
EXHIBIT F12

AGREEMENT, DATED OCTOBER 23, 1975, BY AND BETWEEN
THE BUCKS COUNTY WATER AND SEWER AUTHORITY,
TOWNSHIP OF LOWER MAKEFIELD, AND THE MUNICIPAL
SEWER AUTHORITY OF THE TOWNSHIP OF LOWER
MAKEFIELD

10/23/75

**BUCKS COUNTY WATER & SEWER
CORE CREEK EXTENSION**

Alley Rd. Interceptor

*File 14
J. J. [unclear]*

AGREEMENT made this 23rd day of October 1975, between the BUCKS COUNTY WATER AND SEWER AUTHORITY, (the Authority); and the TOWNSHIP OF LOWER MAKEFIELD and the MUNICIPAL SEWER AUTHORITY OF THE TOWNSHIP OF LOWER MAKEFIELD (the Municipality)

W I T N E S S E T H :

WHEREAS, the MUNICIPALITY has requested the AUTHORITY to accept sewage from a portion of Lower Makefield Township which is presently not within the Neshaminy Interceptor Service Area; and

WHEREAS, the area to be serviced is more particularly outlined on the attached Exhibit A and specifically includes property owned by Louis Banks and Makefield Associates, II; and

WHEREAS, the AUTHORITY is presently constructing the Core Creek Interceptor; and

WHEREAS, AUTHORITY is about to enter into an Agreement with Louis Banks and Makefield Associates, II, for the extension of the Core Creek Interceptor Line; and

WHEREAS, the MUNICIPALITY is about to enter into an Agreement with the aforesaid developers for the extension of certain sewer facilities within the geographic limits of Lower Makefield Township; and

WHEREAS, the parties have agreed that the AUTHORITY will collect, transmit, and treat sewage from the area described in Exhibit A under certain terms and conditions hereinafter set forth:

NOW, THEREFORE, the parties hereto agree as follows:

1. AUTHORITY will enter into an Agreement with Louis Banks and Makefield Associates, II, for the construction of an extension to the Core Creek Interceptor Line from its present terminus at or near the Langhorne-Yardley Road to the Lower Makefield boundary line. This Agreement is conditioned upon the execution of that Agreement, copy of which is attached hereto, made part hereof, and marked Exhibit B.

2. The TOWNSHIP will enter into a contract with Louis Banks and Makefield Associates, II, for the construction of a transmission line and internal collection systems as more particularly set forth in an Agreement between the TOWNSHIP and Louis Banks and Makefield Associates, II, copy of which is attached hereto, made part hereof, and marked Exhibit C. This Agreement is conditioned upon the execution of the aforesaid contract.

3. The AUTHORITY, upon completion of the extension to the Core Creek Interceptor Line, will, subject to the terms and conditions hereinafter set forth, intercept sanitary sewage from the MUNICIPALITY'S Collection System, transport the same to an appropriate treatment site, and provide all necessary treatment and disposal.

4. The MUNICIPALITY will be responsible for the maintenance of its collection system constructed within the geographic limits of Lower Makefield Township.

5. The MUNICIPALITY shall have the right, without further authorization from the AUTHORITY, to permit connections to its collection system for the disposal of sanitary sewage (which for the purposes hereof shall mean the normal, water-carried household and toilet wastes resulting from human occupancy), but the MUNICIPALITY shall not, without prior written approval of the AUTHORITY, permit any connection for the disposal of any waste other than sanitary sewage.

The MUNICIPALITY will not permit the discharge into its collection system for disposal any sewage emanating from any territory outside of the area defined in Exhibit A.

The AUTHORITY will establish from time to time acceptable standards for sewage and other wastes to be discharged into its system. Such standards shall be reasonable and similar to the customary standards imposed with regard to similar facilities.

MUNICIPALITY agrees to adopt all necessary ordinances, resolutions, rules or regulations to prohibit the users of its collection system from discharging substances failing to meet such standards.

The MUNICIPALITY will take all necessary steps in the design and construction of its collection system and in the subsequent maintenance and operation thereof (including the exercise of appropriate inspection of and control over building connections) to prevent infiltration of storm water and other improper substances into the collection system.

6. MUNICIPALITY agrees to pay the AUTHORITY'S rates, fees, and charges as from time to time established, in consideration of the service agreed herein to be provided by the AUTHORITY to the MUNICIPALITY. The AUTHORITY'S rates shall be uniform throughout the Neshaminy Service Area and including the area which is subject to this contract and shall be so calculated as to allow the aggregate amount required to pay the reasonable administrative and operating expenses of the AUTHORITY and the interest on and principal of all outstanding bonds and other obligations relating to the Neshaminy Sewer Project and the Core Creek Interceptor Project as the same become due and payable, and to create such reserve for purposes as may be required by the resolutions authorizing the AUTHORITY'S bonds or the trust indentures securing the same.

The AUTHORITY shall bill the MUNICIPALITY in advance for services during the AUTHORITY'S succeeding fiscal quarter and the MUNICIPALITY shall pay such bill within thirty (30) days. Such bill shall be based upon the total number of residential equivalent unit connections to the MUNICIPALITY'S Collection System. The residential equivalents shall be determined in accordance with a

table thereof to be established by the AUTHORITY'S Consulting Engineer (and revised from time to time if necessary to conform with then current theory and practice in sewage treatment matters) showing residential unit equivalents for each of the various types of buildings or other units which may be connected to a sewage collection system. The AUTHORITY'S charges shall be based upon all connections to the MUNICIPALITY'S collection system, including connections serving public corporations, charitable or non-profit institutions, school districts and other political subdivisions, whether or not the MUNICIPALITY imposes charges upon such users.

