

**RESOLUTION AUTHORIZING THE PROPER OFFICERS TO EXECUTE THE AGREEMENT WITH HATFIELD TOWNSHIP MUNICIPAL AUTHORITY, HATFIELD TOWNSHIP, AND THE UPPER GWYNEDD TOWAMENCIN MUNICIPAL AUTHORITY PROVIDING FOR THE SALE OF THE SEWER CAPACITY, THE PROVISION OF SEWER SERVICE TO THE DERSTINE WATERSHED AREA AND THE TRANSFER OF MAINTENANCE OBLIGATIONS**

A Resolution authorizing the proper officers to execute the agreement with Hatfield Township Municipal Authority, Hatfield Township, and the Upper Gwynedd Towamencin Municipal Authority providing for the sale of the sewer capacity, the provision of sewer service to the Derstine Watershed Area and the transfer of maintenance obligations

**WHEREAS**, there are certain geographical areas located within Hatfield Township with contours which make it preferable to provide public sanitary service by gravitational flow into the UGTMA Treatment Plant; and

**WHEREAS**, previously, Hatfield Township and the Hatfield Township Municipal Authority assigned and released certain sanitary sewer flows to Towamencin and the UGTMA; and

**WHEREAS**, in order to continue to facilitate gravitational flow and sewer treatment, Hatfield Township and the Hatfield Township Municipal Authority have requested that flows from certain additional areas (the "Derstine Watershed Area") be accepted by Towamencin and the UGTMA; and

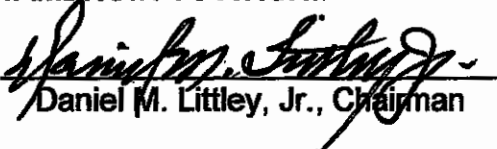
**WHEREAS**, Towamencin is desirous of releasing the maintenance obligations for certain sewer lines existing in Hatfield Township to the Hatfield Township Municipal Authority;

**WHEREAS**, the parties have prepared an agreement setting forth the terms for the sale of sewer capacity as well as the delineation of certain other obligations amongst the parties.

**NOW, THEREFORE, BE IT RESOLVED** that the proper officers of the Township are authorized to execute the Agreement a copy of which is attached to this Resolution provided all other parties to the Agreement have previously approved said Agreement.

RESOLVED this 13 day of December 2010.

BOARD OF SUPERVISORS  
TOWAMENCIN TOWNSHIP

BY:   
Daniel M. Little, Jr., Chairman

ATTEST:   
James P. Sinz, Secretary

September 17, 2010

**AGREEMENT**

THIS AGREEMENT ("Agreement") made this *13* day of, *Oct.* 2010, among **HATFIELD TOWNSHIP MUNICIPAL AUTHORITY ("HTMA"), HATFIELD TOWNSHIP ("Hatfield"), TOWAMENCIN TOWNSHIP ("Towamencin") and UPPER GWYNEDD-TOWAMENCIN MUNICIPAL AUTHORITY ("UGTMA").**

**RECITALS**

A. There are certain geographical areas located within Hatfield Township whose contours make it preferable to provide public sanitary sewer service by gravitational flow into the UGTMA treatment plant.

B. HTMA, Hatfield, Towamencin and the UGTMA entered into an agreement on or about January 16, 1979 whereby Hatfield and the HTMA assigned and released the sanitary sewer flows from a certain area then known as the "Towamencin Watershed District in Hatfield Township" to Towamencin and the UGTMA and which called for the construction of sanitary sewer lines in and along Welsh Road to service those residential properties in the area. The 1979 Agreement is incorporated herein by reference.

C. By Stipulation to Montgomery County Court Docket No. 85-07822, certain sanitary sewer lines were constructed in and along Welsh Road with numerous conditions, including:

i). The sanitary sewer lines would be dedicated to the UGTMA and the UGTMA would be responsible for maintenance of the lines.

ii). The residential properties located in Hatfield Township which would discharge into the UGTMA treatment plant would be billed by HTMA at the HTMA rates,

plus \$15 per EDU, per year.

iii). With the exception of the free standing restaurant, the sanitary sewer flows from the Ralph's Corner Shopping Center were reassigned to Hatfield and HTMA. A copy of the Stipulation and Order is incorporated herein by reference.

D. HTMA, Hatfield, Towamencin and the UGTMA entered into an agreement around January, 2001, regarding the sanitary sewer flows from the Vernon Court Subdivision. A copy of the 2001 Agreement is incorporated herein by reference.

E. Pursuant to the Agreement, Hatfield and the HTMA assigned and released the sanitary sewer flows from the Vernon Court Subdivision to Towamencin and the UGTMA subject to numerous conditions, including:

i). The sanitary sewer lines would be owned by the UGTMA and Towamencin would be responsible for the maintenance of the lines.

ii). The properties located within the Vernon Court Subdivision would be billed by Towamencin at the rates determined by Towamencin.

F. The parties in order to continue to facilitate gravitational flow and sewer treatment, have identified that certain area within Hatfield Township within the vicinity of Derstine Road and identified as Basin 16 on the plan attached hereto and made a part hereof as Exhibit "A" for assignment and release to Towamencin and the UGTMA ("Derstine Watershed Area").

G. The parties desire to detail the obligations of each party relating to the Derstine Watershed Area and the imminent construction of an age-restricted community in the Derstine Watershed Area.

H. The age-restricted community will consist of a phased 240 unit subdivision.

The developer ("Developer") of that project and the HTMA have entered into an agreement for construction of sewer lines ("Construction Agreement"), a copy of which is attached hereto and made part hereof as Exhibit "B".

I. The parties further desire to amend certain obligations of the parties relating to the Vernon Court Subdivision and the Welsh Road Watershed Area.

**NOW, THEREFORE,** in consideration of the mutual covenants and promises hereinafter set forth, and intending to be legally bound hereby, the parties agree as follows:

1. The recitals are incorporated herein by reference.
2. Hatfield and the HTMA agree to assign and release the Derstine Watershed Area to Towamencin and the UGTMA for the purpose of collection and treatment of waste waters.
3. Towamencin and the UGTMA affirm that there is presently sufficient capacity in the UGTMA treatment plant to accept 470 EDUs of capacity, the potential build out of the Derstine Watershed Area.
4. All properties located within the Derstine Watershed Area, including the proposed 240 unit age-restricted community, shall be direct customers of HTMA and shall be billed by HTMA at the Towamencin duly adopted rate, as amended from time to time. HTMA reserves the right to establish a special rate district to recoup administrative fees associated with billing.
5. The proposed sewer lines which will connect the Derstine Watershed Area to the Towamencin interceptor line (the "improvements") shall be constructed in accordance with the stricter construction rules, regulations and requirements of the HTMA or Towamencin, as detailed in the Construction Agreement, as well as in accordance with all

applicable federal, state and local laws and ordinances. HTMA and Towamencin each reserve the right to inspect the improvements during all stages of construction. HTMA shall promptly reimburse Towamencin for any invoices for engineering or legal review fees from the escrow fund established between HTMA and the developer.

6. Pursuant to the Construction Agreement, the developer must construct the Improvements in such a manner that the flows generated from the Derstine Watershed Area can be routinely monitored. The manner in which the flows will be monitored shall be determined by the HTMA and Towamencin engineers. A five feet diameter manhole shall be installed on the proposed sewer in Derstine Road within fifty feet of the Towamencin/Hatfield municipal boundary. The purpose of the manhole is to allow for future flow monitoring of the sewage flows from the Derstine Watershed Area. Unless otherwise detailed herein, the maximum allowable monthly average flow rate from the Derstine Watershed Area shall be 216 gpd times the purchased number of EDUs tributary to the Derstine Road Hatfield/ Towamencin sewer connection point. The maximum allowable instantaneous flow rate shall be three times the maximum allowable monthly average flow rate from the Derstine Watershed Area.

The maximum allowable monthly average flow rate from the Vernon Court Subdivision shall be established by monitoring the existing flows from those areas to establish a baseline flow rate for each area. The method for determining the baseline flow rate shall be determined by the HTMA and Towamencin engineers. The maximum allowable instantaneous flow rate shall be three times the maximum allowable monthly average flow rate from the Vernon Court Subdivision. All costs related to the monitoring shall be split equally amongst HTMA and Towamencin.

The maximum allowable monthly average flow rate from the Welsh Road Watershed Area (identified as Basin 15 on the plan attached hereto and made a part hereof as Exhibit "A") shall be 216 gpd times the purchased number of EDUs attributed to the sanitary sewer on Welsh Road at the municipal boundary between Hatfield Township and Towamencin Township. The maximum allowable instantaneous flow rate from the Welsh Road Watershed Area shall be three (3) times the maximum allowable monthly average flow rate from the Welsh Road Watershed Area.

