

WHEREAS, the plans for the DEVELOPMENT have been approved by the Municipality and by the AUTHORITY, and

WHEREAS, the AUTHORITY will allow the proposed connection of the DEVELOPMENT to its system provided certain conditions are met, including the payment of the Tapping Fee required in 18 of the Rules and Regulations, and

WHEREAS, the proposed DEVELOPMENT, which the DEVELOPER is planning to construct, consists of acres on which improved units are to be constructed as shown on the plans, a copy of which is attached hereto as Exhibit B-1, and

WHEREAS, the DEVELOPER acknowledges that a sewer permit will be required prior to structures being physically connected to the sewer system; such permits requiring the payment of the applicable fees, including a Tapping Fee, Connection Fee and Customer Facilities Fee.

NOW THEREFORE, in consideration of the events and information set forth in the recitals above, which recitals are incorporated in the body of this Agreement and made a part hereof, and in consideration of the mutual covenants and agreements contained herein, the DEVELOPER and the AUTHORITY agree as follows:

1. The DEVELOPER agrees to pay Tapping Fee in the total sum of
(\$) Dollars
representing a Tapping Fee of Two Thousand Five Hundred (\$2,500.00)
Dollars for each of the improved units being developed.

2. The Tapping Fee shall be due and payable as follows:

a. Upon the signing of this Agreement, receipt of which is hereby acknowledged, the DEVELOPER shall pay Tapping Fees for ten (10%) percent of the number of units being developed rounded to the next unit or ten (10) times the Tapping Fee, whichever is lower.

This amount shall be (\$) Dollars.

b. The funds paid, \$, for Tapping Fees in accordance with Paragraph 2.a above, shall be held and credited to the connection of the final units in the DEVELOPMENT.

c. The Tapping Fee of \$ shall be paid as lots are sold by DEVELOPER.

3. Upon receipt of the Tapping Fee by the AUTHORITY, such funds may be used by the AUTHORITY for any legal purpose for which the AUTHORITY decides to use such funds.

4. The Tapping Fee provided in this Agreement shall be in addition to all costs involved in the construction of any sewer mains, laterals, manholes and any other sewage facility required to be constructed within the DEVELOPMENT or necessary to connect this DEVELOPMENT to the AUTHORITY'S existing system. The DEVELOPER is still responsible to construct, at its own cost, all sewer mains, laterals and manholes necessary to connect this DEVELOPMENT to the AUTHORITY'S existing system. The DEVELOPER shall also be required to provide the normal security, if any, required by AUTHORITY and the Municipality to insure that all on-site and off-site sewer mains and other facilities are constructed properly and in accordance with plans and specifications approved by the AUTHORITY and the Municipality. The execution of the Agreement and the payment of the Tapping Fee provided in this Agreement, shall not in any way operate to remove or lessen the effect of the DEVELOPER'S obligations to construct such on-site and off-site improvements and to provide appropriate security regarding the construction of such improvements.

5. To ensure completion of the sanitary sewer improvements as set forth in this Agreement, the accompanying plan, Exhibit B-1, the DEVELOPER shall deliver to the AUTHORITY a suitable instrument in an

amount representing one hundred fifteen (115%) percent of the cost of the required improvements set forth in Exhibit B-2. The cost of required improvements shall be established by submitting to the AUTHORITY a bona fide bid from a contractor chosen by the DEVELOPER. In the absence of a bona fide bid, the costs shall be established by an estimate prepared by the AUTHORITY'S Engineer. Said financial instrument shall be valid for a period of two (2) years from the date of execution of this Agreement. At the expiration of a period of no more than six (6) months from the date of delivery of the financial instrument pursuant to this Agreement, and sooner if requested by the DEVELOPER and if warranted by the progress of the installation of the sanitary sewer improvements, the AUTHORITY'S Engineer shall review the status of the incomplete work and shall determine whether there exists enough funds secured by the financial instrument to complete the incomplete sanitary sewer improvements. As the work of installing the required sanitary sewer improvements proceeds, the DEVELOPER may request the AUTHORITY to authorize the release of, from time to time, portions of the financial security necessary to pay the contractor performing the work. These requests shall be in writing addressed to the AUTHORITY, and the AUTHORITY shall have forty-five