Charges for the AUTHORITY'S services shall begin to accrue against the MUNICIPALITY on the date when actual discharge from the Collection System into the Neshaminy Interceptor commences.

Charges for new connections during any AUTHORITY fiscal quarter shall be pro-rated and be included in a subsequent bill. The AUTHORITY'S initial charges may be similarly pro-rated for the fiscal quarter in which such charges begin to accrue.

The MUNICIPALITY agrees that if the rate schedule in effect at any time does not, or in the opinion of the AUTHORITY may not, yield sufficient revenue to meet the AUTHORITY'S financial requirements, or if the AUTHORITY finds that such schedule has proved to be inequitable, the AUTHORITY shall have the right at any time and from time to time to revise and adjust the same in such manner and to such extent as it may deem advisable.

At least sixty (60) days before any revised schedule shall become effective, the AUTHORITY shall submit in writing to the MUNICIPALITY a statement setting forth the new schedule and the reasons why it was found necessary or desirable to put it into effect.

7. In order that the AUTHORITY may properly compute its charges hereunder and for the other purposes hereof, the AUTHORITY, or its duly authorized representatives, shall have the right at all reasonable times and from time to time to examine and inspect the books and records of the MUNICIPALITY relating to its collection system and the physical facilities which comprise that collection system. Without limiting the generality of the foregoing, the AUTHORITY, or its duly authorized representatives, shall have the right to make periodic tests and measurements of the sewage flow at appropriate points in the Collection System. In the event that the AUTHORITY'S Consulting Engineer advises that it is necessary to enter upon private property within the MUNICIPALITY in order to conduct an appropriate test or measurement, the MUNICIPALITY agrees to exercise its police powers to enable the such entry by the AUTHORITY.

The MUNICIPALITY will inform the AUTHORITY, in writing, within thirty (30) days after each user connection to its collection system, of such connection on forms prepared and furnished by the AUTHORITY. Such information shall include location, ownership and occupancy of the property connected, the size and date of connection, the type of unit or building connected and such related matters as the AUTHORITY may request. This information shall be provided in such manner and such form as the AUTHORITY may reasonably request.

In order that the AUTHORITY may plan for any expansions, additions, improvements, and the like to its facilities, the MUNICIPALITY agrees to keep the AUTHORITY continually advised and informed of the MUNICIPALITY'S plans for expansions, etc., of its collection system and of any plans for current or prospective development within the MUNICIPALITY of which the MUNICIPALITY may have knowledge.

8. This Agreement shall become effective immediately and shall remain in full force and effect for a period of forty (40) years but may be terminated in the event any of the following occurs:

(a) the AUTHORITY is directed by the D.E.R., the E.P.A., or any other state or federal agency having jurisdiction to cease treating sewage emanating from this area;

(b) in the event that the D.E.R. and E.P.A., or such other federal or state agency directs the MUNICIPALITY to cease and desist treating sewage in the manner prescribed by this Agreement;

(c) in the event that the MUNICIPALITY determines that it is more beneficial for it to transmit and treat its sewage at the Morrisville Plant in accordance with the original Master Plan adopted in June of 1970, known as The Sewage Facility Plan for Bucks County.

9. This Agreement shall be conditioned upon the MUNICIPALITY obtaining approval of the D.E.R. and such other agency as may be required by law of a Comprehensive Sewage Plan prepared by MUNICIPALITY'S Consulting Engineer dated July 21, 1975, incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

BUCKS COUNTY WATER AND SEWER AUTHORITY

By Charles C. Lussano

James A. Humber

TOWNSHIP OF LOWER MAKEFIELD

By Fred. P. Klaber
Chairman

Attest: Dee W. Rife
Secretary

MUNICIPAL SEWER AUTHORITY OF THE
TOWNSHIP OF LOWER MAKEFIELD

By *W. Bennett*
Chairman

Attest: *John M. Zerk*
Secretary

EXHIBIT "A"