If the total allowable flow rate is exceeded, HTMA shall be responsible for taking those steps necessary to reduce the flows, including implementing any necessary inflow and infiltration reduction measures. HTMA shall be responsible for paying to Towamencin or the UGTMA any surcharge rates established by resolution imposed by Towamencin or the UGTMA.

7. Upon completion, inspection and dedication of the improvements, HTMA shall own and maintain the Improvements located within Hatfield Township. UGTMA shall own the improvements within Towamencin Township and Towamencin Township will maintain the improvements within Towamencin Township.

8. In accordance with the Construction Agreement, the Developer shall be obligated to pay HTMA tapping fees for 250 EDUs. 240 EDUs for the age-restricted community and 10 EDUs to connect those properties located adjacent to the age-restricted community. A list of the adjacent properties is attached hereto and made a part hereof as Exhibit "C". The payments for such fees shall be due and owing in accordance with the phasing of the project. The first phase of the project shall account for 70 EDUs and HTMA acknowledges receipt from the Developer of the sums necessary for such purchase. Upon

execution of this Agreement, HTMA shall promptly pay Towamencin Forty-Seven Thousand Three Hundred Twenty Dollars (\$47,320.00) (70 x \$676.00) to cover Towamencin's tapping fee charge and promptly pay the UGTMA Seventy-Two Thousand Four Hundred Fifty Dollars (\$72,450.00) (70 x \$1035.00) to cover the UGTMA's tapping fee charge. For subsequent phases, upon receipt of tapping fees from the Developer, HTMA shall promptly pay Towamencin and the UGTMA their then current tapping fee rate for the total number of EDUs connecting to the system. In accordance with the Construction Agreement, the developer shall be entitled to no recapture.

9. Towamencin and the UGTMA agree to reserve the remaining 400 EDUs ("Excess EDUs") of capacity for the future development of the Derstine Watershed Area for a period of two years from the date of this Agreement. Towamencin and the UGTMA agree that no tapping fees or any other charges shall be due until such time as individual properties connect to the sewer system and at such time only the tapping fees and charges due for the number of EDUs connected shall be due. After two years, Towamencin and the UGTMA agree that for a period of three years HTMA shall have a right of first refusal to purchase any and all remaining Excess EDUs.

10. Upon the subsequent connection of any of the properties in the Derstine Watershed Area not detailed in paragraph 8, HTMA shall promptly pay Towamencin and the UGTMA its then current tapping fee for each Excess EDU connected. Notwithstanding anything detailed herein, Towamencin and the UGTMA acknowledge that HTMA can pay the tapping fees for any of the reserved Excess EDUs at any time at the then current tapping fee. HTMA must provide a copy of all future plans for sanitary sewer construction within the Derstine Watershed Area, the Vernon Court Subdivision area and the Welsh Road

Watershed Area to Towamencin and the UGTMA for review. All sanitary sewer construction in areas tributary to Towamencin and the UGTMA shall be built to the stricter construction rules, regulations and requirements of HTMA or UGTMA.

11. HTMA agrees to promptly notify Towamencin and the UGTMA whenever any property or unit is connected to the sewer system served by the UGTMA wastewater treatment plant. Hatfield shall provide Towamencin and the UGTMA with notice of any Use and Occupancy permit issued for a property tributary to the UGTMA wastewater treatment plant.

12. Those properties located in the UGTMA wastewater treatment plant tributary area shall be bound by those ordinances, rules and regulations of Towamencin and/or the UGTMA relating to quality of waste, methods of connection, inflow and infiltration, etc. HTMA and Hatfield shall enact or cause to be enacted such ordinances and regulations or amendments thereto as may be necessary to effectuate the intent of this paragraph.

13. HTMA agrees to accept dedication of those dedicated sewer improvements in Hatfield Township currently servicing the Vernon Court Subdivision and the Welsh Road Watershed Area. Such acceptance is subject to an inspection of the existing conditions of the sewer improvements by HTMA. In the event such sewer improvements require immediate repair or are in unacceptable condition to HTMA, the parties agree to further discuss the ownership and/or maintenance responsibilities pertaining to those sewer improvements.

Towamencin agrees to provide HTMA with copies of the available "as-builts" from the sewer line projects for the Vernon Court Subdivision. Towamencin shall also provide HTMA with any correspondence between Towamencin and the developers/contractors of the sewer lines relating to any issues with the installation thereof or the

materials utilized in therein.

14. HTMA shall be responsible for billing the customers located in the Vernon Court Subdivision and such customers shall be the direct customers of HTMA. For each customer, HTMA shall pay Towamencin in an amount equal to Towamencin's duly adopted rate as shall be amended from time to time. HTMA reserves the right to establish a special rate district to recoup administrative fees associated with billing.

15. HTMA shall continue to be responsible for billing the Welsh Road Watershed Area. For each customer, HTMA shall pay Towamencin in an amount equal to Towamencin's duly adopted rate as shall be amended from time to time. HTMA reserves the right to establish a special rate district to recoup administrative fees associated with billing.

16. Towamencin shall periodically bill HTMA at Towamencin's then duly adopted rate for the total number of EDUs connected to the sewer system by the Vernon Court Subdivision, Welsh Road Watershed Area and the Derstine Watershed Area. HTMA agrees to pay all bills within 45 days of receipt of same.

17. HTMA shall be solely responsible for filing sewer rental liens on those customers covered by this Agreement.

18. All existing agreements relating to the Welsh Road Watershed Area or the Vernon Court Subdivision, including the 1979 Agreement and the 2001 Agreement, are hereby terminated. The terms and conditions of this Agreement shall govern those areas.

19. This Agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

20. Should any paragraph, term or provision of this Agreement hereafter be declared to be invalid or unenforceable for any reason, such declaration shall not affect or

impair the validity or enforceability of the remainder of this Agreement, it being the intention of the parties hereto that this Agreement would have been made and entered into had not such illegal or invalid provision been incorporated herein.

21. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the parties and then only to the extent set forth in such instrument.

22. This Agreement shall extend to and bind the parties and their respective successors in interest. This Agreement may not be assigned.

23. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein and all prior and contemporaneous agreements, understandings, representations and statements, oral or written, is merged into this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first hereinabove written.

**HATFIELD TOWNSHIP MUNICIPAL  
AUTHORITY**

*Henry Rutherford*

By: *Charles Murgia*

**HATFIELD TOWNSHIP**

\_\_\_\_\_

By: \_\_\_\_\_

**TOWAMENCIN TOWNSHIP**

\_\_\_\_\_

By: \_\_\_\_\_

impeach the validity or enforceability of the remainder of this Agreement, it being the intention of the parties hereto that this Agreement would have been made and entered into had not such illegal or invalid portions been incorporated herein.

21. Neither this Agreement nor any portions hereof may be varied, modified, amended, discharged or terminated except by an instrument in writing signed by the parties and then only to the extent set forth in such instrument.

22. This Agreement shall extend to and bind the parties and their respective successors in interest. This Agreement may not be assigned.

23. This Agreement shall be the entire understanding between the parties with respect to the transactions contemplated herein and all prior and contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date last herebefore written.


HATFIELD TOWNSHIP SUCCESSIONAL AUTHORITY

\_\_\_\_\_




By: \_\_\_\_\_

HATFIELD TOWNSHIP

By:  \_\_\_\_\_

TOWANESSEX TOWNSHIP



By:  \_\_\_\_\_

impair the validity or enforceability of the remainder of this Agreement, it being the intention of the parties hereto that this Agreement would have been made and entered into had not such illegal or invalid provision been incorporated herein.

21. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the parties and then only to the extent set forth in such instrument.

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23. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein and all prior and contemporaneous agreements, understandings, representations and statements, oral or written, is merged into this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the date first hereinabove written.

**HATFIELD TOWNSHIP MUNICIPAL  
AUTHORITY**

By: \_\_\_\_\_

**HATFIELD TOWNSHIP**

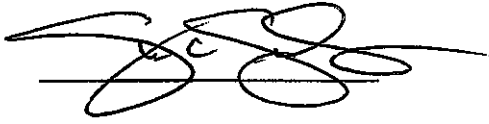
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**TOWAMENCIN TOWNSHIP**

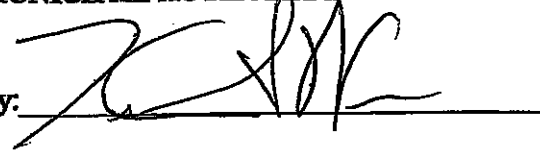
By:  \_\_\_\_\_

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**UPPER GWYNEDD-TOWAMENCIN  
MUNICIPAL AUTHORITY**

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

By:

A smaller, more compact handwritten signature in black ink, written over a horizontal line. The signature appears to be a stylized set of initials or a name.

