

## PROFESSIONAL SERVICES AGREEMENT

This Agreement is made March 23, 2007, between Keystone Municipal Services, Inc. (hereinafter "Keystone") whose principal business address is 606 Rose Lane, Morton, Pennsylvania 19070 and East Fallowfield Township (hereinafter "Municipality") whose principal business address is 2264 Strasburg Road, East Fallowfield, PA 19320.

WHEREAS, the Municipality wishes to retain Keystone as a consultant and independent contractor to perform the services referenced herein.

WHEREAS, the Municipality has taken such action at a public meeting to appoint Keystone to engage in the services outlined in this Agreement and has further granted Keystone the authority to act as an agent of the Municipality; and;

NOW THEREFORE, the parties referenced above hereto agree as follows:

### 1. Services Provided

Keystone agrees to serve as the representative and agent of the Municipality and will provide the following services in accordance with the terms and conditions of this Agreement (hereinafter referred to as "Services").

- a.  Construction inspection services in association with the PA UCC.
- b.  Plan review services in association with the PA UCC.
- c.  Code enforcement services (as requested).
- d.  Zoning Administration services.
- e.  Code legislation support (as requested).
- f.  Expert testimony (as requested).
- g.  Fire Marshal services.
- h.

### 2. Cost of Services

The cost of Services will be charged in accordance with the rate schedule attached hereto and made a part hereof as Exhibit "A". Keystone reserves the right to amend this rate schedule with sixty (60) days notice.

### 3. Service Standards

Keystone shall provide the Services outlined herein to the best of its ability and in accordance with generally accepted practices in the industry. Specifically, Keystone shall provide Services to the Municipality on a schedule developed with and approved by the Municipality. During such time, Keystone shall perform the Services outlined herein from either an office provided by the Municipality or from its corporate offices. Keystone shall, nevertheless, be on-call twenty four hours a day, seven days a week, to respond to emergencies on behalf of the Municipality.

### 4. Payment

The Municipality shall be billed for Services rendered in accordance with this Agreement. Invoices shall be paid upon receipt. Payments shall be mailed to Keystone Municipal Services, Inc., 606 Rose Lane, Morton, Pennsylvania 19070. An invoice shall not be considered delinquent for purposes of this Agreement until it is thirty days past due.

### 5. Termination

Either party may terminate this Agreement by providing the other with sixty (60) days written notice of their intent to terminate this Agreement. This Agreement shall terminate and be of no force and effect on the sixtieth (60<sup>th</sup>) day from which the Notice of Termination was delivered to the other party.

### 6. Notices

Any notices required to be given under this Agreement shall be mailed by First Class Mail, Return Receipt Requested, or by overnight courier to the following address:

As to Keystone:  
Keystone Municipal Services, Inc.  
606 Rose Lane  
Morton, PA 19070

As to Municipality:  
East Fallowfield Township  
2264 Strasburg Road  
East Fallowfield, PA 19320

**7. Dispute Resolution**

In the event there is a perceived breach of this Agreement or there is a dispute or other controversy arising out of or relating to the provision of Services in accordance with this Agreement, the parties hereto agree to exercise their best efforts to resolve the dispute or controversy as soon as possible. If the dispute or controversy can not be resolved to the satisfaction of both parties, either party may terminate the agreement in accordance with Section 5 of this Agreement.

**8. Agency**

The Municipality shall take such action, as is necessary, at a public meeting of the governing body, to appoint Keystone as the Municipality's Representative for the services indicated within this Agreement. Upon appointment of Keystone by the Municipality, Keystone shall become an agent of the Municipality and shall be entitled to perform its Services as outlined in this Agreement with the full authority of the Municipality and may act on behalf of and bind the Municipality to any decisions made during the performance of the Services outlined herein. In particular, Keystone shall be authorized to issue any and all determinations, permits, certifications, or other documents required or necessary to carry out its duties or appointment. Keystone agrees to perform the Services in accordance with all applicable provisions of the Uniform Construction Code, the Municipalities Planning Code, the East Fallowfield Township Zoning Ordinance and any other State or Federal Law, or ordinances applicable to the Municipality.