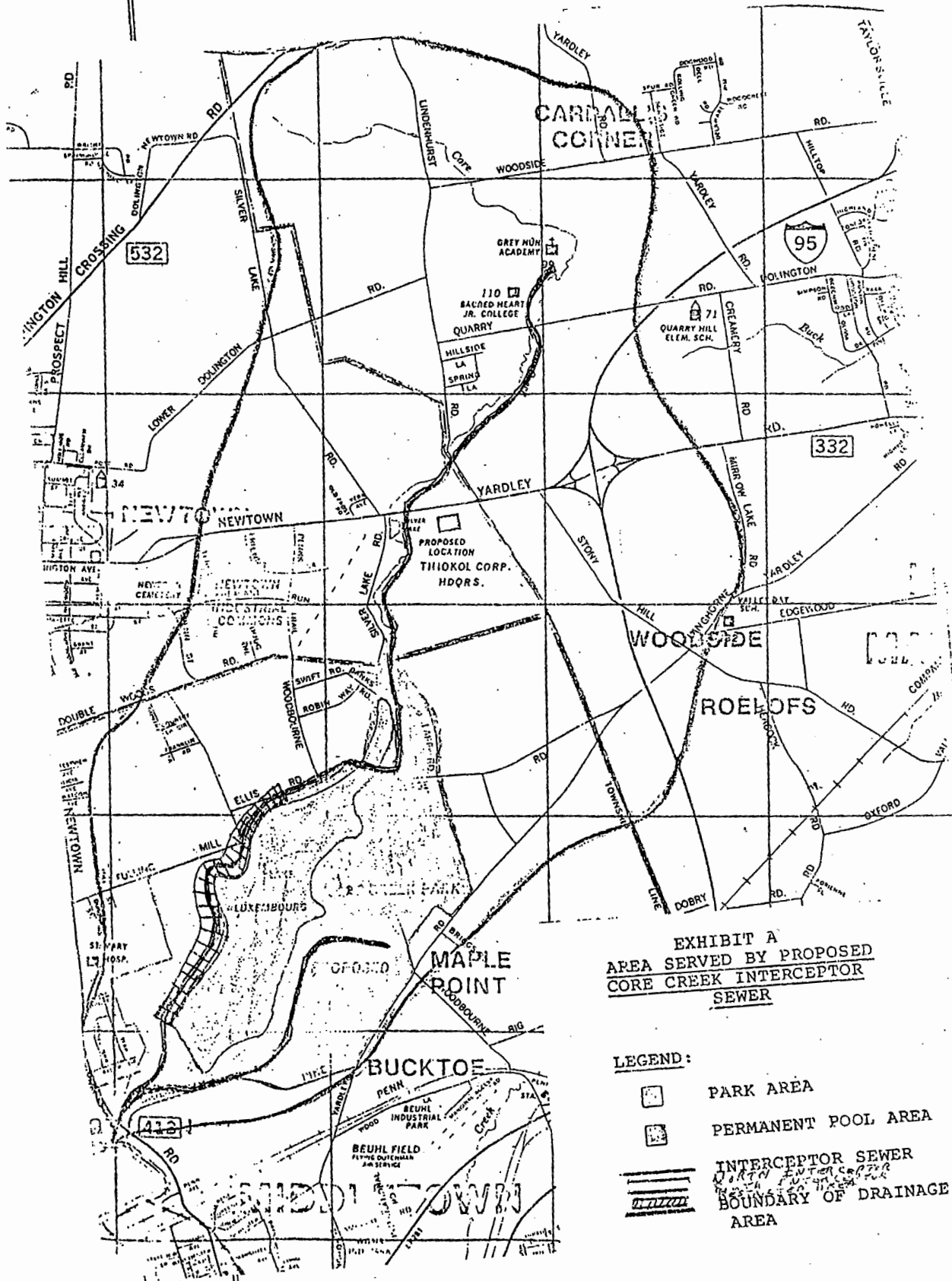


EXHIBIT A
AREA SERVED BY PROPOSED
CORE CREEK INTERCEPTOR
SEWER

LEGEND:





-  PARK AREA
-  PERMANENT POOL AREA
-  INTERCEPTOR SEWER
-  BOUNDARY OF DRAINAGE AREA

EXHIBIT B

SEWER LINE CONSTRUCTION AGREEMENT

AGREEMENT, made this *23rd* day of *October*, 1975, between BUCKS COUNTY WATER AND SEWER AUTHORITY (hereinafter known as AUTHORITY), and LOUIS BANK and MAKEFIELD ASSOCIATES, II, a Pennsylvania Limited Partnership, (hereinafter collectively known as DEVELOPERS),

WHEREAS, DEVELOPERS are owners of parcels of ground located in the Township of Lower Makefield as more particularly shown on the attached map and identified as Exhibit "A"; and

WHEREAS, the AUTHORITY is presently constructing a sewer interceptor line known as the Core Creek Interceptor Line; and

WHEREAS, the DEVELOPERS are desirous of obtaining sewer service to their ground; and

WHEREAS, the only available means of obtaining sewer service is by the extension of the Core Creek Interceptor Line to a point in Lower Makefield Township; and

WHEREAS, DEVELOPERS will simultaneously with the execution of this Agreement enter into a contract with the Township of Lower Makefield for the extension of said sewer lines within the geographic limits of Lower Makefield Township; and

WHEREAS, the DEVELOPERS have requested the AUTHORITY to extend the Core Creek Interceptor Line as aforesaid;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth it is understood and agreed as follows:

1. AUTHORITY agrees to extend the East Branch of the Core Creek Interceptor in an Easterly direction along Village Road at Langhorne-Yardley Road in the Township of Middletown or by another route dictated by good engineering practice to a point within the Township of Lower Makefield that is convenient to receive the discharge of sanitary sewage from the development either by gravity or by force main from a pumping station constructed as part of the internal sewage collection system as built by the DEVELOPERS.

2. DEVELOPERS agree to pay the full cost and project expense of constructing the said interceptor extension including, but not limited to, planning, engineering design, permits, rights of way, construction, legal, administration and recording, in the following manner:

a. AUTHORITY shall include in all funds deposited by DEVELOPERS and in all calculations of project costs a sum equal to two (2) percent of said costs, being the estimated cost of administration.

b. AUTHORITY has determined, in writing, from its project engineer, Betz Environmental Engineers, Inc., the estimated cost of planning, design and preparation of an application for permit to construct the said sewer line extension to be filed with the Pennsylvania Department of Environmental Resources, the said estimated cost being Eighteen thousand seven hundred dollars (\$18,700.)

c. DEVELOPER shall escrow with the AUTHORITY the sum of Nineteen thousand seventy four dollars (\$19,074.00), representing the above mentioned estimated cost of engineering plus two (2) percent added for administration, and upon receipt of the estimated escrow funds, the AUTHORITY shall authorize its project engineer to proceed with the design of the project up to and including the preparation and filing of the Application for Permit to construct the sewer line extension. Invoices for costs so incurred shall be paid by the AUTHORITY as presented from the funds escrowed for the purpose together with an administrative charge of two (2) percent being paid to the AUTHORITY.

d. Upon receipt of the Permit from the Pennsylvania Department of Environmental Resources for the construction of the sewer line extension AUTHORITY shall determine the cost of construction of the sewer line extension either by Change Order negotiated with a contractor already under contract with the AUTHORITY or by public bidding, at the option of AUTHORITY, and AUTHORITY shall

submit to DEVELOPERS a detailed listing of anticipated project costs including, but not limited to, additional design fee due, engineering supervision and inspection, construction as determined above, acquisition of rights of way, legal and administration.

e. DEVELOPER shall indicate its approval, in writing, of these additional anticipated project costs as determined by AUTHORITY and DEVELOPERS shall escrow with AUTHORITY a sum equal to the additional anticipated project costs mentioned above and approved by DEVELOPERS.

f. Upon receipt of the additional escrow funds AUTHORITY shall direct the selected contractor to proceed with the construction of the sewer line extension as planned.