**1985 Stipulation and Order**  
**Montgomery County Docket 85-07822**

HAMBURG, RUBIN, MULLIN & MAXWELL  
BY: J. SCOTT MAXWELL, ESQUIRE  
IDENTIFICATION NO. 09449  
800 EAST MAIN STREET  
LANSDALE, PA 19446-3098  
(215) 368-3600

ATTORNEY FOR  
PLAINTIFF

IN THE COURT OF COMMON PLEAS  
OF MONTGOMERY COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

HATFIELD TOWNSHIP  
MUNICIPAL AUTHORITY

: NO. 85-07822

vs.

TOWAMENCIN TOWNSHIP

: IN EQUITY

ORDER

AND NOW, this *31<sup>st</sup>* day of *DECEMBER*, 1988, upon  
consideration of the foregoing Stipulation, it is hereby ORDERED  
THAT:

1. The request of Hatfield Township and Upper Gwynedd-Towamencin Municipal Authority to intervene is granted and they are hereby made parties to this action.

2. The foregoing Stipulation is approved and all parties are hereby bound by its terms.

3. The Prothonotary shall mark the docket in this action "Settled, Discontinued and Ended".

BY THE COURT:

*/s/ ANITA BRODY*  
\_\_\_\_\_ J.

IN THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

HATFIELD TOWNSHIP  
MUNICIPAL AUTHORITY

v.

TOWAMENCIN TOWNSHIP

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No. 85-07822

IN EQUITY

STIPULATION OF COUNSEL RE: SETTLEMENT AND INTERVENTION

TO THE HONORABLE, THE JUDGES OF THE SAID COURT:

Undersigned counsel, with the consent of their respective clients, do hereby STIPULATE and AGREE as follows:

1. Upon approval of this Stipulation and entry of an appropriate Order by this Honorable Court, Hatfield Township and the Upper Gwynedd-Towamencin Municipal Authority shall be permitted to intervene in this litigation and become parties to it, and shall be bound by the terms of this Settlement Stipulation.

2. Hatfield Township and Towamencin Township agree to take such action as is required to revise their respective Act 537 Plans to reflect the terms of this settlement Stipulation.

3. Towamencin Township will take that action necessary to cause the developer of the Grist Mill Run Subdivision to install sewer lines to the south edge of Welsh Road in the approximate location depicted on Exhibit "A" which is attached hereto and incorporated herein by reference as if set forth in extenso.

4. Hatfield Township Municipal Authority will install the remaining portions of the collection lines required to provide sanitary sewer service to

Appendix A 251  
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residents in Hatfield Township located along the north side of Welsh Road. Prior to construction of the lines, the Engineers for the Hatfield Township Municipal Authority and Upper Gwynedd-Towamencin Municipal Authority will meet and agree on the design, materials, construction and inspection procedures for the lines.

5. Hatfield Township Municipal Authority will have sole discretion in determining the method and amount of assessing costs of constructing the collection lines which it installs, and shall have the right to collect and retain any assessment fees, capital contribution fees, tapping fees, connection fees or sewer rental charges it imposes upon Hatfield Township residents.

6. Hatfield Township Municipal Authority will dedicate the sewer lines which it constructs in Welsh Road to the Upper Gwynedd-Towamencin Municipal Authority which agrees to be responsible for the maintenance of these sewer lines.

7. Towamencin Township and/or the Upper Gwynedd-Towamencin Municipal Authority will determine the best method and timing of providing sanitary sewer service to Towamencin Township residents located along the south side of Welsh Road.

8. The Upper Gwynedd-Towamencin Municipal Authority shall determine the method of assessment and shall have the right to collect and retain any assessment fees, capital contribution fees, tapping fees, connection fees, or sanitary sewer rentals imposed on residents of Towamencin Township.

9. Towamencin Township and the Upper Gwynedd-Towamencin Municipal Authority agree to forgive any unpaid sanitary sewer rentals due it from Hatfield Township Municipal Authority as a result of providing sanitary sewer service to the Ralph's Corner Shopping Center.

10. The Upper Gwynedd-Towamencin Municipal Authority agrees to provide sanitary sewer service to the Ralph's Corner Shopping Center, without charge.

to Hatfield Township Municipal Authority, until such time as the existing connection is terminated and sewage flows from the Ralph's Corner Shopping Center are directed to the Treatment Plant of the Hatfield Township Municipal Authority, or for a period of six (6) months from the date of this Stipulation, whichever first occurs.

11. Towamencin Township and the Upper Gwynedd-Towamencin Municipal Authority agree to give up the existing Ralph's Corner Shopping Center as a sewer customer and hereby grant all rights to it and the proposed Ralph's Corner Shopping Center Expansion to the Hatfield Township Municipal Authority with the exception of the proposed restaurant that will front Welsh Road just east of the existing shopping center. Hatfield Township agrees to amend its Act 537 Official Sewage Facilities Plan in accordance with this Agreement and to adopt an amendment to its Resolution accepting the Towamencin Township Act 537 Official Sewage Facilities Plan, to provide that the parcel upon which the proposed restaurant is to be located shall be included within the service area of Towamencin Township.

12. The proposed restaurant to be constructed on Welsh Road, just east of the existing Ralph's Corner Shopping Center, shall connect to the gravity sewer which is immediately adjacent to the proposed restaurant and flows to the Upper Gwynedd-Towamencin Treatment Plant.

13. Hatfield Township Municipal Authority and Hatfield Township grant Towamencin Township and Upper Gwynedd-Towamencin Municipal Authority the right to impose their fees and charges on the developer of the restaurant, but sewer rentals will be billed to Hatfield Township Municipal Authority at a rate equal to those rates charged by Hatfield Township Municipal Authority to similar customers plus Fifteen Dollars (\$15.00) per equivalent dwelling unit.

14. The properties located in Hatfield Township which are to be served by the sewers to be installed pursuant to Paragraph 4 hereof draining to the Upper Gwynedd-Towamencin Municipal Authority treatment plant, shall be under and subject to all of the terms and conditions of the Towamencin Township Sewer Use Ordinance, as amended, in effect from time to time except as to the imposition of sewer rentals; in which case, said properties shall be billed by Towamencin Township to the Hatfield Township Municipal Authority for sewer service at the Hatfield Township Municipal Authority rate, together with Fifteen (\$15.00) per property per year.

15. Towamencin Township and/or Upper Gwynedd-Towamencin Municipal Authority shall satisfy any and all sewer rental liens which may have been filed as a result of Hatfield Township Municipal Authority withholding payment for sewer rentals related to the Ralph's Corner Shopping Center.

16. The prior Agreement between the parties relating to the Ralph's Corner Shopping Center is hereby terminated.

17. By execution of this Stipulation, and the court approval thereof, this matter shall be marked in the Prothonotary's docket as "Settled, Discontinued and Ended".

HATFIELD TOWNSHIP MUNICIPAL AUTHORITY

By: [Signature]  
Hamburg, Rubin, Mullin & Maxwell, Solicitor

HATFIELD TOWNSHIP

By: [Signature]  
Pearistine-Salkin Associates, Solicitor

UPPER GWYNEDD-TOWAMENCIN MUNICIPAL AUTHORITY

By: [Signature]  
Lardis, Kerns & Hopkins, Solicitor

TOWAMENCIN TOWNSHIP

By: [Signature]  
Jenkins, Tarquini & Jenkins, Solicitor

**2001 Agreement Among HTMA  
Hatfield, Towamencin, and UGTMA**

**AGREEMENT AMONG HATFIELD TOWNSHIP  
HATFIELD TOWNSHIP MUNICIPAL AUTHORITY  
TOWAMENCIN TOWNSHIP AND UPPER GWYNEDD-  
TOWAMENCIN MUNICIPAL AUTHORITY**

**WHEREAS**, there are certain areas located in Hatfield Township, north of Welsh Road, including the Vernon Court Development Tract, particularly set forth in a plan thereof made by T.H. Properties, Inc. ("Developer") dated May 10, 2000, last revised October 23, 2000 ("Plans"), which flow, by gravity, into the Upper Gwynedd-Towamencin sewer area; and

**WHEREAS**, by a prior undated agreement among the parties, Hatfield Township ("Hatfield") and the Hatfield Township Municipal Authority ("HTMA") agreed to assign this area of Hatfield Township's sewer capacity to Upper Gwynedd-Towamencin Municipal Authority ("UGTMA") and Towamencin Township ("Towamencin") in order to facilitate gravitation of flow and sewer treatment.