(45) days after receiving a request to ascertain from the AUTHORITY Engineer, certified in writing, that the portion of the work has been completed in accordance with this Agreement. Upon receiving written certification, the AUTHORITY shall authorize release of the financial security in an amount estimated by the AUTHORITY Engineer to fairly represent the value of the sanitary sewer improvements completed. The AUTHORITY may, prior to final release at the time of completion and certification by its engineer, require retention of fifteen (15%) percent of the estimated costs of improvements. If the AUTHORITY'S Engineer shall determine that the financial security is insufficient to provide for the completion of the then incomplete sanitary sewer improvements, the AUTHORITY'S Engineer shall certify to the DEVELOPER an additional amount of money for financial security necessary to complete the said sanitary sewer improvements, and the DEVELOPER shall thereupon be required within thirty (30) days from the said certification to obtain an increase in the amount of the balance of the financial security in an amount equal to one hundred fifteen (115%) percent of the money determined by the AUTHORITY'S Engineer to be required. In the event the DEVELOPER fails to provide such new or additional financial security within said thirty (30) days, the

AUTHORITY, at the AUTHORITY'S option, may suspend the issuance of the permit and prohibit further work until such additional financial security is provided.

6. DEVELOPER agrees to construct, at its sole expense, the sanitary sewer improvements on DEVELOPER's property in accordance with the construction specifications and requirements of the AUTHORITY. DEVELOPER further agrees to reimburse AUTHORITY for its engineering and inspection fees incurred by AUTHORITY in the inspection and approval of the construction of the sanitary sewer improvements on DEVELOPER's tract.

7. DEVELOPER agrees to provide an escrow in the amount of \$ for engineering and inspection of the system. DEVELOPER must replenish the escrow if more than ninety (90%) percent is withdrawn prior to completion. The AUTHORITY shall act as the Escrow Agent and shall pay from the escrow the AUTHORITY'S Engineer for engineer and inspection services provided in connection with the DEVELOPMENT as approved by the AUTHORITY. Amounts not required will be refunded.

8. DEVELOPER will also be obligated to pay AUTHORITY its customary Customer Facilities Fee for inspection of the connection of

each of the improved units to the collection system being constructed by DEVELOPER on DEVELOPER's tract.

9. The customary Connection Fee which provides for the installation of laterals shall be waived in lieu of the DEVELOPER installing sanitary sewer improvements.

10. The DEVELOPER shall transmit to the AUTHORITY two (2) copies or sets of the following data, unless otherwise noted:

a. Three (3) copies of plans of the sewer mains to be constructed signed by a Professional Engineer licensed to practice in the Commonwealth of Pennsylvania. The plans shall be clear and legible.

b. The Maintenance Bond, as set forth herein. It shall also purchase and maintain such insurance as will protect the AUTHORITY and AUTHORITY'S Engineer from any claims. The said insurance shall be as required under the laws of Pennsylvania.

c. Approved copies of Pennsylvania Department of Environmental Protection Modules and supporting reports (when required).

d. Pennsylvania State Highway Occupancy Permit (when required).

- e. Municipal Highway Occupancy Permit (when required).
- f. Railroad Permit (when required).
- g. Letters of Certification as to Compliance with the

Specifications for:

- i. backfill material
 - ii. crushed stone for pipe bedding
 - iii. concrete
 - iv. pipe
 - v. manholes
- h. Erosion and sediment control plan.
 - i. Blasting reports and blasting records.
 - j. Tunnel calculation.
 - k. Sheathing and shoring calculation.
 - l. Soil tests.
 - m. A minimum of four (4) copies of all shop drawings:
 - i. pipe and appurtenances
 - ii. manholes (precast M.H. only) with pipe adapter
 - iii. manhole covers
 - iv. fittings (wyes, elbows, valves, etc.)
 - v. all other pertinent data