3. After completion of the construction of the sewer line extension and it has been certified by the project engineer as being constructed in accordance with the approved plans and specifications and that it is ready for use, AUTHORITY shall submit to DEVELOPERS a complete accounting of project costs, including the above mentioned two (2) percent administrative charge, and refund to DEVELOPERS any balance in excess thereof remaining in the escrow fund or require DEVELOPERS to make an additional payment to the AUTHORITY to cover any deficiency in the escrow fund to cover project expenses prior to the sewer line extension being placed in service.

4. It is understood and agreed by the parties hereto that the sewer line extension constructed under this agreement is and shall remain the property of the BUCKS COUNTY WATER AND SEWER AUTHORITY, its successors or assigns, and nothing in this agreement shall prevent sewage service being rendered to others making proper application to AUTHORITY and in the event such service is rendered to others no refund of project costs as covered herein shall be due and payable to DEVELOPERS.

5. In the event that the Pennsylvania Department of Environmental Resources fails or refuses to grant a permit to con-

struct the sewer line extension contemplated herein or the project cannot proceed by reason of any federal, state or local laws or ordinances or approvals or for any other reason beyond the control of AUTHORITY; then all costs already incurred shall be paid by AUTHORITY from the escrow funds on deposit and the remaining balance shall be refunded to DEVELOPERS and the matter shall be closed and this Agreement shall be considered null and void just as though it had never been entered into and the parties hereto shall be saved harmless, each from the other.

5. In the event DEVELOPERS are unable to proceed with the Developments for any cause whatsoever after additional escrow funds have been deposited with AUTHORITY and the contractor has been given notice to proceed with construction as set forth in Section 2.f., above, then AUTHORITY shall continue the project as planned using the funds escrowed therefor and the DEVELOPERS relinquish all right, title and interest in the funds deposited in escrow to the extent of the total project costs and the sewer line extension constructed hereunder shall be and shall remain the property of AUTHORITY free and clear of any encumbrances of DEVELOPERS, their successors or assigns.

7. It is understood and agreed between the parties here- to that all dwelling units or other improvements within the development that generate sanitary sewage and are connected to the internal sewage collection system constructed within the development shall be considered a customer or customers of the MUNICIPAL SEWER AUTHORITY OF THE TOWNSHIP OF LOWER MAKEFIELD, as created and appointed by the Supervisors of the TOWNSHIP OF LOWER MAKEFIELD and that Authority shall be responsible for and pay to BUCKS COUNTY WATER AND SEWER AUTHORITY the prevailing charges for sewer service rendered to the developments via the Neshaminy Interceptor of which the Core Creek Interceptor and its branches are considered a part. The terms and conditions of sewage service to

the developments shall be the subject of a separate agreement entered into between the Bucks County Water and Sewer Authority, the Supervisors of the Township of Lower Makefield and the Municipal Sewer Authority of the Township of Lower Makefield to be known and referred to as the Neshaminy Interceptor Sewage Service Agreement. It is further understood and agreed by the parties hereto that AUTHORITY shall not issue a notice to proceed to its contractor as provided in Section 2.f., above, unless and until a Neshaminy Interceptor Sewage Service Agreement has been entered into by and between the Bucks County Water and Sewer Authority, the Supervisors of the Township of Lower Makefield and the Municipal Sewer Authority of the Township of Lower Makefield.

8. DEVELOPERS do hereby grant and convey unto AUTHORITY the right and privilege of entry into or across lands owned by it for the purpose of laying, relaying, maintaining, repairing and operating the sewer line extension contemplated herein and further agrees to convey by a "Deed of Dedication" the permanent right of way required to accommodate the sewer line extension, all at no cost or expense to AUTHORITY.

9. The Commonwealth of Pennsylvania, Department of Environmental Resources has, from time to time in the past, imposed Bans on the Authority, and other agencies similarly engaged prohibiting further connection to the Authority's systems, and AUTHORITY makes/^{no} guarantee or assurance that DEVELOPERS will at any specific time be permitted to connect to its system or receive sewage service via the AUTHORITY's system by reason of these Bans. Should the rules, regulations and/or orders of any governmental body or agency prohibit the AUTHORITY from accepting sewage from the development, DEVELOPERS relieve the AUTHORITY from any and all responsibility.

10. This Agreement is conditioned upon DEVELOPERS entering into a contract with the Township of Lower Makefield for the construction of transmission lines and internal sewer lines nec-

essary to service their sites.

11. Division of the cost between the DEVELOPERS shall be pro-rated based on the number of dwelling units on DEVELOPERS' site plan or in such other manner as the DEVELOPERS shall agree among themselves.

12. This Agreement merges all agreements and understandings, written or otherwise, and any prior agreements, understandings or representations not included herein shall be considered null and void as having no merit.

13. Any disputes between the parties to this Agreement with regard to its interpretation or to performance hereunder or otherwise arising shall be finally determined in accordance with the rules, regulations and procedures of the American Arbitration Association.