**WHEREAS**, Hatfield and HTMA, in order to continue to facilitate gravitational flow and sewer treatment, hereby assign to Towamencin and UGTMA the area designated as the Vernon Court Development on the Plans proposed by Developer; and

**WHEREAS**, all parties to the agreement desire to spell out the procedure of facilitating the installation of sewers and to properly initiate sewer coverage for the proposed homes in the Vernon Court Development.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, promises and benefits to all parties, the parties hereby agree as follows:

1. Hatfield and HTMA agree to assign the area of the Vernon Court Development in Hatfield Township, as set forth in the Plans to Towamencin and UGTMA for the purpose of collection and treatment of waste waters.
2. The customers to be served in Vernon Court shall be residential customers only. The parties agree that as the customers within Vernon Court connect to the sewer collection lines, they shall be billed for annual sewer rental by Towamencin at such rate as Towamencin shall determined from time to time.
3. The parties agree that the individual properties will be direct customers of Towamencin.
4. The proposed sewer lines shall be constructed by the Developer of the property and Developer shall pay all of the necessary tapping fees for the purchase of the required

EDU's (50 EDU's from Towamencin at One Thousand Five Hundred Dollars (\$1,500.00) per EDU and 50 EDU's from UGTMA at Three Thousand Four Hundred Fifty Dollars (\$3,450.00) per EDU). The tapping fees shall be in addition to all costs involved in the construction of any collection lines, laterals, manholes, and any other sewage facilities required by Towamencin and UGTMA to be constructed within the development or are necessary to connect the development to the UGTMA's sewage system. Developer shall be solely responsible for the cost of construction of all sewer lines and equipment necessary to connect the development to UGTMA's sewer system.

5. Upon completion, inspection and certification of the lines, the sewer lines shall be owned by UGTMA and maintained by Towamencin regardless of the location of the lines, within or immediately adjacent to the right-of-way of Welsh Road.

6. Towamencin shall have the right to file assessment and/or sewer rental liens against customers connected to the proposed sewer lines serving Vernon Court.

7. The contemplated project shall be completed within two (2) years from the date of execution of this Agreement. Contemporaneously with the execution of this Agreement, the Developer of the tract shall post with Towamencin financial security and shall execute a financial security agreement for the construction of the sanitary sewer improvements shown on the Plans, all of which shall be in the form acceptable to the Solicitor for the parties hereto. Said financial security shall secure completion of the proposed sewer lines in accordance with the Plans and specifications approved by the Towamencin Township Engineer. In the event that the sewer lines are not completed in accordance with said plans and specifications within the two (2) year time limit established in this paragraph, Towamencin shall have the right to draw down on the aforementioned financial security to the extent necessary to complete said lines. The amount of the financial security shall be equal to 110% of the estimated construction cost of the proposed sewer lines to be installed.

8. Developer shall be legally liable for the completion of said lines, even if the actual cost for the installation of said line exceeds the amount secured by the financial security. Towamencin agrees to continually update construction cost estimates and Developer agrees to add to the financial security any amounts sufficient to reflect the then current construction costs.

9. This Agreement shall not be constructed as providing for a reservation of any sewer capacity by and/or for the benefit of Developer unless and until Developer pays the tapping fees specified in paragraph 4 hereinabove.

10. The parties agree that any properties served within Hatfield Township as a result of this Agreement relating to Vernon Court shall be bound by those ordinances, rules and regulations of Towamencin and/or UGTMA relating to quality of waste, methods of

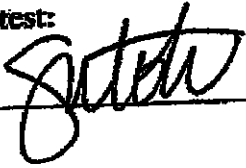
connection, inflow and infiltration, etc. HTMA and Hatfield, if necessary, shall enact or cause to be enacted such ordinances and regulations or amendments thereto as may be necessary to effectuate fully the intent of this paragraph.

11. The existing undated Agreement between the parties referred to in the second WHEREAS of this Agreement shall remain in full force and effect, unaltered by the terms of this Agreement. To the extent this Agreement or any of its terms is inconsistent with the provisions of the undated Agreement, a copy of which is attached hereto as Exhibit "A," the provisions of this Agreement shall control.

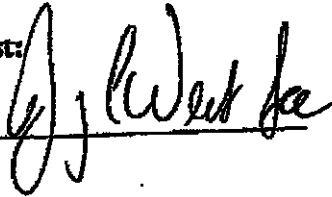
11. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania and may be modified only by a written document executed by all parties hereto.

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

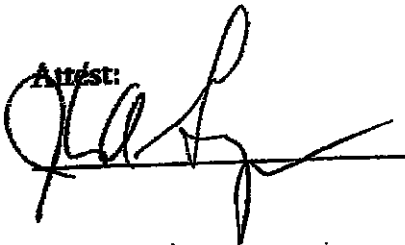
Attest:

  
\_\_\_\_\_


Attest:

  
\_\_\_\_\_


Attest:

  
\_\_\_\_\_

HATFIELD TOWNSHIP

By:   
\_\_\_\_\_

HATFIELD TOWNSHIP MUNICIPAL  
AUTHORITY

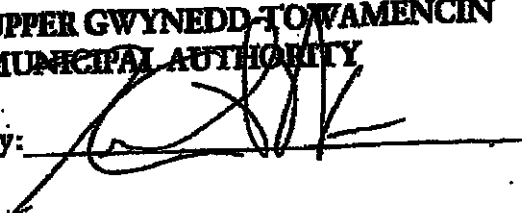
By:   
\_\_\_\_\_

TOWAMENCIN TOWNSHIP

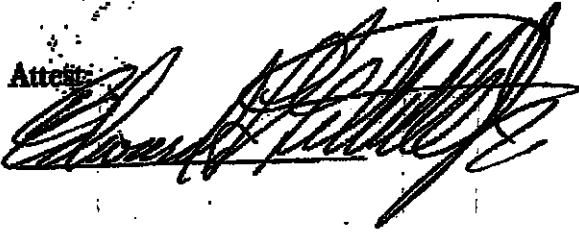
By:   
\_\_\_\_\_

**UPPER GWYNEDD-TOWAMENCIN  
MUNICIPAL AUTHORITY**

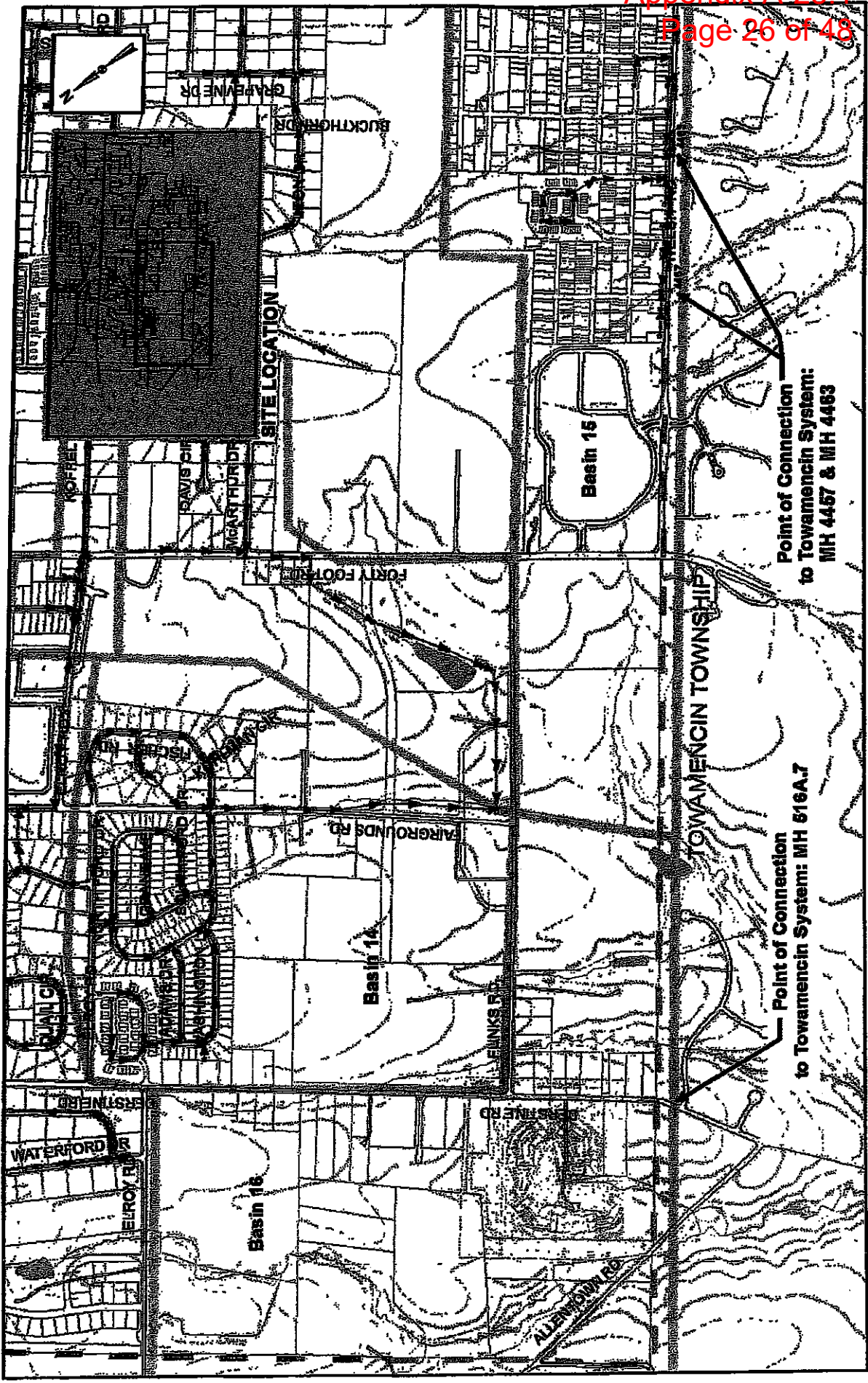
By: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'C. J. ...', written over a horizontal line.

