

SEWAGE SERVICE AND CONSTRUCTION AGREEMENT

CECIL TOWNSHIP MUNICIPAL AUTHORITY

WASHINGTON COUNTY, PENNSYLVANIA

3599 Miller's Run Road

Suite 104

Cecil, PA 15321

SEWAGE SERVICE AND CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 2006 by and between the CECIL TOWNSHIP MUNICIPAL AUTHORITY of 3599 Millers Run Road, Cecil, Washington County, Pennsylvania, organized under and existing Under the laws of the Commonwealth of Pennsylvania, hereinafter called the "Authority",

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WHEREAS, the Authority provides sewage service in Cecil Township, Washington County, Pennsylvania; and

**WHEREAS, the Developer has requested and will require sewage service for
being a project of Developer known as _____ ; and**

WHEREAS, to make the sewage facilities available, sanitary sewer lines must be extended from the Authority's facilities and through property of the Developer, as shown on the Construction Plan _____ , attached hereto and made a part hereof; and

WHEREAS, the Developer is willing, upon the terms and conditions of the Agreement, to extend sewer lines in accordance with the Plans; and

WHEREAS, the Authority is willing, upon the terms and conditions of this Agreement, to have sewer lines extended in accordance with the Plans to provide sewage service to the Project.

NOW, THEREFORE, in consideration of the foregoing premises and covenants and conditions hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

Installation

- 1. The Developer shall install the sewer lines and all appurtenances, hereinafter sometimes referred to as the “installations” as shown on the Plans. All materials and workmanship shall be in accordance with the detailed specification of the Authority and its Consulting Engineer.**
- 2. The Developer and/or subsequent owner of any property to be served by installations constructed pursuant to the Agreement will install at his cost and expense and in accordance with the Authority’s specifications and rules and regulations building sewers for each premises requiring sewer service. The layout and other design features shall be subject to the approval of the Authority.**

ARTICLE II

Responsibility for Costs

1. The Developer shall be responsible for all costs in connection with the installations; the term “costs” shall include but may not be limited to the following:
 - A. Cost of all sewer lines.
 - B. Cost of connections to existing systems.
 - C. Cost of all fittings, manholes, appurtenances, and all other related work.
 - D. Cost of all rights-of way and lands, including acquisition.
 - E. All reasonable costs for engineering, legal, overhead and miscellaneous costs incurred by the Authority in connection with the sewer line installations.
 - F. All reasonable costs for engineering and inspection services incurred by the Authority and required during construction and testing of the installation.

2. The Developer shall deposit with the Authority concurrently with the execution and delivery of the Agreement an amount equal to ten percent (10%) of the estimated cost of construction of the installations, to reimburse the Authority for the payment of the costs of inspection, engineering, legal, overhead and such additional costs as may be incurred by the authority. The authority agrees, upon its acceptance of the installations, to refund to the Developer the balance, if any, of the initial or any subsequent deposit not expended. The estimated construction cost of the installation shall be determined by the Authority’s Consulting Engineer or the actual contract to construct the sewers, whichever is less.

ARTICLE III

Approvals

1. The Authority shall have the right to approve The Developer's sewer line Contractor. The Developer shall furnish to the Authority a resume of the Contractor's experience and proof that the Contractor carries liability and property damage insurance in an amount not less than \$ 500,000.00/\$1,000,000.00.

2. The Developer shall furnish evidence to the Authority that the materials used on the project comply with the materials specifications of the authority and the Commonwealth of Pennsylvania Department of Environmental Protection. No order shall be placed for any material or equipment by the Developer until approval is given by the Authority.

3. In order to provide the Authority with the opportunity to inspect work on a full-time basis, the Developer shall notify the Authority, in writing, forty-eight (48) hours in advance of any construction. The Authority shall have the right to test all building sewers. The Authority shall have the right to require all work to cease and to be discontinued if, in the opinion of the authority or its Consulting Engineer, the work constitutes a danger to customers of the Authority or if work is not being performed in accordance with the specifications.

