAMILTON,
Monroe County, Pennsylvania

(Assistant) Secretary

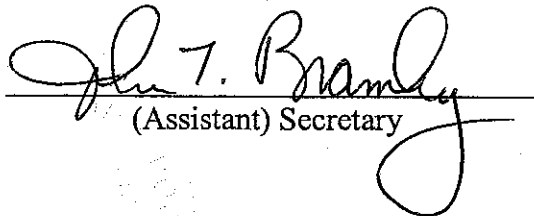
By: _____
(Vice) Chairman of the Board
of Supervisors

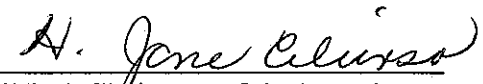
(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF POCONO,
Monroe County, Pennsylvania


(Assistant) Secretary

By: 
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: 7.7.08

ATTEST:

TOWNSHIP OF STROUD,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ACCEPTANCES:

ATTEST:

TOWNSHIP OF HAMILTON,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF POCONO,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF STROUD,
Monroe County, Pennsylvania

Paul A. Emley
(Assistant) Secretary

By: *Edward C. Crane*
(Vice) Chairman of the Board
of Supervisors

(SEAL)


Date of Signature: 10/21/08

ATTEST:

STROUD TOWNSHIP SEWER
AUTHORITY



(Assistant) Secretary

By: 

(Vice) Chairman

(SEAL)

Date of Signature: 10-22-08

ATTEST:

BOROUGH OF STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF SMITHFIELD,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

BOROUGH OF EAST STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

STROUD TOWNSHIP SEWER
AUTHORITY

(Assistant) Secretary

By: _____
(Vice) Chairman

(SEAL)

Date of Signature: _____

ATTEST:

BOROUGH OF STROUDSBURG,
Monroe County, Pennsylvania

Barbara K. Zussittello

(Assistant) Secretary

By: *[Signature]*

(Vice) President of Council

(SEAL)

Date of Signature: 6-4-08

ATTEST:

TOWNSHIP OF SMITHFIELD,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: _____

ATTEST:

BOROUGH OF EAST STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

STROUD TOWNSHIP SEWER
AUTHORITY

(Assistant) Secretary

By: _____
(Vice) Chairman

(SEAL)

Date of Signature: _____

ATTEST:

BOROUGH OF STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

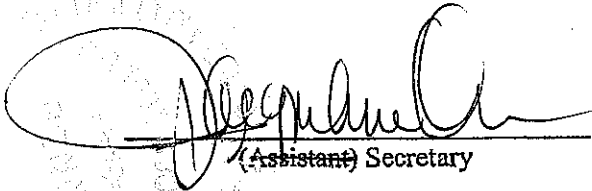
By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF SMITHFIELD,
Monroe County, Pennsylvania



(Assistant) Secretary

By: Bruce Bennett
(Vice) Chairman of the Board
of Supervisors

(SEAL)

Date of Signature: 10/14/08

ATTEST:

BOROUGH OF EAST STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

STROUD TOWNSHIP SEWER
AUTHORITY

(Assistant) Secretary

By: _____
(Vice) Chairman

(SEAL)

Date of Signature: _____

ATTEST:

BOROUGH OF STROUDSBURG,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) President of Council

(SEAL)

Date of Signature: _____

ATTEST:

TOWNSHIP OF SMITHFIELD,
Monroe County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

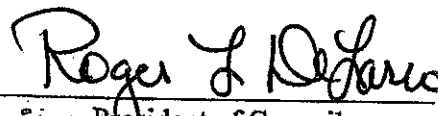
Date of Signature: _____

ATTEST:

BOROUGH OF EAST STROUDSBURG,
Monroe County, Pennsylvania



Secretary

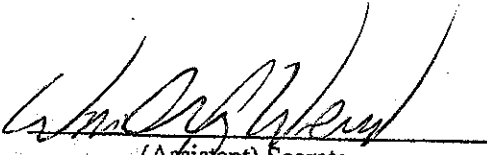
By: 

President of Council

(SEAL)