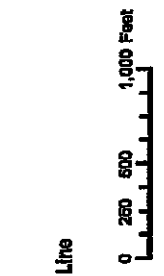
Attest:

A large, stylized handwritten signature in black ink, written over a horizontal line.





**DERSTINE & WELSH RD DRAINAGE AREA**  
 Hatfield Township Municipal Authority  
 Hatfield Township, Montgomery County, Pennsylvania  
 CERT ENGINEERING SERVICES  
 Hatfield, Pennsylvania  
 Copyright 2010 by Consultant  
 All Rights Reserved.



- Hatfield Sanitation Basins
- Manhole
- Gravity Sewer
- Water Body
- Stream
- Parcels
- Township Line



Prepared by/Return to:  
Paul G. Mullin, Esquire  
Hamburg, Rubin, Mullin, Maxwell & Lupin  
375 Morris Road, P.O. Box 1479  
Lansdale, PA 19446-0773  
215-661-0400

Parcel Numbers: 35-00-02842-00-3

**AGREEMENT FOR CONSTRUCTION OF SEWER LINES**

THIS AGREEMENT ("Agreement"), made this \_\_\_\_\_ day of \_\_\_\_\_, 2010  
between **HATFIELD TOWNSHIP MUNICIPAL AUTHORITY** (hereinafter referred to as  
"Authority") and **DERSTINE RUN LIMITED PARTNERSHIP**, its successors and assigns  
(hereinafter referred to as "Developer").

**WITNESSETH:**

**WHEREAS**, Authority is duly incorporated under the provisions of the Municipality  
Authorities Act, as amended, (the "Act") and has been designated as the agency within Hatfield  
Township, Montgomery County ("Township") responsible for providing sanitary sewer capacity  
and sanitary sewer service; and

**WHEREAS**, Developer is a corporation organized and existing under the laws of the  
Commonwealth of Pennsylvania with the principal office for the conduct of business located at  
1292 Allentown Road, Lansdale, Pennsylvania 19446; and

**WHEREAS**, Developer presently owns or will shortly acquire ownership of certain real  
estate in Municipality known as Derstine Run Condominium, Unit #1 , 84 Derstine Road,  
Hatfield Township, Montgomery County Pennsylvania and consisting of approximately 5.4035  
acres of land (the "Property"); being tax parcel no. \_\_\_\_\_ as more specifically

described in plans, prepared by Czop/Specter, Inc., dated September 2, 2009 and last revised June 21, 2010, said Plans being incorporated herein by reference as if set forth in extenso; and

**WHEREAS**, the Developer is utilizing the Property to construct a phased age restricted community and this Agreement shall cover phase 1 of the project; and

**WHEREAS**, Developer has agreed to construct and install sanitary sewer lines, sewer trunk lines, mains, laterals, and other appurtenances thereto, both on and leading to and from the aforesaid site, collectively referred to as the "Improvements", the quantities and costs of same being more specifically described in Exhibits "A" and "B", which is attached hereto and made part hereof, and the Authority is willing to provide such sanitary sewer service; and

**WHEREAS**, Developer and Authority acknowledge that the sanitary sewer flows shall be released by Hatfield Township and the Authority and will be treated by Towamencin and the Upper Gwynedd- Towamencin Municipal Authority ("UGTMA"); and

**WHEREAS**, Developer has agreed to pay to the Authority connection fees, tapping fees and certain sums of money to reimburse Authority for engineering, legal and administrative fees, and other related costs of said development.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises hereinafter set forth, and intending to be legally bound hereby, the parties agree as follows:

1. Developer agrees that all construction shall be in accordance with the Plans and further agrees that prior to commencement of construction, Plans prepared for the aforesaid construction shall be submitted to the Authority, Towamencin and the UGTMA for their review and approval. Developer further agrees that should Authority, Towamencin or UGTMA Rules, Regulations, and/or Specifications change between the date of this Agreement and commencement of construction, Developer will construct in accordance with "then current"

Rules, Regulations, and Specifications. No construction shall commence unless and until the Authority, Towamencin and the UGTMA have approved such Plans and specifications.

2. Developer shall construct and install the Improvements as are more specifically set forth in Exhibit "A" in accordance with the Plans.

3. Developer agrees to employ a responsible, experienced contractor (the "Contractor") and to employ a sufficient workforce and equipment to complete construction of the Improvements.

4. Developer agrees that construction of the Improvements shall be pursued diligently and shall be made under the supervision of the Authority's and Towamencin's engineers, who shall be compensated for all costs of its employees engaged in the inspection of said project, and further agrees that said Improvements shall not be used until the construction is approved by the engineers, indicating that the required specifications have been met.

5. Developer will require its paving contractor to schedule the paving so that sanitary sewer lines and all their respective appurtenances are installed prior to hard surfacing of streets and will require its paving contractor to exercise due care in paving over any of the Improvements. If because of the non-observance of the above requirements, any part of the Improvements or any of the Authority's facilities are damaged or repaving is required, Developer will repair or replace such facilities to the reasonable satisfaction of the Authority or, upon receipt of the Authority's billing, reimburse the Authority in full for repairs or costs thus incurred.

6. Developer may install the sanitary sewer collection system prior to the installation of curbing only upon the condition that Developer agrees to be responsible for, and to pay promptly upon request of the Authority, all costs and expenses, including legal and engineering fees, associated with any repair, replacement or relocation of any portion of such sanitary sewer

lines or related, laterals or other appurtenances caused in any way by the final grading of streets or installation of curbs, including settlement and insufficient ground cover, in order to meet the Authority's specifications. If lines are installed prior to installing curbs, Developer will be responsible for damage attributable to settling or relocation. Developer agrees that until and unless (i) all curbs are installed; (ii) all streets are finally graded and paved; and (iii) all portions of the sanitary sewer system including lines, laterals, manholes, pump stations and other appurtenances to the sewer Improvements are repaired, replaced or relocated and have been paid for in full by Developer, the Improvements will not be deemed to be "complete" or acceptable for dedication to the Authority.

7. In accordance with the Authority's specification and as set forth in the approved Plans, Developer will construct the individual building sewers between the lateral and the structures. Such construction will be subject to approval and inspection of the Authority's engineer and no trench will be backfilled or other work obscured prior to inspection. Whether billed by the Authority in advance based on estimated costs or whether billed after the Authority conducts the inspection, Developer will pay the cost of such inspection upon the Authority's written demand. If any defect in workmanship or material is found, the Authority will not render service until such defect is remedied.

8. Upon application by Developer, and upon payment of the current charge for each building, the Authority will furnish sanitary sewer service, as and when available, for Developer's use during construction on the Property.

9. On discovery of any defect in the construction of the Improvements or material utilized therein, or any variations from the Plans and materials utilized therein, or any variations from the Plans and specifications approved by the Authority, Towamencin or the UGTMA, the appropriate engineer or representative shall: (i) give notice of such defect or variations to the

Authority, Towamencin or UGTMA and the Developer; and (ii) unless Developer shall have forthwith corrected or caused to be corrected any such defect or variation, withhold authorization of further payments under construction contracts from the deposit with the Authority or held in escrow, provided that no failure on the part of one of the municipal engineers to discover any such defects or variations, or to give notice as required by this Paragraph, or to cause further disbursements from deposited funds to be withheld, shall operate as a waiver of any such defects or variations on the part of the Authority, Towamencin or UGTMA; and provided further that no such failure on the part of the appropriate municipal engineer shall limit the right of the Authority, Towamencin or UGTMA, as hereinafter provided, to reject any offer to dedicate and convey the completed Improvements to the Authority, or to refuse to provide sanitary sewer service. Developer shall be responsible for all phases of construction including the physical connection of the Improvements to the Authority's existing sewer system.