14. This agreement shall be construed according to the laws of the Commonwealth of Pennsylvania and shall extend to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

15. DEVELOPER acknowledges that a portion of the development is situate outside of the natural drainage area of the Neshaminy Interceptor and in the drainage area of a proposed future interceptor known as the "Brock Interceptor". DEVELOPER acknowledges that the Neshaminy Interceptor was designed and paid for on the concept that it was for the benefit of the municipalities with regions lying within the drainage area of the Neshaminy Interceptor. Therefore DEVELOPER agrees that when Brock Interceptor is built, that the DEVELOPER will discontinue using the

Neshaminy Interceptor and commence utilizing the Brock Interceptor
Further, DEVELOPER agrees that should the capacity to transport
sewage into the Neshaminy Interceptor or its extensions become
diminished to a point that the Neshaminy Interceptor cannot re-
ceive for transportation additional sewage flows equivalent in
quantity to those emanating from the proposed development from
municipalities within the natural drainage area of the Neshaminy
Interceptor, then in that event the DEVELOPER will terminate
discharging sewage into the Neshaminy Interceptor from regions
lying outside the natural drainage area of the interceptor and
make other arrangements for the transportation and treatment for
sewage. The consulting engineer for the Bucks County Water and
Sewer Authority shall have the exclusive right to determine
whether the capacity in the Neshaminy Interceptor has been
diminished to such a degree as to require the DEVELOPER to
terminate discharging flows into the Neshaminy Interceptor. The
Bucks County Water and Sewer Authority shall monitor the flows
into the Neshaminy Interceptor, and agrees to give the DEVELOPER
one years notice in writing of the likelihood of the capacity in
the Neshaminy Interceptor or its extensions being reached, and of
the necessity of the DEVELOPER to make other arrangements for the
transportation and treatment of sewage from those portions of the
development lying outside the Neshaminy Interceptor drainage area.

APPROVED by proper action of the Bucks County Water and Sewer
Authority on the 23rd day of October, 1975, A. D.,
at an official meeting of the Authority with a quorum present
and voting, with the proper officers of the Authority being

directed to EXECUTE this Agreement and the Secretary being
directed to note this action upon the minutes of the said meeting.

BUCKS COUNTY WATER AND SEWER AUTHORITY

By Charles C. Lusanna
Chairman

(SEAL)

By James P. Hunk
Secretary

APPROVED and EXECUTED by LOUIS BANK and MAKEFIELD ASSOCIATES, II.

Dated: 10-23-75

Louis Bank by R. W. R. A. (SEAL)
LOUIS BANK Attorney

MAKEFIELD ASSOCIATES, II

Dated: 10/23/75

BY [Signature]

TOWNSHIP OF LOWER MAKEFIELD and MUNICIPAL SEWER
AUTHORITY OF THE TOWNSHIP OF LOWER MAKEFIELD -

DEVELOPER - SEWER SERVICE AGREEMENT

LOUIS BANK and MAKEFIELD ASSOCIATES, II, a Limited Partnership (hereinafter called DEVELOPERS) and the TOWNSHIP OF LOWER MAKEFIELD and MUNICIPAL SEWER AUTHORITY OF THE TOWNSHIP OF LOWER MAKEFIELD, (hereinafter called MUNICIPALITY), intending to be legally bound, do hereby agree as follows:

ARTICLE I - SERVICE

1.1. The MUNICIPALITY is engaged in the business of supplying basic sewer service.

1.2. The DEVELOPERS are the owners of certain tracts of ground situate in the Township of Lower Makefield and presently zoned R-4 which permits the construction and development of apartments and/or condominiums. The parcels of ground owned by the DEVELOPERS are more particularly described in the attached Exhibit "A" and made a part hereof.

1.3. DEVELOPERS contemplate the development of the aforesaid parcels of ground in accordance with the terms and provisions of the Lower Makefield Township Zoning Ordinance. Said Development shall require sanitary sewer service.

1.4. DEVELOPERS have entered into a contract with the BUCKS COUNTY WATER AND SEWER AUTHORITY for the extension of the Core Creek Interceptor to a point at or near the geographic boundary of Lower Makefield Township and Middletown Township.

1.5. DEVELOPERS have requested to enter into an Agreement with the MUNICIPALITY for the construction of a transmission line from the terminus of the extended Core Creek Interceptor to their sites along roads and streets located within the Township of Lower Makefield.

1.6. The MUNICIPALITY shall accept, transport and deliver for treatment the sanitary sewage from the proposed developments to an appropriate disposal facility subject to the general rules and regulations of the MUNICIPALITY as they now exist and may from time to time be duly amended.

It is understood and agreed that the MUNICIPALITY's acceptance of the sewage is conditioned upon the following:

A. The MUNICIPALITY working out a satisfactory agreement with the Bucks County Water and Sewer Authority so that the MUNICIPALITY may tie into the Core Creek Interceptor Lines into which this sewage shall run.

B. The DEVELOPERS constructing a sewer transmission line satisfactory to the MUNICIPALITY along the Langhorne-Yardley Road and such other roads and streets of the Township as may be necessary to a point agreed upon by the DEVELOPERS and the MUNICIPALITY where connection may be made with the Core Creek Interceptor Line as extended. It is understood and agreed that this line shall be subject to the approval of the MUNICIPALITY's engineer and that the DEVELOPERS shall be responsible for the construction of the line pursuant to the standards and specifications as adopted by the MUNICIPALITY and shall be responsible to pay for any and all costs in constructing the line and acquiring any and all rights-of-way for the said line. In the event that either or both of the above contingencies fail to occur MUNICIPALITY shall not be bound to accept any sewage from the DEVELOPERS pursuant to the terms or conditions of this Agreement or in any fashion whatsoever.