**9. Indemnification**

- (a) The Municipality agrees to defend, indemnify and hold Keystone, its principals, its officers, employees, agents, affiliates, subcontractors and representatives harmless from and against any and all claims, lawsuits, liabilities, judgments, awards, damages, fines, penalties, forfeitures, costs of settlement, court cost, cost of defense, including without limitation, reasonable attorneys fees incurred by Keystone or to which Keystone may be subject in any civil or criminal action claim, investigation or proceeding brought under Federal Law or under laws of the State or political subdivision thereof by reason of or relating in any way to the Services provided to the Municipality under this Agreement, but only to extent Keystone, its principals, its officers, employees, agents, affiliates, subcontractors and representatives shall be found to be employees of the Municipality under the Political Subdivision Tort Claims Act, 42 Pa.C.S.A section 8541 (the "PSTCA"). The Municipality further agrees to list Keystone as an additional insured under its general liability policy, subject to availability at reasonable rates, and provide a copy of same to Keystone upon request. Nothing in the indemnification shall be construed or understood in any way as a waiver of governmental or sovereign immunity or as modifying or affecting the provisions set forth in the PSTCA. The total extent of Municipality's indemnification shall not exceed the limitations of liability set forth in the PSTCA.
- (b) Keystone shall not be responsible for any plan review, permit issuance or field inspection relating to any permit that was approved, issued and/or performed prior to the effective date of this Agreement.
- (c) The Municipality shall further defend, indemnify and hold Keystone harmless from any claims or causes of action which may arise as a result from the plan approval, permit issuance, and/or field inspection relating to all plan approvals, permits and/or field inspections granted by the Municipality prior to the effective date of this Agreement.
- (d) Keystone for itself its successors and assigns, hereby agrees to indemnify, defend and hold harmless the Municipality, and Municipality's officers, employees, successors and assigns from and against all losses, liabilities, claims, demands, causes of action, damages, costs, including attorneys' fees, and expenses of every kind and nature, whether or not covered by insurance, arising out of, resulting from or caused by, in whole or part, any misfeasance, malfeasance or nonfeasance on the part of Keystone, its agents or employees in connection with this Agreement, including but not limited to, those in connection with loss of life, bodily injury, personal injury, damage to property, contamination or adverse effects on the

environment, any liability for fines, fees or penalties for violations of any statutes, ordinances, codes, rules, regulations or standards applicable to the services performed by Keystone, its agents and employees. This obligation to indemnify, defend and hold harmless the Municipality, and Municipality's officers, employees, successors, and assigns, shall survive the termination of this Agreement.

- (e) Throughout the life of this Agreement, the Consultant shall pay for and maintain in full force and effect with an insurance company(ies) admitted by the Pennsylvania Insurance Commissioner to do business in the Commonwealth of Pennsylvania and rated not less than A in Best Insurance Key rating Guide, such insurance policies at such limits as is required to satisfy Keystone's insurance obligations to serve as a Third Party Agency pursuant to the Uniform Construction Code (UCC) for The Commonwealth of Pennsylvania.
- (f) All policies of insurance required hereunder, other than Workman's Compensation and employer's liability and Professional liability, shall name the Municipality, its members, officers and employees as additional insureds.
- (g) Certificates of insurance shall state that coverage shall not be cancelled by either party except after thirty (30) days' prior to written notice by U.S. certified mail, return receipt requested, has been given to the Municipality.
- (h) Regardless of the minimum insurance requirements herein, Keystone shall agree to committ the Keystone's full policy limits and these minimum requirements shall not restrict the Keystone's liability or coverage limit obligations.
- (i) Keystone shall furnish the Municipality with certificates of insurances and the requisite endorsements for all required insurance, prior to the Municipality's execution of the Agreement and the start of work.
- (j) Upon notification of receipt by the Municipality of a Notice of Cancellation, major change, modification or reduction in coverage, Keystone shall immediately, after the effective date of a new or renewal policy, file with the Municipality a copy of the required new or renewal policy and certificates for such insurance.
- (k) If at any time during the term of this Agreement, or any extension thereof, Keystone fails to maintain the required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that may become due to Keystone shall be withheld, except for work completed, until acceptable replacement coverage notice is received by the Municipality.
- (i) If Keystone should subcontract all or any portion of the work to be performed under this Agreement, Keystone shall cover the subcontractor or subconsultant and require each subcontractor or subconsultant to adhere to all subparagraphs of this Insurance section, written evidence of which shall be provided to the Municipality prior to commencement of work by the subcontractor or subconsultant. Similarly, any cancellation, lapse, reduction or change of subcontractors or subconsultants insurance shall have the same impact as described above.