10. Developer agrees that all inspections of the construction of said Improvements or sections or phases thereof shall be made by the Authority and Towamencin through their engineers. After completion of construction, Developer shall request that a certificate be filed indicating that the construction has been completed in accordance with the approved Plans and the applicable rules and regulations.

11. Developer shall pay all costs of constructing and installing the Improvements, which shall be performed under the observation of the Authority's and Towamencin's engineer and shall pay all costs incurred by the Authority and Towamencin with respect thereto, all costs shall include, but are not limited to, all related supervisory, inspection, administrative, legal and engineering fees incurred by the Authority and Towamencin.

fifteen (15) days, this Agreement shall terminate and all remaining Security shall be paid to the Authority.

15. Developer agrees to indemnify, save and hold harmless and defend Authority, its engineers, officers, employees, agents and servants from any and all liens, costs, liabilities, charges, claims, demands, losses, costs, including but not limited to legal fees and court costs, causes of action or suits of any kind or nature whatsoever, from any causes whatsoever, whether known or unknown, foreseen or unforeseen, arising by reason of or during performance of any work of any kind or nature covered by this Agreement.

16. Developer agrees that the indemnity obligations of Developer under this Agreement apply to, and include, claims made by employees of Developer and Developer's Contractors. Developer, on behalf of itself and its contractors, hereby waives the protection and immunity of the Worker's Compensation Act, as to any action brought against the Authority, and all other immunities or statutory provisions, which would otherwise prohibit, prevent or limit Developer from having the indemnification duties and liabilities set forth in this agreement.

17. The Authority will give prompt written notice to Developer of any such claim asserted against it, which claim, if sustained, may result in liability on the part of Developer hereunder; provided, however, that the reasonable failure on the part of the Authority to give such notice shall not relieve Developer from its obligations under this section. If requested by the Authority in such notification, Developer will promptly assume the defense thereof, employing competent counsel in such defense; provided, that nothing contained herein shall require the Authority to accept counsel unsatisfactory to it; and provided further, that no compromise or settlement of such claims shall be made without the prior written consent of the Authority.

18. If Developer fails to complete construction of the Improvements within one (1) year after providing Security to the Authority, or if Developer fails to prosecute the construction with reasonable promptness and diligence, or if Developer, after written request fails to correct defective materials or workmanship, upon ten (10) days' written notice to Developer, the Authority may, but shall not be obligated to, complete the Improvements or any portion thereof, and in such case any Security shall be paid to the Authority upon written demand therefor to pay the costs associated with such construction. The Authority shall have the right, but not the obligation, to secure materials of the quality and quantity required by the Plans and the necessary numbers of workmen, mechanics and the required equipment on the open market at the then current market prices from any party to complete the construction of the Improvements, or any portion thereof. In the event the Authority proceeds with construction pursuant to this Paragraph, Developer shall be deemed to have assigned to the Authority all materials, tools and equipment on the construction site for use in completing the construction.

19. Upon written request to the Authority to certify completed portions of the Improvements, the Authority's engineer shall issue such certification within forty-five (45) days and the Authority will then authorize the release of Security in an amount equal to the amount of the certified Improvements for payment to the appropriate Contractor. If within forty-five (45) days the Authority's engineer in writing states that the Improvements have not been satisfactorily completed, no release shall be authorized until such time as the work has been satisfactorily completed. The Authority shall at all times have the right to retain ten percent (10%) of the total cost of Improvements as set forth in Exhibit A, pending final certification. Upon completion of all of the Improvements certified by the Authority's engineer, the balance of Security shall be returned to the Developer.

20. Developer agrees that prior to the commencement of construction, Developer will furnish the Authority and its engineer with a certificate of insurance indicating that Developer has obtained public liability insurance, including XCU coverage, with limits of \$1,000,000 for any one occurrence, \$2,000,000 for multiple accidents, and \$500,000 for property damage liability, which insurance includes the Authority, the Authority's engineer and the Township as additional insureds for all purposes. Such insurance shall be written by an insurer qualified for business in Pennsylvania and which is satisfactory to the Authority, and shall be on an "occurrence basis". Insurance written on a "claims made" basis shall not satisfy the requirements of this Agreement. The Authority and its solicitor, engineer, and officers shall not have modified or waived, and shall not be estopped from enforcing the requirements that insurance policies be written on an "occurrence basis" by any failure to object to any policy secured and submitted by or for Contractor, or by any other conduct. The obligation of Contractor to secure and maintain insurance written on an "occurrence basis" shall remain with Contractor, and shall be enforceable against Contractor, at all times, including after a loss has occurred, excepting only if the Authority shall have in writing expressly agreed to accept insurance which is not written on an "occurrence basis", which writing must expressly recognize that such insurance is not written on an "occurrence basis." Developer agrees to indemnify, save and hold harmless and defend Authority, its officers and employees, from any and all liens, charges, claims, demands, losses, costs, including but not limited to legal fees and court costs, causes of action or suits of any kind or nature whatsoever, from any causes whatsoever, whether known or unknown, arising by reason of or during performance of any work of any kind or nature covered by this Agreement.

21. Developer agrees that after the Authority's engineer files a certificate of completion, Developer shall dedicate and convey by appropriate deed of dedication to the

Authority, all Improvements, rights of entry, and such further rights of way and/or easements, free and clear of all liens and encumbrances which the Authority's solicitor deems to be necessary or desirable to perfect the Authority's interests in the sanitary sewer system as extended, and as the Authority's engineer deems desirable to enable the Authority to connect the system to other portions of the Authority's sanitary sewage system so as to insure efficient flow of sewage throughout the system. Such connection points will be locations satisfactory to both parties. The Authority agrees, upon approval of the same, to accept said dedication of such Improvements as Authority normally accepts in order to maintain and operate same as part of its sanitary sewer system. In no event shall Developer retain any right to convey or dedicate the sanitary sewer system, or to take service from any other supplier of sanitary sewer service. Developer shall supply the Authority with all pertinent tax parcel numbers, written legal descriptions of the easements and rights-of-way, and all costs, fees and any expenses for the preparing, registering and recording by the Authority of any document contemplated herein shall be paid by Developer upon demand therefor.

Developer agrees that Authority, or anyone else with Authority's permission, may make connections with the Improvements constructed by Developer, notwithstanding the fact that such connection is made prior to an offer of dedication.

22. Prior to commencing work on the Improvements, Developer shall supply all deeds of easements and rights-of-way noted by the Authority's engineer as necessary or desirable. All necessary easements, rights-of-way and acquisitions required by Developer are the responsibility of Developer, who agrees to pay all costs associated therewith. The Authority may, but shall not be required to, assist in the acquisition of rights-of-way using the Authority's powers of eminent domain. The Authority shall cooperate, at Developer's expense, to assist Developer in securing permits required by the Pennsylvania Department of Transportation.

23. Prior to dedication, the Developer agrees to register the underground facilities with the Pennsylvania One Call System. In accordance with 73 P.S. § 176 et seq. (the "Act"), the Developer shall be responsible for any obligations required of a Facility Owner, as defined in the Act, until such facilities are dedicated to the Authority.

24. Developer agrees that after the Authority's engineer files a certificate of completion, Developer shall dedicate and convey by appropriate deed of dedication to the Authority, all Improvements, rights of entry, and such further rights of way and/or easements, free and clear of all liens and encumbrances which the Authority's solicitor deems to be necessary or desirable to perfect the Authority's interests in the sanitary sewer system as extended, and as the Authority's engineer deems desirable to enable the Authority to connect the system to other portions of the Authority's sanitary sewage system so as to insure efficient flow of sewage throughout the system. Such connection points will be locations satisfactory to both parties. The Authority agrees, upon approval of the same, to accept said dedication of such Improvements as Authority normally accepts in order to maintain and operate same as part of its sanitary sewer system. In no event shall Developer retain any right to convey or dedicate the sanitary sewer system, or to take service from any other supplier of sanitary sewer service. Developer shall supply the Authority with all pertinent tax parcel numbers, written legal descriptions of the easements and rights-of-way, and all costs, fees and any expenses for the preparing, registering and recording by the Authority of any document contemplated herein shall be paid by Developer upon demand therefore.

Developer agrees that Authority, or anyone else with Authority's permission, may make connections with the Improvements constructed by Developer, notwithstanding the fact that such connection is made prior to an offer of dedication.