1.6. DEVELOPERS will not at any time discharge into the Transmission System any effluent other than "domestic sewage" (which term is herein defined to mean "sewage" other than "industrial waste", as those two terms are defined in Section 73.1 of Title 25, Part 1, Subpart C, Article 1, Chapter 73 of the Rules and Regulations of the Department of Environmental Resources of the Commonwealth of Pennsylvania [herein called "D.E.R."], last revised on April 20, 1972) emanating from the Developments without the express written consent of the MUNICIPALITY, which consent shall not be unreasonably withheld or delayed, and without complying with such reasonable conditions as the MUNICIPALITY may impose from time to time.

ARTICLE II - CONSTRUCTION

2.1. With the cooperation of the MUNICIPALITY, DEVELOPERS will obtain a sewer line extension permit from D.E.R., in the name of the MUNICIPALITY and at DEVELOPERS' cost; and in the event that the Commonwealth of Pennsylvania or its agencies shall fail or refuse to grant a permit for the construction of the Transmission System, then the MUNICIPALITY shall so notify DEVELOPERS and upon giving such notice this Agreement shall become null and void, whereupon the MUNICIPALITY and DEVELOPERS shall each be released from any and all liability hereunder, just as though this Agreement had never been entered into, except that, subject to the provisions of Section 4.1B hereof, DEVELOPERS shall be responsible for and reimburse the MUNICIPALITY for all costs incurred by the MUNICIPALITY in carrying out its obligations under this Agreement prior to the date of termination hereof.

As stated in Paragraph 1.6A, it is further understood and agreed that this Agreement is subject to the MUNICIPALITY working out a satisfactory arrangement and agreement for the treatment of sewage from the Developments by the Bucks County Water and Sewer Authority (herein called "County Agency"), the terms of which arrangement and agreement have not yet been negotiated between the

MUNICIPALITY and the County Agency since, as stated in the aforementioned section, sewage will be emptied into the Core Creek Interceptor owned and operated by the County Authority, but if such an arrangement cannot be consummated by and between the MUNICIPALITY and the County Agency, then this Agreement shall be null and void and of no further effect whatsoever and subject to the provisions of Section 4.1B hereof, DEVELOPERS shall be responsible for and reimburse the MUNICIPALITY for any and all costs incurred by the MUNICIPALITY in carrying out its obligations under this Agreement prior to the date of termination hereof.

2.2. Should the rules, regulations, orders, etc., of any governmental body or agency hereafter come into effect which prohibit the MUNICIPALITY from accepting certain types of sewage from the Developments, DEVELOPERS relieve the MUNICIPALITY from any and all responsibility under this Agreement as to the acceptance of such prohibited sewage.

2.3. DEVELOPERS shall submit to the MUNICIPALITY for approval plans and specifications for the Internal System prior to the commencement of work, and, after approval of such plans and specifications, DEVELOPERS shall construct the Internal System in strict accordance with the plans and specifications as approved (herein called "Approved Plans and Specifications"). The MUNICIPALITY shall cause DEVELOPERS' plans and specifications to be reviewed promptly and upon completion of such review the MUNICIPALITY shall notify DEVELOPERS whether such plans and specifications are approved or what specific changes must be made before they will be approved. Construction of the Internal System shall not begin until a D.E.R. Water Quality Management Permit covering the same has been received by the MUNICIPALITY, for which permit DEVELOPERS shall apply in the name, and with the cooperation, of the MUNICIPALITY, at DEVELOPERS' cost. Prior to the construction of the Internal System, DEVELOPERS will enter into a standard form Development Contract with Township covering construction of the Internal System as well as various site improvements.

2.4. DEVELOPERS will construct the Transmission System for the collection of the sanitary sewage from their proposed Developments in accordance with the approved plans and specifications for which a D.E.R. Water Quality Permit has been issued. The sewer contractor who will construct the system for the DEVELOPERS must submit to the MUNICIPALITY and MUNICIPALITY's engineer, or other representative, a list of suppliers, shop drawings, and data on test of materials for review and approval prior to the commencement of construction, which approval shall not be unreasonably withheld or delayed. Prior to beginning of construction of the Transmission Line the DEVELOPERS shall furnish to the Township a performance bond in the amount of 100% of the estimated cost of construction and in form satisfactory to the Township Solicitor guaranteeing completion of the construction in accordance with the terms of this Agreement.

2.5. DEVELOPERS agree to give the MUNICIPALITY ten (10) days' written notice of DEVELOPERS' intention to begin construction of the Internal System so that its construction may be properly inspected by the MUNICIPALITY's engineer. Any work which has begun before the expiration of such ten (10) day period will not be approved, as well as any improperly constructed work the existence of which the MUNICIPALITY has notified DEVELOPERS promptly after the inspection which has disclosed such improper construction. At all times the sewer contractor shall keep on the construction site available to the MUNICIPALITY's engineer and his representatives, one (1) copy of the approved plans and specifications, any shop drawings approved by the MUNICIPALITY and the MUNICIPALITY's Standard Construction and Material Specifications for Sanitary Sewer Extensions, dated 1973 (herein called "Authority's Standard Specifications").