#### 10. Entire Contract

This Agreement contains the entire Agreement of the parties and there are no other promises or conditions in any other Agreement, whether oral or written. This Agreement supercedes any prior written or oral Agreements between the parties.

#### 11. Amendment

This Agreement may be modified, amended or extended if the amendments are made in writing is signed by both parties, unless otherwise provided in this Agreement.

#### 12. Severability

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If the Court finds that any provision of this Agreement is

invalid or unenforceable, but that by limited such provisions it would become valid and enforceable, then such provisions shall be deemed to be written, construed and enforced as so limited.

**13. Effective Date**

This Agreement shall be effective the date upon which the Municipality, at a regularly scheduled public meeting, adopts the terms and provisions of this Agreement and appoints Keystone to act on its behalf in the capacity indicated.

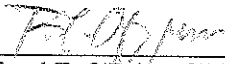
**14. Waiver of Contractual Right**

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that parties right to subsequently enforce or compel strict compliance with every provision of this Agreement.

**15. Applicable Law**

The laws of the Commonwealth of Pennsylvania shall govern this Agreement and their relationship between the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year indicated below.

  
\_\_\_\_\_  
Richard T. O'Brien, CBI, BCO  
Keystone Municipal Services, Inc.

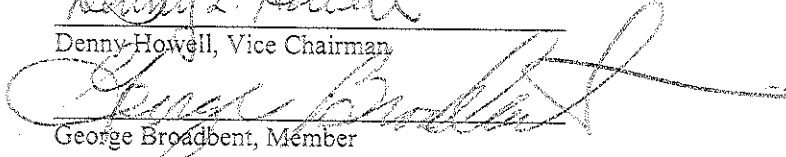
Date 4/13/07

East Fallowfield Township  
Municipality

Date 5/23/07

  
\_\_\_\_\_  
Garin Monaghan, Chairman

  
\_\_\_\_\_  
Denny Howell, Vice Chairman

  
\_\_\_\_\_  
George Broadbent, Member

Professional Services Agreement Between Keystone Municipal Services, Inc. and East Fallowfield Township

Exhibit A

Cost of Services

The cost for services provided to the Municipality will be as follows:

2007 Rate Schedule

Zoning Administration	35% of the Zoning Permit Fee
Building Construction Plan Review and Inspection (Commercial and Residential)	35% of all Permit Fees
Plumbing Construction Plan Review and Inspection (Commercial and Residential)	35% of all Permit Fees
Mechanical Construction Plan Review and Inspection (Commercial and Residential)	35% of all Permit Fees
Electrical Construction Plan Review and Inspection (Commercial and Residential)(Third Party)	35% of all Permit Fees

The following services provided upon the prior written direction of the Municipality:

Administrative Support	\$38.00 per hour
Code Enforcement Services (Miscellaneous Ordinance Enforcement by Keystone Municipal Services, Inc. personnel only)	\$60.00 per hour
Fire Marshal Services	\$60.00 per hour
Fire Inspection Administration	\$60.00 per hour
Property Maintenance/Apartment Inspections	\$75.00 per hour
Code Legislation Support Services (Preparing new Ordinances, as requested)	\$75.00 per hour
Expert Testimony (Other than Zoning Hearing Board where Keystone Municipal Services, Inc. is the appointed Zoning Officer/Administrator)	\$95.00 per hour