Date of Signature: July 1, 2008

ATTEST:


(Assistant) Secretary

BRODHEAD CREEK REGIONAL
AUTHORITY

By: 
(Vice) Chairman

(SEAL)

Date of Signature: 9/17/08

ATTEST:

BRODHEAD WATERSHED
ASSOCIATION (and individually)

Title:

By: _____
Dr. Jerilynn Jewett-Smith, President

(SEAL)

Date of Signature: _____

Date of Signature: _____

Frank Herting, Vice President

Date of Signature: _____

Edie Stevens, Treasurer

Date of Signature: _____

Theresa Merli, Director

Date of Signature: _____

Don Baylor, Director

ATTEST:

BRODHEAD CREEK REGIONAL
AUTHORITY

(Assistant) Secretary

By: _____
(Vice) Chairman

(SEAL)

Date of Signature: _____

COMMONWEALTH OF PENNSYLVANIA
 Notarial Seal
 ATTEST: Michelle F. Farley, Notary Public
 Barrett Twp., Monroe County
 My Commission Expires May 27, 2011
 Member, Pennsylvania Association of Notaries

BRODHEAD WATERSHED
ASSOCIATION (and individually)

Michelle F. Farley
Title: Notary Public

By: Dr. Jeryl Lynn Jewett Smith President
Dr. Jeryl Lynn Jewett Smith, President

(SEAL)

Date of Signature: June 22, 2008

Date of Signature: June 21, 2008

Frank A. Herting
Frank Herting, Vice President

Date of Signature: 6-23-2008

Edie Stevens
Edie Stevens, Treasurer

Date of Signature: 6-23-2008

Theresa Merli
Theresa Merli, Director

Date of Signature: June 23, 2008

Don Baylor
Don Baylor, Director

ATTEST: John A. Kelly

CITIZENS FOR PENNSYLVANIA'S
FUTURE

President + CEO
Title:

By: John Hanger
Title:

(SEAL)

Date of Signature: 6-25-08

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
JOHN A. KELLY, Notary Public
Susquehanna Twp., Dauphin County
My Commission Expires Oct. 13, 2010

EXHIBIT A

EXHIBIT A

PICOING TOWNSHIP FLOW AND MASS PRODUCTIONS

May 14, 2009
Project No. 0823AB1

DATE	AREA SERVED	FLOW RANGE	BOD ₅			COD			NH ₃ -N			Total P			TSS			TDS			Oil & Grease			pH					
			Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)	Conc. (mg/L)	Mass (lb/day)	MAX (mg/L)						
June 2011	Small Green Way, 2nd Street	0.477 - 0.609	293	1,035	414	1,441	654	2,332	801	3,106	35	129	41	162	19	28	115	346	1,417	429	1,706	618	2,690	841	3,342	170	617	7	
Nov. 2011	Small Green Way, 2nd Street and 50% Commercial of Franklin	0.329 - 1.0	304	1,736	458	2,412	707	4,179	856	5,043	30	254	42	243	21	126	27	159	329	94	227	501	2,260	617	2,612	131	775	7	
Nov. 2011	Small Green Way, 2nd Street and 50% Commercial of Franklin	0.371 - 1.0	317	2,459	335	3,000	720	5,696	864	5,597	30	289	41	311	22	147	29	226	2,481	965	2,772	485	3,233	512	3,189	111	641	7	
Nov. 2012	Small Green Way, 2nd Street and 50% Commercial of Franklin	2.0 - 3.0	266	5,173	352	5,283	898	11,004	748	12,473	33	650	34	375	19	314	21	316	372	4,544	269	4,930	325	4,385	303	3,079	35	222	7
Nov. 2012	Small Green Way, 2nd Street and 50% Commercial of Franklin	2.0 - 3.0	280	4,888	328	5,414	713	11,900	706	12,764	35	370	36	368	20	333	22	321	372	4,544	290	4,256	293	4,382	302	3,038	36	230	7

Concentration AVG is for Staff at Average concentration. Maximum is for Staff at Maximum concentration. All other concentrations remain the same.