25. The Authority shall not be obligated to accept any deed of dedication, easements or rights-of-way or to provide sanitary sewer service until (i) Developer has provided a certificate prepared by its consulting engineers verifying satisfactory testing of the Improvements so dedicated and completion thereof in full compliance with the Plans and specifications approved by the Authority; (ii) the Authority in its sole discretion, has determined that the intended use of the sanitary sewer system has not been materially altered since its approval of the Plans and specifications; (iii) Developer's contractor has executed a written confirmation of its guarantee of the system as hereinafter provided; and (iv) Developer is not in default of any other obligations imposed pursuant to this Agreement.

26. At the time of acceptance of dedication by the Authority, Developer's Contractor shall guarantee to the Authority that the Improvements shall be free of defects in workmanship and any variations from the approved Plans and specifications, as may be amended, with respect to materials to be used and the methods of construction and installation of the Improvements for a period of eighteen (18) months after such dedication. In the event that any defects in workmanship are required to be corrected within such eighteen (18) month period, Developer's Contractor agrees to make all necessary repairs to correct such defects after receipt of written notice from the Authority specifying such defects in workmanship and describing the extent of the repairs required. Developer's Contractor Developer shall use its best efforts to complete any such repairs within thirty (30) days after the receipt of such written notice from the Authority, provided, however, that in the event of any emergency which Authority determines is a health or safety hazard, Authority shall provide notice to Developer and Developer's Contractor by telephone, followed by facsimile communication, to immediately commence to make such repairs and shall complete same within five (5) days of the notice by telephone. If Developer's Contractor fails to correct any such defects in workmanship in accordance with the terms and

provisions hereof, Authority may, at its option, after expiration of the grace period hereinabove provided, enter into possession, complete the work with its own men or by contract, and the entire reasonable cost of such completion including engineering and legal expenses shall be paid to Authority by Developer upon written demand therefor.

27. In order to further protect Authority, or in the event any of the work described herein with regard to the Property shall be performed by any purchaser of Developer then, at the time of the acceptance of dedication by the Authority, Developer or purchaser of Developer or Developer's contractor shall furnish Authority with an escrow fund, letter of credit or maintenance bond, which shall guarantee the Authority for a period of eighteen (18) months after the acceptance of said dedication against defects in workmanship in all such matters dedicated to the Authority. The escrow fund, maintenance bond or letter of credit shall be in the amount of fifteen percent (15%) of the original construction costs and in form satisfactory to the Authority's solicitor.

28. After such dedication to and acceptance by the Authority, and subject to the eighteen (18) month warranty against defects and workmanship, Authority shall operate and maintain at its sole cost and expense all such matters included within the dedication. The Authority shall promptly release any remaining Security and/or return any unused cash escrow, without any interest accumulations, to Developer upon Developer's written request to the Authority.

29. Developer, after completion and prior to dedication contemplated herein, shall supply the Authority with an accurate plan showing the physical location and depth of all facilities constructed under the provisions of this Agreement. It is also agreed that no lots or property abutting the sanitary sewer lines and construction herein shall be connected to said sanitary sewer lines until written approval is received from the Authority.

30. After acceptance of dedication of the Improvements by the Authority, the Improvements shall be the sole property of the Authority and the Authority shall have the right to connect other users of the Authority's systems to the Improvements.

31. Developer acknowledges that in addition to all other amounts payable under this Agreement, Developer, or any purchaser, assignee, heir or successor upon execution of this Agreement, will pay to the Authority a sewer tapping fee of One Hundred Ninety Thousand Eight Hundred and Twenty Dollars (\$190,820.00) ( $\$2,726.00 \times 70$  EDUS). Tapping fees are imposed in accordance with Act 57 of 2003 and the Authority Fee Schedule and Resolution implementing tapping fees. Developer specifically acknowledges that Developer has been afforded the opportunity to review Authority's fees and charges set forth in this Agreement and specifically agrees to the validity of the same. Developer further acknowledges that in exchange for the Authority releasing the capacity from its service area to Towamencin and the UGTMA, among other things, the Developer is paying tapping fees for ten properties located within the area of its development. Those EDUs are included within the calculation detailed in this paragraph. Developer further acknowledges that it is responsible for posting a Three Thousand Dollar (\$3,000.00) with the Authority to cover UGTMA's legal fees. The Authority shall be responsible for timely paying the UGTMA's invoices and shall promptly return any unused portion of the escrow to the Developer upon project close out. Developer acknowledges that it shall not be entitled to any recapture.

32. It shall be Developer's responsibility to give or cause to be given all notices and to comply or cause compliance with all laws, ordinances, municipal rules and regulation and requirements of public authorities applying to or affecting the conduct of the project work.

33. Developer acknowledges and agrees that Authority's obligation to provide sanitary sewer capacity shall be null and void in the event action by the Department of Environmental Protection or the Delaware River Basin Commission precludes the Authority from providing the capacity for which Developer has contracted with Authority.

34. Upon the purchase or lease of the land subject to this Agreement, and prior to settlement thereto, Developer shall supply to the Authority the name or names and addresses of prospective purchasers and/or lessees of the subject tract, or any portion thereof. Developer further agrees that the Deed to any individual lot within the Property which is subject to a water or sewer easement will contain a specific reference to the easement to which the lot is subject.

35. The covenants and conditions contained herein shall be covenants running with the land and shall bind the successors, heirs, and assigns of each of the parties hereto. The rights and obligations of the parties hereunder may not be assigned except with the written consent of the Authority.

36. Developer agrees that the term of this Agreement shall be subject to Authority review one (1) year from the date hereof. At the end of the applicable period, if the project or stated phase thereof has not been completed, the Agreement may, at the sole discretion of the Authority, be extended or terminated by written notice to Developer.

37. Developer acknowledges that the sewer capacity reserved herein is site specific and may be used only on the Property which is the subject of this Agreement.

38. Authority may, in its sole discretion, record this Agreement or a memorandum of this Agreement in the Office of the Recorder of Deeds for the County in which the Property is located.

39. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania, contains the entire understanding between the parties and may be amended only in a written document signed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

Attest:

HATFIELD TOWNSHIP MUNICIPAL  
AUTHORITY

*[Signature]*

By: *Charles Murgia*

Attest:

DERSTINE RUN LIMITED PARTNERSHIP  
By: Derstine Run, Inc., its General partner

*[Signature]*

By: *Kenneth Kloman*  
PRESIDENT - DERSTINE RUN  
LIMITED PARTNERSHIP

**Exhibit "A"**

CZOP/SPECTER, INC.

DERSTINE RUN PHASE I

Date: 5/13/10

HATFIELD TOWNSHIP  
PUBLIC IMPROVEMENT  
CONSTRUCTION COST ESTIMATE FOR ESCROW

Description	Qty	Unit	Cost per unit	Sub-Total	Totals
<b>2200 - Erosion &amp; Sediment Controls - Entire Site</b>					
Construction Entrance	1	EA	\$ 1,600.00	1,600.00	
Sediment Trap Spillway	1	EA	\$ 500.00	500.00	
Sediment Trap	1	LS	\$ 800.00	800.00	
Silt Sox	140	LF	\$ 3.50	490.00	
Tree Protection Fence	225	LF	\$ 3.00	675.00	
Rock Filter Beam	1	EA	\$ 400.00	400.00	
Inlet Protection	4	EA	\$ 80.00	360.00	
Temp Seed	6,500	SF	\$ 0.07	455.00	
Tree Protection Fence	225	LF	\$ 4.00	900.00	
				Total	6,060.00
<b>2200 - Earthwork - Onsite</b>					
Strip Topsoil	3,960	CY	\$ 2.00	7,920.00	
Cur	440	CY	\$ 3.00	1,320.00	
Fill	7,560	CY	\$ 2.00	15,120.00	
Import Soil	6,000	CY	\$ 4.00	24,000.00	
Rough Grade Site	285,975	SF	\$ 0.03	8,679.25	
				Total	64,939.25
<b>2500 - Storm Water Drainage</b>					
6" SDR Pipe	1,170	LF	\$ 15.00	17,550.00	
6" SDR Boots	80	EA	\$ 20.00	1,600.00	
				Total	19,150.00
<b>2500 - Detention Basin</b>					
Excavation	576	CY	\$ 2.25	1,296.00	
Planting Mix	506	CY	\$ 4.00	2,024.00	
ERN Mix	10,000	SF	\$ 0.15	1,500.00	
				Total	4,820.00
<b>2551 - Water Distribution</b>					
Escrowed with North Penn Water Authority					
				Total	-
<b>2552 - Sanitary - Onsite</b>					
8" DR-18	274	LF	\$ 34.00	9,316.00	
6" DR-18	105	LF	\$ 22.00	2,310.00	
Manhole	1	EA	\$ 2,000.00	2,000.00	
Clean-Out / Wye	3	EA	\$ 150.00	450.00	
MH Vacuum Test	1	EA	\$ 75.00	75.00	
Mandrel Test Lines	274	LF	\$ 0.50	137.00	
Air Test Lines	274	LF	\$ 0.50	137.00	
TV Inspection	274	LF	\$ 1.00	274.00	
				Total	14,699.00
<b>2552 - Sanitary - ROW</b>					
8" DR-18	996	LF	\$ 34.00	33,864.00	
6" DR-18	410	LF	\$ 65.00	26,650.00	
Manhole	3	EA	\$ 2,000.00	6,000.00	
Wye	10	EA	\$ 150.00	1,500.00	
MH Vacuum Test	3	EA	\$ 75.00	225.00	
Mandrel Test Lines	996	LF	\$ 0.50	498.00	
Air Test Lines	996	LF	\$ 0.50	498.00	
TV Inspection	996	LF	\$ 1.00	996.00	
Connect to Existing MH	1	LS	\$ 1,500.00	1,500.00	
				Total	71,731.00

