


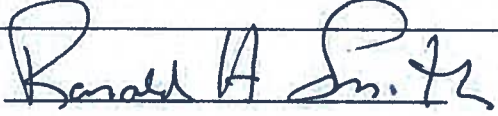
**KEY TERMS AND CONDITIONS OF SETTLEMENT OF
THE BRIDGEWATER TOWNSHIP v TETRA TECH, INC. MATTER**

The parties, in recognition of the costs associated with litigating this matter to a conclusion and the uncertainties of a trial, have agreed to the following terms and conditions:

- 1) The parties agree to cooperate in resolving the performance issues affecting the wastewater treatment facility servicing Bridgewater Township.
- 2) The design was based on 110 REU's, along with specific flows and BOD concentrations. Tetra Tech believes the plant will perform in accordance with the design once Xela Pack, LLC ("Xela Pack") complies with the appropriate discharge limits as set forth in the Bridgewater Township Sewer and Use ordinance.
- 3) The Township shall enforce its sewer use ordinance and require Xela Pack to comply with said ordinance with respect to the quality of the sewage being discharged into the Township system. With the goal of expeditiously resolving this matter, enforcement shall begin as soon as reasonably possible with pollutant concentration of all waste meeting the Township's ordinance.
- 4) It is the understanding of the parties that the processed wastewater generated by Xela Pack shall be in compliance with the limitations identified in the sewer use ordinance.
- 5) Tetra Tech shall continue to provide engineering assistance to the Township in visiting and inspecting the Xela Pack plant, along with representatives and consultants of the Township. Tetra Tech and the Township shall also participate in selecting and placing flow monitoring equipment at the Xela Pack plant, at no cost to Township.

- 6) The Township and Tetra Tech shall collect the data received from the monitoring equipment of the plant for analysis.
- 7) Tetra Tech agrees to consult with the Township with respect to Township wastewater treatment plant operations to effectuate treatment consistent with that intended by the original permit issued by the State of Michigan and the basis of design. The Township shall provide Tetra Tech with the Monthly Operating Reports submitted to MDEQ and influent sampling data on a monthly basis.
- 8) The Parties have agreed to split the costs of any water quality analyses to diagnose performance issues or additional operator time needed to adjust plant operations to more efficiently treat the waste stream. The Parties shall mutually select the testing company.
- 9) The parties acknowledge the Bridgewater Township treatment plant must operate in the manner described herein for a period of at least 18 months, including two summer cycles in order to ascertain how the Township's plant is operating after Xela Pack has either pretreated its process sewage discharge or complied with the sewer use ordinance in accordance with its mandates.
- 10) On or about September 1, 2014, the parties shall review the Bridgewater Township wastewater treatment plant's performance and determine if it is operating within the basis of design and original NPDES permit limits. The parties shall defer any issue which cannot be mutually agreed upon with respect to plant performance to a qualified arbitrator chosen by the parties. Examples of the type of issues which may be disputed are as follows:

- (a) Plant does not operate as specified even in the absence of Xela Pack contributing to the system.
 - (b) Plant performance if there is an increase in the number of residents within the community added to the system consistent with those intended in the basis of design.
 - (c) Excessive level of operator attention required to operate the plant.
 - (d) Demonstrate the plant will pass the design hydraulic flow rate without over flowing from within the system.
- 11) Upon 18 months operation of the plant successfully meeting effluent limits, this agreement shall expire and all claims and rights possessed by Bridgewater Township through the execution of the engineering services agreement dated October 4, 2001, any amendments to this agreement or any other implied responsibility shall expire.
- 12) The Arbitrator shall have authority to decide any and all issues in dispute relative to the treatment plant and the solution to resolve said dispute.
- 13) This matter shall be dismissed with prejudice and the Court shall only maintain jurisdiction over this matter for the sole purpose of entering judgment on the award issued by the selected Arbitrator.

 Thomas A. Allbaugh Tetra Tech, Inc.	 Ronald A. Smith Bridgewater Township
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