Avg concentrations are 30 Day average
Max concentrations are daily maximum

Project No. 0823AB1

EXHIBIT B



AGREEMENT

This Agreement is entered into this ___ day of June 2008, by and between Sanofi Pasteur Inc. ("Sanofi Pasteur"), a Delaware corporation, Township of Stroud ("Stroud"), a Pennsylvania local government municipality, Borough of Stroudsburg ("Stroudsburg"), a Pennsylvania local government municipality, Borough of East Stroudsburg ("East Stroudsburg"), a Pennsylvania local government municipality, Brodhead Watershed Association ("BWA"), a Pennsylvania non-profit corporation, and Citizens for Pennsylvania's Future ("PennFuture"), a Pennsylvania non-profit corporation (referred to below, collectively, as the "Parties" and, individually, as "Party").

WHEREAS, Stroud, Stroudsburg, East Stroudsburg, BWA, PennFuture and certain municipal entities intend to enter a Memorandum of Understanding (the "MOU") memorializing the terms and conditions upon which they agree to implement a comprehensive solution to the wastewater disposal needs of Hamilton Township, Pocono Township, Stroud and Stroudsburg in Monroe County, Pennsylvania;

WHEREAS, the terms of the MOU provide for the upgrade and expansion of the sewage treatment plant now owned and operated by Stroud and Stroudsburg and the development by Pocono Township of a sewage collection and transmission system so that Pocono Township may be served by the plant;

WHEREAS, the terms of the MOU preclude Pocono Township from continuing to seek approval of a separate wastewater treatment plant, so long as the MOU project is proceeding expeditiously;

WHEREAS, Sanofi Pasteur expected to be a customer of Pocono Township with respect to the wastewater services that were to be provided by the Pocono Township wastewater treatment plant;

WHEREAS, Sanofi Pasteur now expects to be a customer of Pocono Township with respect to the wastewater services to be developed and provided in accordance with the MOU;

WHEREAS, Sanofi Pasteur is concerned that the switch from the Pocono Township wastewater treatment plant project to the wastewater treatment plant project provided by the MOU may cause delay in the delivery of wastewater services;

WHEREAS, the projects specified in the MOU require various regulatory approvals, which have not yet been obtained;

WHEREAS, pending receipt of the required regulatory approvals for the projects specified in the MOU, Sanofi Pasteur believes that it does not have adequate assurance of wastewater service in order to plan future projects for the Sanofi Pasteur Swiftwater campus;

EXHIBIT C

WHEREAS, Sanofi Pasteur owns and operates a wastewater treatment plant at its Swiftwater campus, which is authorized to discharge treated wastewater to Swiftwater Creek in an amount up to 550,000 gallons per day ("gpd") upon completion of a plant expansion;

WHEREAS, Sanofi Pasteur's wastewater treatment plant was designed with a treatment capacity of 950,000 gpd;

WHEREAS, in order to acquire adequate assurance of wastewater service in order to plan future projects for the Swiftwater campus, Sanofi Pasteur intends to seek the regulatory approvals required to increase its discharge of treated wastewater to Swiftwater Creek up to 900,000 gpd;

WHEREAS, as soon as the Pocono Township sewage collection and transmission system and the wastewater treatment services to be developed and provided in accordance with the MOU (or by any other substantially similar municipal treatment system available at commercially reasonable rates for the area served under the MOU) are authorized and become available, and for so long as such services remain available, Sanofi Pasteur intends to utilize such services for 350,000 gpd of wastewater generated at the Swiftwater campus;

WHEREAS, Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture understand the need of Sanofi Pasteur for greater assurance of wastewater service in order to plan future projects for the Sanofi Pasteur Swiftwater campus;

WHEREAS, Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture desire that Sanofi Pasteur utilize the wastewater treatment services to be developed and provided in accordance with the MOU (or by any other substantially similar municipal treatment system available at commercially reasonable rates for the area served under the MOU) as soon as such services are authorized and become available, rather than continuing any increased discharge to Swiftwater Creek in an amount greater than the currently approved discharge up to 550,000 gpd;