ARTICLE IV

Installations

1. The Developer shall complete the work according to the specifications. The installations so completed, excluding individual service lines or laterals, shall be the property of the Authority. Such extensions shall not obligate the Developer for any

additional construction contribution and shall not be considered as connections subject to any refund, except as may be hereinafter specifically stated.

ARTICLE V

Plans and Easements

1. The Developer shall submit plans for all installations for approval by the Authority and its Consulting Engineer. Upon completion of the installations, the Developer shall furnish to the Authority “as built” plans of all installations constructed and installed pursuant to this Agreement, which as built plans shall include plan view stationing of service connections, and invert installations at all manholes and lampholes, length of sewers, deflection angles and such other information as the Authority may require. In addition, profile drawings detailing the respective sewer line and appurtenance deviations must be included. All drawings shall be on 24 inch by 36 mylar.

2. The Developer shall cause all necessary easements for sewer lines for the use of the Authority to be shown on the recorded plan of the Development. The Developer shall secure all necessary rights-of-way or easements 20 feet wide, giving Developer and the Authority the free and uninterrupted use, liberty and privilege to construct and maintain sewer lines with all necessary connections, appurtenances and related facilities that may be required, together with the free ingress, egress and regress to and for the Developer and the Authority, their successors and assigns at all times hereinafter to enter upon the right-of-way or easement for the purpose of construction, installation, maintenance, repair and replacement of the sewer lines, appurtenances and related facilities.

ARTICLE VI

Permits

1. The Developer shall submit sufficient data and information to permit the Authority to apply to the Department of Environmental Protection of the Commonwealth of Pennsylvania for a Water Quality Management Permit approving the proposed sewer line extension. The Developer shall not begin construction of the sewer line extension until such Permit is received.

2. The Developer further agrees that, if the Commonwealth has not issued a Permit within six months after the date hereof, this Agreement will be considered null and void and both parties will be relieved of any further obligations, except that the Developer shall reimburse the Authority for its costs incurred as of the date on which the Authority has been notified of the rejection of the Permit Application.

ARTICLE VII

Acceptance of Installations

Applications for Service

1. After the Developer has performed with the terms of this Agreement, he shall certify completion of the facilities to the Authority. If the Authority and its Consulting Engineer find that completion has occurred pursuant to the specifications and terms of this Agreement, the Authority shall accept ownership of the installations and shall so notify the Developer in writing.

2. Upon the acceptance of the installations by the Authority, the Developer or his successors or assigns shall subsequently submit written applications for sewage service on forms prescribed by the Authority which applications shall be accompanied by payment of the proper sewage treatment and connection fees, and other established fees, customarily

charged by the Authority throughout the Township.

3. After acceptance of the installations and upon receipt of applications for service and payment of sewage treatment and connection fees, the Authority shall furnish sanitary sewage service under the terms of the Agreement and in accordance with the Authority's schedule of rates and rules and regulations. (FOR BRUSH RUN ONLY: Except if the Authority is prevented from granting such connection by the Pennsylvania Department of Environmental Protection under the provisions of Pa. Code 25, Chapter 94.)

ARTICLE VIII

Financial Security

1. In accordance with the Municipality Authorities Act of 1945 (53 P.S. 306 (s.1)) the Authority shall require the Developer to post financial security as approved by the Authority, to insure the completion, in accordance with the approved plans and with the rules and regulations of the Authority, of the sanitary sewer lines and related apparatus and facilities, required to be installed by or on behalf of the Developer. Such financial security shall provide for and secure to the Authority, the completion of all improvements within one (1) year from the date of posting of the security. The amount of financial security shall be equal to one hundred ten (110) per centum of the cost. The cost shall be established by submission to the Authority of a bona fide bid, or in the absence of such bid, the cost shall be established by estimate prepared by the Authority's engineer. A Performance Bond, irrevocable letter of credit or other same or similar guarantee with a surety approved by the Authority, in the amount of one hundred ten percent (110%) of the project cost shall satisfy this requirement.