<b>2610 - Paving - Onsite</b>					
Fine Grade Paving	4,015	SY	\$ 0.25	1,003.75	
6" 3A Stone Base	4,015	SY	\$ 4.00	16,060.00	
4 1/2" Base Course	4,015	SY	\$ 16.00	64,240.00	
1 1/2" Wear Surface	4,015	SY	\$ 6.00	24,090.00	
Pavement Markings	1	LS	\$ 575.00	575.00	
Street Signs	6	EA	\$ 150.00	900.00	
				<b>Total</b>	<b>106,869.75</b>
<b>2610 - Paving - Dersline Rd</b>					
Fine Grade Paving	485	SY	\$ 0.25	121.25	
6" 3A Stone Base	485	SY	\$ 4.00	1,940.00	
6" Base Course	485	SY	\$ 16.00	7,760.00	
1 1/2" Wear Surface	485	SY	\$ 6.00	2,910.00	
Mill to Center Line	1,367	SY	\$ 3.25	4,442.75	
1 1/2" Wear Surface	1,852	SY	\$ 6.00	11,112.00	
Seal Curb Line	665	LF	\$ 0.40	345.00	
Saw Cut	1,970	LF	\$ 2.00	3,940.00	
Pavement Restoration	994	SY	\$ 26.00	25,844.00	
Pavement Markings	1	LS	\$ 5,000.00	5,000.00	
Street Signs	1	EA	\$ 150.00	150.00	
Bumper Blocks	63	EA	\$ 50.00	3,150.00	
Traffic Control	1	LS	\$ 1,000.00	1,000.00	
				<b>Total</b>	<b>67,710.00</b>
<b>2630 - Site Concrete - Onsite</b>					
Sidewalks - 4" conc with 4" stone	3,640	SF	\$ 3.00	10,920.00	
				<b>Total</b>	<b>10,920.00</b>
<b>2620 - Curbing / 2630 - Site Concrete - Dersline Rd</b>					
Sidewalk - Public - 4" W - Dersline Rd 4" conc with 4" stone	2,995	SF	\$ 3.00	8,985.00	
18" Concrete Curb - Dersline Rd	665	LF	\$ 12.00	10,380.00	
ADA Ramps - Dersline Rd	2	EA	\$ 200.00	400.00	
				<b>Total</b>	<b>19,765.00</b>
<b>2800 - Landscaping</b>					
Trees & Shrubs	1	LS	\$ 30,000.00	30,000.00	
Spread Topsoil	1,830	CY	\$ 2.00	3,660.00	
Seed & Mulch	130,745	SF	\$ 0.06	7,608.70	
				<b>Total</b>	<b>41,468.70</b>
<b>Miscellaneous</b>					
Parking Lot Lighting	22	EA	\$ 1,450.00	31,900.00	
Retaining Wall	1,215	SF	\$ 19.00	23,085.00	
Guard Rail	200	LF	\$ 38.00	7,600.00	
Construction Stake-out	1	LS	\$ 5,000.00	5,000.00	
Concrete Monuments R/W	6	EA	\$ 150.00	900.00	
As Built Plans	1	LS	\$ 1,500.00	1,500.00	
Inspection/Testing	1	LS	\$ 5,000.00	5,000.00	
				<b>Total</b>	<b>75,185.00</b>
				<b>Project Total</b>	<b>503,342.70</b>
				<b>10% Escalation</b>	<b>50,334.27</b>
				<b>Grand Total</b>	<b>553,676.97</b>

**Exhibit "B"**

006441

DERSTINE RUN  
PHASE 1  
SANITARY SEWER ESTIMATE  
TOWAMENCIN TOWNSHIP ONLY  
JUNE 2010

ITEM	QUANTITY	UNITS	UNIT COST	TOTAL COST
<b>I. SANITARY SEWER</b>				
1. 6" DR 18 Lateral Pipe	20	LF	\$40.00	\$800.00
2. 6" DR 18 Main Pipe	210	LF	\$70.00	\$14,700.00
3. Wye	2	EA	\$150.00	\$300.00
4. 6' Dia. Manhole	1	EA	\$4,000.00	\$4,000.00
5. Standard Manhole	1	EA	\$3,000.00	\$3,000.00
6. Insertion Manhole	1	EA	\$4,000.00	\$4,000.00
7. Pressure Testing	260	LF	\$1.45	\$362.50
8. Manhole Testing	3	EA	\$150.00	\$450.00
9. Flushing and Televising	210	LF	\$1.60	\$336.00
10. Manhole Removal	1	LS	\$1,000.00	\$1,000.00
11. Manhole Plug and Cap	1	LS	\$1,000.00	\$1,000.00
12. Existing Sanitary Abandonment	1	LS	\$1,000.00	\$1,000.00
<b>SUBTOTAL</b>				<b>\$30,948.50</b>
<b>II. SANITARY TRENCH AND ROAD RESTORATION</b>				
1. Fine Grading	170	SY	\$0.25	\$42.50
2. 5" Base Course	170	SY	\$30.00	\$5,100.00
3. Full Width Mill	560	SY	\$5.00	\$2,800.00
4. 1 1/2" Wearing Course (Full Width)	560	SY	\$8.00	\$4,480.00
5. Pavement Markings	1	LS	\$500.00	\$500.00
6. Seal Curb Line	210	LF	\$0.40	\$84.00
<b>SUBTOTAL</b>				<b>\$13,006.50</b>
<b>III. MISCELLANEOUS</b>				
1. Lawn Restoration	1	LS	\$1,000.00	\$1,000.00
2. Survey Stakeout	1	LS	\$1,400.00	\$1,400.00
3. As-Built Drawings	1	LS	\$735.91	\$735.91
4. Engineering / Legal	1	LS	\$10,000.00	\$10,000.00
5. Traffic Maintenance and Protection	1	LS	\$2,000.00	\$2,000.00
<b>SUBTOTAL</b>				<b>\$15,135.91</b>
<b>SANITARY SEWER CONSTRUCTION COST ESTIMATE</b>				<b>\$59,090.91</b>
<b>TOWNSHIP SECURITY (10%)</b>				<b>\$5,909.09</b>
<b>TOTAL SANITARY SEWER ESCROW</b>				<b>\$65,000.00</b>

insofar as the validity or enforceability of the remainder of this Agreement, it being the intention of the parties herein that this Agreement would have been made and entered into had not such illegal or invalid provision been incorporated herein.

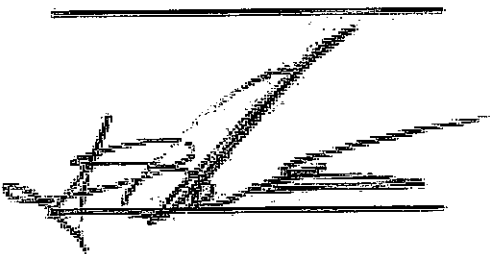
21. Neither this Agreement nor any provisions hereof may be varied, modified, amended, discharged or terminated except by an instrument in writing signed by the parties and then only to the extent set forth in such instrument.

22. This Agreement shall extend to and bind the parties and their respective successors in interest. This Agreement may not be assigned.

23. This Agreement embodies and contains the entire understanding between the parties with respect to the transaction contemplated herein and all prior and contemporaneous agreements, understandings, representations and statements, oral or written, is merged into this Agreement.

IN WITNESS WHEREOF, the parties herein have duly executed this Agreement as of the date first hereinafter written.

**HATFIELD TOWNSHIP MUNICIPAL AUTHORITY**

\_\_\_\_\_  


By: \_\_\_\_\_

**HATFIELD TOWNSHIP**

By: 

**TOWNSHIP TOWNSHIP**

\_\_\_\_\_  


By: 