NOW THEREFORE, in consideration of the foregoing, and in consideration of the promises and conditional promises set forth herein, and for other good and valuable consideration, the Parties, intending to be legally bound, hereby agree as follows:

1. *Applications to Increase Discharge to Swiftwater Creek.* Except as provided in Section 7, Sanofi Pasteur agrees to request in all applications to increase its discharge to Swiftwater Creek in accordance with this Agreement that the approval applied for contain an appropriate abandonment provision that requires Sanofi Pasteur to abandon the increased discharge to Swiftwater Creek, and to return to the terms and conditions of its current permits, if and as soon as the Pocono Township sewage collection and transmission system and the wastewater treatment services to be developed and provided in accordance with the MOU (or by any other substantially similar municipal treatment system available at commercially reasonable

rates) are authorized and have demonstrated functionality in accordance with regulatory requirements for a period of six (6) months.

2. ***No Objection to Applications to Increase Discharge to Swiftwater Creek.*** Except as provided in Section 7, and provided that Sanofi Pasteur satisfies the agreements set forth in Section 1, Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture will not oppose any application by Sanofi Pasteur for planning or regulatory approval of an increase in the discharge of treated wastewater by Sanofi Pasteur to Swiftwater Creek in accordance with this Agreement up to the amount of 900,000 gpd, including any application for approval by Pocono Township, the Pennsylvania Department of Environmental Protection or the Delaware River Basin Commission.

3. ***No Appeal of Permits or Approvals.*** Except as provided in Section 7, and provided that Sanofi Pasteur satisfies the agreements set forth in Section 1, Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture will not appeal any approval or permit issued by any municipal body or regulatory agency authorizing an increase in the discharge of treated wastewater by Sanofi Pasteur to Swiftwater Creek up to the amount of 900,000 gpd, including any planning or regulatory approval or permit issued by Pocono Township, the Pennsylvania Department of Environmental Protection or the Delaware River Basin Commission. Except as provided in Section 7, and provided that Sanofi Pasteur satisfies the agreements set forth in Section 1, any right of Stroud, Stroudsburg, East Stroudsburg, BWA or PennFuture to appeal any such approval or permit is hereby waived.

4. ***No Representation of Other Parties.*** Except as provided in Section 7, and provided that Sanofi Pasteur satisfies the agreements set forth in Section 1, Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture will not advise or support any other person opposing any application or appealing any approval or permit relating to an increase in the discharge of treated wastewater by Sanofi Pasteur to Swiftwater Creek up to the amount of 900,000 gpd.

5. ***Non-Degrading Discharge.*** The application Sanofi Pasteur submits to authorize an increase in the discharge of treated wastewater to Swiftwater Creek to an amount greater than the currently approved flow of 550,000 gpd as contemplated herein will reflect a "non-degrading" discharge in accordance with the regulations of the Pennsylvania Department of

Environmental Protection, *i.e.*, it will maintain and protect the existing water quality, and will not reduce the water quality, of Swiftwater Creek, and will not rely on the “social or economic justification” (“SEJ”) as provided in the regulations of the Pennsylvania Department of Environmental Protection. In the event that the Pennsylvania Department of Environmental Protection rejects or denies the application submitted by Sanofi Pasteur for a “non-degrading” discharge, or if Sanofi Pasteur determines that its existing wastewater treatment plant cannot reliably achieve the effluent limitations or controls required for a “non-degrading” discharge, then, subject to Section 7, Sanofi Pasteur retains the right to apply for increased discharge to Swiftwater Creek on the basis of SEJ.

6. ***Limitation of Discharge When Municipal System Available.*** Notwithstanding any approval it may obtain to increase the discharge of treated wastewater to Swiftwater Creek to an amount greater than the currently approved flow of 550,000 gpd, Sanofi Pasteur will utilize, up to a total amount of 350,000 gpd, the Pocono Township sewage collection and transmission system and the wastewater treatment services to be developed and provided in accordance with the MOU (or any other substantially similar municipal treatment system available at commercially reasonable rates for the area served under the MOU) as soon as such services are authorized and become available, and for so long as such services remain available, in lieu of continuing to discharge to Swiftwater Creek in an amount greater than the currently approved flow of 550,000 gpd.