2.6. Prior to the MUNICIPALITY's final approval of the Transmission System and acceptance of its dedication by the MUNICIPALITY, DEVELOPERS will supply the MUNICIPALITY with an Engineer's certificate prepared and signed by DEVELOPERS' engineer indicating

that such system has been constructed in accordance with the Approved Plans and Specifications and that any infiltration into such system is within the limits specified in Section 2.04 of the field test specifications contained in the Authority's Standard Specifications and that such infiltration does not exceed one hundred (100) gallons per inch of pipe diameter per mile per day. This certificate shall be provided by DEVELOPERS' engineer only after inspection and approval by the MUNICIPALITY's engineer pursuant to Section 3.3. hereof, which inspection shall be conducted within ten (10) working days after DEVELOPERS' notice to the MUNICIPALITY's engineer that the Transmission System has been completed and is ready for such inspection. Promptly after conducting such inspection, the MUNICIPALITY's engineer shall make a written report thereof to DEVELOPERS containing either such engineer's approval of such system as being in compliance with the Approved Plans and Specifications or stating in detail what must be done to cause such system so to comply.

2.7. Within fifty (50) days of completion of work and prior to the MUNICIPALITY's acceptance of dedication of the Transmission System, DEVELOPERS, at their own expense, shall supply the MUNICIPALITY with two (2) sets of "as built" plans of the Transmission System, together with one (1) complete set of reproducible plans thereof.

ARTICLE III - DEDICATION OF LINES

3.1. Promptly after completion of the Transmission System and DEVELOPERS' compliance with the conditions hereinafter set forth, DEVELOPERS shall dedicate the Transmission System to the MUNICIPALITY for the nominal consideration of One (\$1.00) Dollar, and the MUNICIPALITY shall accept dedication of the Transmission System.

3.2. It is acknowledged between the parties that as part of the development of the parcels of ground DEVELOPERS will be required to construct an Internal Sewer System. DEVELOPERS acknowledge that plans and specifications for the Internal Sewer System must be approved by the MUNICIPALITY's Consulting Engineer and said System shall not be accepted or dedicated to the MUNICIPALITY.

3.3. Within ten (10) working days after DEVELOPERS notify the MUNICIPALITY's engineer, in writing, that the Transmission System has been completed and is ready for final inspection the MUNICIPALITY or the MUNICIPALITY's agent shall begin to inspect the Transmission System in such manner and form as he shall determine. DEVELOPERS agree that all defects, problems, damages or items of poor workmanship that may be found as a result of the engineer's inspection shall be repaired in a workmanlike manner under the direction and inspection of the MUNICIPALITY's engineer prior to dedication.

3.4. Prior to making physical connection between DEVELOPERS' Transmission System and the County Agency's Core Creek Interceptor Line under the MUNICIPALITY's supervision and direction, DEVELOPERS shall furnish the MUNICIPALITY with a maintenance bond, with corporate surety (who is on the list of approved sureties published by the Treasury Department of the United States), to cover all maintenance expenses incurred in connection with the Transmission System for the period of one (1) year following acceptance by the MUNICIPALITY of the dedication of such system. The bond shall be in the amount of the greater of Twenty-five Thousand (\$25,000.00) Dollars or ten per cent (10%) of the cost of construction of such system and shall be in a form approved by the MUNICIPALITY's solicitor.

ARTICLE IV - RATES AND CHARGES

4.1. A. DEVELOPERS agree to pay to the MUNICIPALITY pursuant to its Ordinances or Resolutions tap-in fees and sewer rental charges.

B. At such time as the MUNICIPALITY shall have approved DEVELOPERS' plans and specifications for the Transmission System and D.E.R. shall have issued all permits which are required as preconditions to the construction of such system in accordance with the Approved Plans and Specifications, the MUNICIPALITY shall so notify DEVELOPERS, whereupon DEVELOPERS shall enter into a mutually satisfactory escrow agreement with the MUNICIPALITY for the purposes of assuring the MUNICIPALITY that it will be reimbursed for all costs incurred by the MUNICIPALITY in carrying out its obligations under this Agreement and assuring the MUNICIPALITY that it will have available sufficient funds to permit the MUNICIPALITY to complete construction of the Transmission System should DEVELOPERS fail, or be unable, to do so.

C. DEVELOPERS upon the execution of this Agreement shall post with the MUNICIPALITY a good faith deposit of Twenty-five thousand (\$25,000.00) Dollars which sum shall be deposited in an interest bearing escrow account and shall be utilized for the purpose of reimbursing the MUNICIPALITY for attorney's fees, engineering fees, inspection fees, and such other administrative costs as the MUNICIPALITY may incur as a result of the execution of this Agreement. MUNICIPALITY shall be authorized, upon the execution of this Agreement, to disburse to those individuals who have supplied services in connection with this contract. DEVELOPERS shall pay additional sums into escrow upon request of the MUNICIPALITY which sums shall be utilized for the aforesaid stated purposes. Upon completion of the projects MUNICIPALITIES shall refund any unexpended balance and shall furnish to DEVELOPERS an audited statement prepared by the MUNICIPALITY's Certified Public Accountant. Any

interest earned during the course of this contract shall inure to the benefit of the DEVELOPERS.

ARTICLE V - MISCELLANEOUS

5.1. The parties agree that this Agreement contains all of the agreements between the parties and that there are no other agreements or representations made by either of them with regard to the subject matter hereof.

5.2. This Agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto and shall run with the land in the Developments. DEVELOPERS' obligations under this Agreement may not be assigned by DEVELOPERS without the express written approval of the MUNICIPALITY, which approval shall not be unreasonably withheld or delayed. DEVELOPERS' rights and benefits under this Agreement, however, shall run with the land and shall enure to any and all successors in ownership of all or any part of the Developments.