11. Submission of shop drawings required in Paragraph 10.m above shall be in accordance with the following procedures:

a. Prior to submitting drawings to the AUTHORITY, the DEVELOPER shall check thoroughly all such drawings to satisfy itself that the subject matter conforms to the Approved Plans in all respects. Drawings which are correct shall be marked with the date, checker's name and certification of the DEVELOPER's approval and then shall be submitted to the AUTHORITY. Drawings submitted without the DEVELOPER certification will be returned without review. A certification submitted and signed by the DEVELOPER's contractor, being an agent of the DEVELOPER, shall be interpreted as so certified by the DEVELOPER.

b. A minimum of four (4) copies shall be submitted, three (3) copies will be retained by the AUTHORITY and one (1) copy will be returned. If more than one (1) copy is required by DEVELOPER, additional copies shall be submitted. Submittals marked "Rejected" or "Resubmit" shall be resubmitted after revision.

c. When so specified or if considered by the AUTHORITY to be acceptable, manufacturer's specification, catalog data, descriptive matter, illustrations, etc., may be substituted for shop

and working drawings. In such case the requirements shall be as specified for shop drawings, insofar as applicable.

d. The DEVELOPER shall be responsible for the prompt submission of all shop drawings so that there shall be no delay to the work due to the absence of such drawings.

e. All materials and work involved in the construction shall be as represented by said drawings.

f. The AUTHORITY'S review of shop drawings is limited to ensuring compliance with the NBMA specifications.

12. Upon receipt from AUTHORITY of "Reviewed" or "Reviewed as Noted" shop drawings, DEVELOPER is authorized to proceed with construction of the sanitary sewer improvements.

13. The DEVELOPER agrees all work will be subject to inspection and testing by a representative of the AUTHORITY. A minimum forty-eight (48) hour notice shall be provided so inspection can be provided by the AUTHORITY. At the discretion of the AUTHORITY, this may be either full time or on a part-time basis. The DEVELOPER'S Contractor shall at all times give access to the AUTHORITY and its lawful representatives in order that the inspection may be performed. If the work is defective or the DEVELOPER fails to supply suitable

materials, the AUTHORITY may order the DEVELOPER to stop the work, or any portion thereof, until the cause for such order has been eliminated.

14. All house connections and building sewers will be subject to inspection at the time of installation by the AUTHORITY inspector. The building sewers shall be tested as set forth in the Rules and Regulations.

15. A final inspection of the work will be required prior to acceptance of the work by the AUTHORITY. Any deficient items noted shall be corrected prior to acceptance.

16. Upon completion of construction and acknowledgment of the Authority Engineer's acceptance of the sanitary sewer collection system improvements on DEVELOPER's tract, the DEVELOPER shall deed to AUTHORITY all sanitary sewer improvements constructed by the DEVELOPER within this DEVELOPMENT and constructed by the DEVELOPER to connect this DEVELOPMENT to the AUTHORITY'S existing system. The DEVELOPER shall also deed to the AUTHORITY a permanent easement, containing such reasonable conditions and rights and consisting of such dimensions as shall be acceptable to the AUTHORITY, to the land where such on-site and off-site sanitary sewer improvements and other

sewage facilities are constructed, to the extent any such lines are not in a public street. The AUTHORITY may, at its option, accept dedication of the system but shall not be required to do so.

17. DEVELOPER shall guarantee that the sanitary sewer improvements will perform as designed from the date of dedication to the AUTHORITY, and to secure this guarantee, DEVELOPER will execute a Sanitary Sewer Maintenance Agreement, Exhibit B-3, to provide security in the form of a financial instrument acceptable to the AUTHORITY in an amount equal to fifteen (15%) percent of actual costs of the installation of the improvements as approved by the Authority Engineer. The financial instrument providing security shall be in a form satisfactory to the AUTHORITY and shall secure the structural integrity of the improvements, as well as the functioning of the improvements in accordance with the design and specifications as depicted on the final plan and the AUTHORITY'S Rules and Regulations. At the conclusion of the eighteen (18) month period, the DEVELOPER, at DEVELOPER'S sole expense, shall have the sanitary sewer improvements televised and provide a videotape of the same to the AUTHORITY. An identified deficiency shall be corrected prior to the release of the maintenance bond.

18. The DEVELOPER shall also provide the AUTHORITY with a set of accurate as-built plans covering all sanitary sewer improvements and other sewage facilities constructed both on-site and off-site. Three (3) copies of as-built drawings shall be provided. Each sheet shall be signed by an official of the DEVELOPER's company, certifying that each sheet reflects the as-built conditions. DEVELOPER shall also provide an electronic file of the said as-built plans in a format acceptable to the AUTHORITY.

19. The units for which a permit is herein granted must be connected within twenty-four (24) months of the date of approval of the final subdivision plan by the Municipality. If the properties are not connected within the said twenty-four (24) month period, either (a) the DEVELOPER will pay the appropriate Connection Fee and/or Customer Facilities Fee and begin to pay the then existing applicable sewer charges for use of the permitted units, or (b) the permit will terminate with the DEVELOPER or any then owner of such property having no further interest or rights in such permit. In the event the connection is not made within twenty-four (24) months and the permit terminates pursuant to (b), the Tapping Fee paid by the DEVELOPER to the AUTHORITY will not be returned or refunded, in whole

or in part, to the DEVELOPER or the then owner of such property but shall belong to the AUTHORITY free from any claim.

20. The AUTHORITY shall have the right but not the duty to extend any time limitation provided for herein when, in the AUTHORITY'S opinion, good cause for such extension has been shown. As a condition of any extension, the AUTHORITY may require the DEVELOPER to pay the applicable Tapping Fee and the applicable sewer use charges as if the improved units were connected and in use. The DEVELOPER shall have no right to receive an extension of time of any time provision of this Agreement.

21. As a condition of approval by the AUTHORITY, the DEVELOPER hereby releases the AUTHORITY, together with the members of its governing board, its Engineer and its respective agents. This release shall be construed as a release of the AUTHORITY, together with the members of its governing board and its respective agents, to the fullest extent possible, from all claims and losses which may result in the event the DEVELOPER, when ready and willing to connect is unable to connect for any reason including but not limited to, actions taken by the Pennsylvania Department of Environmental Protection (hereinafter "DEP"). In the event the DEVELOPER is ready

and willing to connect but is not able to because of any reason for which the AUTHORITY or its members or agents are responsible, including any negligence by these released parties, the DEVELOPER's sole remedy shall be to seek a refund of the Tapping Fee paid under Paragraph 2.a of this Agreement. The DEVELOPER shall be entitled to a refund of that part of the Tapping Fee for the improved units hereunder which the DEVELOPER has been unable to utilize (\$2,500.00 times the number of unused improved units).

22. Until DEVELOPER has prepared the required module(s) for submission to DEP and the said module(s) has been approved by DEP, AUTHORITY provides no guarantee that its present capacity will be available to DEVELOPER if subsequent to this Agreement a ban or moratorium is imposed upon AUTHORITY prohibiting additional connections. DEVELOPER will also be responsible for preparation and submission of the Water Quality Management application to DEP, if required, and shall obtain the necessary permit before commencement of construction.

23. Prior to constructing the building sewer, the DEVELOPER shall apply for a sewer connection permit for each building sewer to be installed using the application as provided by the AUTHORITY

(Exhibit A-1). The appropriate fee, including a Tapping Fee and a Customer Facilities Fee, shall be paid at the time the application is made.

24. After the building sewer has been successfully tested, a sewer lateral inspection certificate (Exhibit A-3) shall be issued.

25. DEVELOPER agrees that for any lots sold in lieu of being improved by DEVELOPER, DEVELOPER will inform lot buyer of the requirements to connect and of the need to obtain a sewer connection permit and to pay the applicable Tapping Fee.

26. This Agreement shall bind the parties hereto, their successors and assigns and shall run with and bind all of the property in the DEVELOPMENT as set forth herein.

27. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania. Venue for any action based on this contract shall lie in Northampton County.