2. The Developer shall furnish the Authority with a separate Labor and Materials Payment Bond with surety approved by the Authority, in the amount of one hundred

percent (100%) of cost, to be conditioned as provided by 53 P.S. 312. In lieu of the aforesaid Labor and Materials Payment Bond the Developer may furnish a Release executed by all subcontractors indicating they have been paid and an Affidavit stating that all materials furnished to the site have been paid for in full.

3. Before the Authority accepts dedication of the improvements following completion, the Authority shall require the Developer to post financial security approved by the Authority to secure structural integrity of the improvements as well as the functioning of said improvements in accordance with the design and specification and the Authority's rules and regulations for a term of eighteen (18) months from the date of acceptance of dedication. The amount of the financial security shall be fifteen per centum of the actual cost of installation of the improvements. A Maintenance Bond, irrevocable letter of credit or other same or similar guarantee for fifteen percent (15%) of the project cost with a surety approved by the Authority shall be deemed sufficient financial security.

ARTICLE IX

Indemnification

The Developer agrees that it will defend the Authority and the Authority's Consulting Engineer against all claims and suits for damages to person or property, or any of them, arising from or in connection with the work caused or alleged to have been caused by the Developer's negligence, and/or by the negligence or alleged negligence of the Developer's contractor, and will further indemnify and hold harmless the authority and the authority's Consulting Engineer from any and all liability, cost or expense arising from or connected with any such claim or suit, including Court costs and reasonable attorneys' fees.

ARTICLE X

Sewage Treatment and Connection Fees

1. The Developer shall pay to the Authority sewage treatment charges; initial service charges and all other established fees and charges customarily charged by the Authority throughout the Township as set forth and required by the Authority's rate schedule. Payment of said fees shall be made in accordance with the Authority's rate schedule unless said charges are more appropriately paid for by the Builder or Owner of the subjected property. Should the Developer fail to comply with the foregoing, the Authority, upon written notice to the Developer, shall have the right to refuse service to those units for which no sewage treatment, initial service charges or other charges have been paid as of the date of said notice, and the authority shall have no further obligation whatsoever to the Developer, his successors or assigns to provide service to said units.

ARTICLE XI

Miscellaneous

1. The Developer agrees that the right to sewer service from the installations constructed under the terms of the Agreement shall at all times be subject to the rates, rules and regulations of the Authority.

2. All bills submitted by the Authority to the Developer for costs incurred by the Authority under Section 1 of Article II hereof in excess of the ten percent (10%) deposit shall be due and payable upon presentation to the developer, and beginning thirty (30) days from the date thereof shall bear interest at the rate of ten percent (10%) per annum.

3. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement, change, waiver, discharge or termination is sought.

4. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and shall supersede all prior understandings and agreements between the parties with respect to the subject matter. The captions in this Agreement are for purposes of reference only and shall not limit or otherwise affect any of the terms hereof. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. The Developer may not assign or transfer its rights hereunder without the prior written consent of the Authority.

6. This Agreement shall be a covenant running with the land and may be recorded and shall bind the parties hereto, their heirs, executors, personal representatives, successors and assigned.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in accordance with proper authorization of their respective Boards and have caused this instrument to be executed by their proper corporate officers and their corporate seals affixed, on the day and year first above written.

ATTEST:

CECIL TOWNSHIP MUNICIPAL AUTHORITY

Secretary

By: _____
Administrator
Cecil Township Municipal Authority

By: _____
Developer

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF WASHINGTON)

ON this _____ day of _____, 2004, before me, a Notary Public, the undersigned officer, personally appeared DONALD V. GENNUSO, who, acknowledged himself to be the Chairman of the Cecil Township Municipal Authority, and that he as such Chairman being authorized to do so, executed the foregoing instrument for the purposes therein contained, and to the end that it be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF WASHINGTON)

ON this _____ day of _____, 2004, before me, a Notary Public,
the undersigned officer, personally appeared _____, who,
acknowledged himself to be the Developer of the _____, and
that he as such Developer being authorized to do so, executed the foregoing instrument for
the purposes therein contained, and to the end that it be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public