5.3. Although the parties recognize that it should be possible to construct the Transmission System entirely on land owned by DEVELOPERS, for reasons which are now unforeseen it may become necessary or convenient for DEVELOPERS to acquire one or more rights-of-way or easements or both from other property owners in order to complete the construction of the Transmission System and its connection into the aforesaid Neshaminy Interceptor. In such event, at DEVELOPERS' request, the MUNICIPALITY shall cooperate with DEVELOPERS in acquiring such right(s)-of-way or easement(s) or both and DEVELOPERS shall reimburse the MUNICIPALITY for all of its costs incurred in connection therewith, including attorneys' fees, engineering fees, court costs, costs of condemnation proceedings and expert witness costs.

5.4. DEVELOPERS do hereby indemnify and save harmless the MUNICIPALITY from any and all damages, costs, expenses and

fees, including expert witness' testimony, court stenographer expenses, and any and all other reasonable expenses of any nature (not caused by any changes or additions to any part of the System made by the Authority after acceptance of dedication thereof by the MUNICIPALITY), all of which are herein collectively called "Indemnified Costs" occurring:

A. Within one (1) year after the date of acceptance of dedication of the Transmission System by the MUNICIPALITY if such Indemnified Costs are incurred by reason of the failure of DEVELOPERS to comply with the Approved Plans and Specifications in the construction of the Transmission System, or by reason of the failure of DEVELOPERS adequately to maintain such system, whether before or after dedication; and

B. At such time as DEVELOPERS connect one or more additional sewage systems in the Developments into the Transmission System, if such Indemnified Costs are incurred by reason of any negligent or willful act by DEVELOPERS or any agent of or independent contractor employed by DEVELOPERS, with regard to such connection.

5.5. D.E.R. has, from time to time in the past, imposed bans on the MUNICIPALITY, and/or on the County Agency, prohibiting further connection to the MUNICIPALITY's systems, and the MUNICIPALITY makes no guarantee of assurance that DEVELOPERS will at any specific time be permitted to connect future stages of the System (other than the Transmission System) to the MUNICIPALITY's system by reason of these bans. Should future rules, regulations and orders of any governmental body or agency prohibit the MUNICIPALITY from accepting sewage from the Developments, DEVELOPERS relieve the MUNICIPALITY from any and all responsibility therefor.

5.6. The MUNICIPALITY, its engineers, attorneys, representatives and experts may from time to time inspect the construction of the Transmission System in order to determine whether

DEVELOPERS are complying strictly with the Approved Plans and Specifications. Also, DEVELOPERS' engineers shall inspect the installation of any and all sewage facilities which DEVELOPERS are to install pursuant to the Approved Plans and Specifications, as they are installed, in order to be sure that such installation complies with the MUNICIPALITY's applicable rules and regulations.

5.7. If, within ten (10) years after dedication to and acceptance of the Transmission System by MUNICIPALITY, any Landowner desires to construct a sewage transmission system and have the MUNICIPALITY transport for treatment the sewage by connecting the Landowner's sewage transmission system with MUNICIPALITY's lines through a connecting link using the lines paid for and installed by DEVELOPERS in the Transmission System but dedicated to the MUNICIPALITY, the MUNICIPALITY shall have the right to extend or authorize such extension in any manner and to any extent the MUNICIPALITY determines without seeking the approval of DEVELOPERS provided that DEVELOPERS shall not be prohibited or limited thereby from connecting other sewage systems serving the Developments into the lines paid for and installed by DEVELOPERS; and further provided that the Landowner shall reimburse DEVELOPERS, at or before the time of such connection, for a portion of DEVELOPERS' cost of constructing such lines, determined in accordance with the following formula:

A. DEVELOPERS' cost of constructing such sewer lines (not including internal facilities) as determined by the MUNICIPALITY on the basis of detailed cost figures supplied to the MUNICIPALITY by DEVELOPERS, multiplied by

B. a fraction, the numerator of which is the number of dwelling units and equivalent dwelling units (as those terms are used in Section 4.1A hereof) in the Landowner's property which will use such sewage lines (as determined by the MUNICIPALITY), and

the denominator of which is the sum of (i) the aforesaid number of dwelling units and equivalent dwelling units in the Landowner's property, plus (ii) the total number of estimated dwelling units and equivalent dwelling units to be constructed on these sites.

5.8. All notices given pursuant to the provisions of this Agreement shall be in writing (notwithstanding that not all references to notices in this Agreement specifically require written notice), shall be either hand delivered personally to the President of the addressee or mailed to the address of the party set out in the first paragraph of this Agreement (unless such address shall be changed by a notice given pursuant to this Section 5.9), shall be addressed to the attention of the President of the Addressee and shall be deemed given on the date of receipt.

5.9. Any disputes between the parties to this Agreement with regard to the interpretation of this Agreement or its performance or otherwise arising under this Agreement shall be finally determined by arbitration in the County of Bucks in accordance with the Rules and Regulations and procedures of the American Arbitration Association then and there obtaining.

5.10. It is specifically understood and agreed that any and all provisions of this Agreement relative to the construction and/or dedication of a Transmission Line off-site of DEVELOPERS' developments along the Langhorne-Yardley Road will connect with the Core Creek Interceptor Line at a point to be determined by the MUNICIPALITY and by the Bucks County Water and Sewer Authority.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 23rd day of October, 1975, fully intending to be legally bound hereby.

Louis Bank by [Signature] (SEAL)
LOUIS BANK *@ Horne*

MAKEFIELD ASSOCIATES, II

By [Signature]

TOWNSHIP OF LOWER MAKEFIELD

BY *Frank P. ...*
Chairman

Attest: *Phyllis ...*
Secretary

MUNICIPAL SEWER AUTHORITY OF THE
TOWNSHIP OF LOWER MAKEFIELD

By: *Bernoff*
Vice-Chairman

Attest: *John M. Z...*
Secretary