7. ***Scope of Agreement and Reservations.*** Nothing in this Agreement shall limit the right of Sanofi Pasteur in the future to seek approval of increased discharges of treated wastewater to Swiftwater Creek in amounts greater than 550,000 gpd (including approval based on SEJ), provided that its commitment to utilize the municipal system for up to 350,000 gpd, as provided in Section 6, has been satisfied or a municipal system as contemplated herein is not available. Similarly, nothing in this Agreement shall limit the rights of Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture to oppose any application for such subsequent future increase, to appeal any approval or permit authorizing such subsequent future increase, or to advise or support any other person opposing any application or appealing any approval or permit relating to such subsequent future increase. Sanofi Pasteur agrees not to argue that the failure of Stroud, Stroudsburg, East Stroudsburg, BWA or PennFuture to appeal any previous increase

bars, estops or in any way limits those parties from opposing any application for such subsequent future increase, appealing any approval or permit authorizing such subsequent future increase, or advising or supporting any other person opposing any application or appealing any approval or permit relating to such subsequent future increase. Furthermore, the commitments by Stroud, Stroudsburg, East Stroudsburg, BWA and PennFuture stated in Sections 2, 3 and 4 shall not apply in the event that Sanofi Pasteur is permitted for increased discharge to Swiftwater Creek on the basis of SEJ.

8. ***Final Agreement.*** This Agreement constitutes the entire agreement between and among the Parties and it shall supersede all prior agreements and understandings between or among the Parties with respect to the subject matter hereof. No representation or statement by a Party, or any representative thereof, shall be binding unless it is stated herein.

9. ***Drafting by All Parties.*** All Parties to this Agreement acknowledge that each has had an equal opportunity to participate in, and each has participated in, the drafting of this Agreement.

10. ***Modifications and Amendments.*** This Agreement may be modified or amended only in writing and only if signed by a duly authorized representative of each Party. No modification or amendment of this Agreement shall be binding unless in writing and so signed.

11. ***Remedies.*** In the event of breach by either Party of this Agreement, the other Party shall have the right to seek any remedy at law or equity.

12. ***Attorneys' Fees and Costs.*** In the event that a Party to this Agreement seeks enforcement of this Agreement, or brings an action for breach of this Agreement, the prevailing Party or Parties shall be entitled to recover all reasonable attorneys' fees and costs and expenses related to the prosecution or defense of such action, unless the non-prevailing Party is determined to have acted with substantial justification.

13. ***Failure of Enforcement.*** The failure of any Party to enforce its rights under this Agreement in one instance shall not constitute a waiver of such rights in any other instance.

14. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement.

15. **Controlling Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

16. **No Third Party Beneficiaries.** Nothing in this Agreement is intended to benefit any person or entity not a signatory to this Agreement, and the rights and remedies provided herein shall only be enforceable by the party granted such rights under this Agreement.

17. **Successors and Assigns.** This Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

18. **BWA Members Bound.** The terms of this Agreement shall bind BWA as an organization. The officers and directors thereof who have signed the Agreement also shall be bound as individuals to the full extent of the Parties.

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

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

Sanofi Pasteur Inc.

Witness:

Frank A. Epifano
Vice President, Finance US

Name:

John Harrington
Vice President, Site Services

Name:

**Brodhead Watershed Association
(and members individually)**

Witnesses:

Dr. Jerilynn Jewett-Smith
President

Name:

Frank Herting
Vice President

Name:

Eddie Stevens
Treasurer

Name:

Theresa Merli
Director

Name:

Don Baylor
Director

Name:

Township of Stroud

Witness:

Edward C. Cramer
Chairman, Board of Supervisors

Name:

Borough of Stroudsburg

Witness:

Kim M. Diddio
President of Council

Name:

Borough of East Stroudsburg

Witness:

Roger DeLarco
Council President

Name:

Citizens for Pennsylvania's Future

Witness:

John Hanger
President and CEO

Name: