

**EAST FALLOWFIELD TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA**

SUBDIVISION AND LAND DEVELOPMENT AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 200__, between _____
located at _____, Pennsylvania
19__ (hereinafter referred to as "Developer") and the TOWNSHIP OF EAST
FALLOWFIELD, a Township of the Second Class organized and existing under the laws of the
Commonwealth of Pennsylvania, located at 2264 Strasburg Road, East Fallowfield, Chester
County, Pennsylvania, 19320 (hereinafter referred to as the "Township").

W I T N E S S E T H :

WHEREAS, Developer has applied, pursuant to the Township of East Fallowfield
Subdivision and Land Development Ordinance, for approval of the following subdivision and land
development plan (hereinafter referred to as the "Plan"):

_____ Subdivision and Land Development Plan
Prepared by _____; Dwg. No. _____
Dated _____; Revised through _____
Consisting of _____ (_____) sheets

which Plan has been finally approved by the Township Board of Supervisors on _____
_____ which approval is attached hereto and marked Exhibit "A" and is incorporated herein; and

WHEREAS, Developer desires to obtain permits for the construction of buildings and
other improvements as shown on the Plan and, where applicable, to present a portion of the said
improvements to Township for dedication upon completion (hereinafter referred to as the
"Dedicated Improvements"). The public improvements made the subject of this Agreement and
the financial security posted by the Developer in compliance with Section 509 of the Pennsylvania
Municipalities Planning Code (being, generally, all improvements designed to serve more than one
building, unit, owner, lessee, or lot).

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as
follows:

I. Improvements to be Constructed by Developer

1. Developer will construct, or cause to be constructed, at its own expense and
without any expense or cost whatsoever to the Township in strict conformity with the Plan and
the Township's requirements and specifications as modified by the Plan approval, all
improvements as shown on the Plan; the said improvements to include all improvements depicted
on the Plan and designed to serve more than one building or lot.

2. All improvements whether or not the same are to be dedicated to the Township shall be completed in a good and workmanlike manner in accordance with the Plan and specifications and must be inspected by the Township Engineer periodically as set forth in the schedule established by the Township Engineer.

3. A final inspection of all improvements prior to dedication shall be made by the Township Engineer. Said final inspection shall be requested in writing by Developer upon completion of said improvements.

4. Prior to the issuance of use and occupancy permits for dwelling units and non-dwelling units served by any improvements, whether or not said improvements are to be dedicated, the Township Engineer shall inspect and certify in writing the substantial completion of all such improvements.

5. All improvements whether or not the same are to be dedicated to the Township shall be completed within one year. If the Developer requires more than one year from the date of posting of the financial security to complete the required improvements, the amount of financial security shall be increased by an additional ten (10%) percent for each succeeding year beyond the first posting date of financial security or to an amount not exceeding one hundred ten (110%) percent of the cost of completing the required improvements as reestablished on or about the expiration of the preceding one year period. In the event the Developer does not complete the required improvements within the one year period, and the financial security is not increased as aforesaid, the Township shall have the right to withdraw the required funds to complete the improvements.

II. Conditions to be Met Prior to Commencing Construction of Improvements

1. No improvements referred to herein, in connection with this project, shall be commenced until;

a. The Plan has been recorded according to law;

b. This Agreement is duly signed and delivered;

c. The Escrow Agreement, or other financial security acceptable to the Township, is executed and funded in accordance with its terms;

d. All fees required by any Ordinance, Resolution or Regulation of Township in connection with the Plan are paid;

e. All other requirements of the Township Ordinances and Regulations to the extent applicable to the Plan have been met; and

f. Certified copies of permits issued by all other agencies having jurisdiction of the development or any aspect thereof, have been provided to the Township.

2. Upon compliance with the previous Paragraph II(1) hereof, Developer may obtain Building Permits for buildings and improvements within the aforesaid Project, subject to the following schedule:

a. No Building Permit shall issue for any lot unless and until all common erosion and sedimentation and stormwater control facilities serving the stormwater watershed including the lot have been installed and stabilized to the satisfaction of the Township Engineer in accordance with the approved sequence of construction; and

b. No Building Permit shall issue for any lot unless and until all individual erosion and sedimentation and stormwater control facilities serving the lot have been installed and stabilized to the satisfaction of the Township Engineer; and

c. No Use and Occupancy Permit shall issue for a building on a lot unless and until all roads serving the lot have been paved, all sidewalks, curbs, street lights, fire hydrants, landscaping and other improvements serving the lot have been installed, and all boundary monuments for the lot have been installed.

III. Obligations of Developer During Period of Construction

1. It shall be the obligation of Developer to arrange in advance with the Township Engineer for inspection of the work as the work progresses, and the cost of such inspection shall be paid by Developer.

2. Developer agrees to maintain traffic diversion and control devices in accordance with Pa. Department of Transportation Publications Nos. 203 and/or 203A.

3. With respect to any undedicated portion of the internal road system, Developer shall be responsible for all snow removal, street cleaning and similar maintenance. The Developer shall be responsible for ensuring that all undedicated drainage facilities and stormwater management structures are maintained and operating properly.

Where drainage facilities are designed to be permanently installed on any lot, the Developer shall include said facilities as covenants running with the land whenever said lot is conveyed out of the Developer's title.

4. Developer shall, at all times, indemnify and hold the Township harmless of any claims or suits, which any adjoining or neighboring property owners may bring on account of any conditions occurring on adjacent property, caused or alleged to be caused by conditions arising from the development of Developer's tract, such conditions including, but not limited to, drainage, storm water, mud, dirt, or dust.

5. Developer agrees that it will comply fully with all Township Ordinances, Resolutions and Regulations in regard to the inspection of buildings and other improvements during the period of construction, including obtaining the required signatures of the inspectors on the placard(s) issued to the Developer. Developer agrees that it will obtain use and occupancy permits for all dwelling units and non-dwelling units prior to allowing said occupants to assume possession of the same. Developer further agrees that, in the event that Developer fails to comply with the provisions of this Agreement, Township may revoke all building permits previously issued (with the exception of building permits issued for a single family dwelling subject to a valid agreement of sale) and refuse to issue any additional building or occupancy or other permits and Developer will cease all new construction within the Project until the Township requirements are met and that the Township may, additionally, avail itself of any other remedies allowed by law.

6. If Developer conveys individual lots from the plan after approval, or if Developer conveys a part of or the entire tract after approval, the terms of this Agreement shall bind all subsequent Grantees (with the exception of individual grantees who purchase lots improved with a single family dwelling for residential purposes), and Developer hereby agrees to cause all of said terms to be incorporated in any deed of conveyance therefor, except as aforesaid. If Developer should violate any of the terms hereof at any time, Developer agrees that the Township may enforce the same by injunction proceedings in addition to any other appropriate legal action.

7. Developer shall and does release, indemnify, protect, and save harmless, the Township from all costs and expenses resulting from any and all loss of life or property, or injury or damage to any person or the property of any person, association of persons, or corporation including the parties hereto and their officers, agents and employees from and against any and all claims, demands, or actions for such loss, injury, or damage, in any manner arising out of, resulting from or connected with the conduct or progress of construction or installation of improvements under this Agreement; provided that Developer shall have received from the Township prompt written notice of any such claim, demand, or action after notification to the Township by the injured party. The Township shall permit the Developer to defend any such action and the Township shall cooperate in any such defense at the cost of the Developer.

IV. Dedication

1. When the installation of the Dedicated Improvements described hereinabove have been fully completed and approved by the Township Engineer in accordance with the Pennsylvania Municipalities Planning Code and applicable Ordinances of the Township of East Fallowfield, Developer shall tender to the Township the following:

a. Deeds of Dedication, in customary form satisfactory to the Township Solicitor dedicating said public improvements to the Township including but not limited to a legal description of the improvements to be dedicated and not located within a public right-of-way and accompanying maps with metes and bounds delineated;

b. A certificate of title insurance or other proof of clear title satisfactory to the Township Solicitor; and

c. A maintenance bond with approved surety and in satisfactory form, if not previously furnished, or an escrow deposit of cash or securities, or an approved letter of credit from a reputable lending institution in the amount of fifteen (15%) percent of the cost of the improvements for a further period of eighteen (18) months in accordance with Article VI below. Said bond shall take effect on the date the Township accepts dedication.

2. Prior to acceptance of dedication, the following must occur:

a. Township shall have received from Developer all sums due and owing under the provisions of this Agreement including all fees required by any Ordinance, Resolution or Regulation of Township in connection with the Plan are paid.

b. All documents required by Paragraph II(1) hereinabove shall have been prepared, executed and delivered in a form approved by the Township Solicitor.

c. All improvements whether or not the same are to be dedicated to the Township shall have been fully completed and approved by the Township Engineer.

V. Financial Security for Construction of Improvements

The Escrow Agreement, or other financial security acceptable to the Township, referred to in Article II hereof shall provide for financial security in the amount of 110% of the cost of all public and quasi-public improvements to be constructed in accordance with the Plan (“Public Improvements”) to guarantee the performance of this Agreement and the installation of all Public Improvements whether or not they are to be dedicated, together with all administrative and inspection costs incurred by the Township.

VI. Guarantee of Improvements

Upon acceptance of such deeds of dedication with respect to the Dedicated Improvements and final inspections with respect to the public improvements, Developer shall maintain all of the said improvements in good order and repair for a further period of eighteen (18) months and shall repair said improvements as the Township Engineer or Board of Supervisors may in good faith determine to be necessary by reason of inadequate, improper or defective construction, workmanship or materials.

VII. Transfer of Ownership

1. No transfer of ownership of the subject property or any portion thereof shall in any way relieve Developer of responsibility for completion of the improvements in accordance with the terms of this Agreement nor affect in any way the rights of Township under the Escrow

Agreement executed contemporaneously herewith; Developer's heirs, administrators, successors and assigns shall be bound by the provisions of this Paragraph and the terms of this Agreement.

2. Developer, for itself, its successors and assigns, by execution of this Agreement, does agree with Township, its successors and assigns, that the obligations undertaken herein by Developer shall be covenants running with the land and that in any deed of conveyance of the said site or any part thereof to any person or persons (with the exception of deeds to individual grantees who purchase lots improved with a single family dwelling for residential purposes), said obligations shall be incorporated by reference to this Agreement as fully as the same are contained herein. Pursuant thereto, it is agreed by the parties hereto that this Agreement may be recorded in the Office of the Recorder of Deeds of Chester County, Pennsylvania.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective duly authorized officers, each intending to be legally bound hereby.

A Pennsylvania _____

Witness:

By: _____

**BOARD OF SUPERVISORS OF
EAST FALLOWFIELD TOWNSHIP**

George Broadbent, Chairman

Chris Makely, Vice-Chairman

Garth Monaghan, Member

ATTEST:

Denise Miller, Secretary

EXHIBIT "A"
[Final Plan Approval]

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF :

On this, this _____ day of _____, 200____, before me, a notary public, personally appeared _____ who acknowledged himself to be the _____ of _____, a Pennsylvania _____, and that he as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the _____ by himself as _____.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF CHESTER :

On this, the _____ day of _____, 200____, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be the Chairman of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF CHESTER :

On this, the _____ day of _____, 200____, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be the Vice Chairman of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 :
COUNTY OF CHESTER : ss

On this, the _____ day of _____, 200__, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be Member of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

**EAST FALLOWFIELD TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA**

SUBDIVISION FINANCIAL SECURITY AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 200_, among _____, a Pennsylvania _____ with an address of _____, _____, Pennsylvania, 19__ (hereinafter known as "Developer"), and the TOWNSHIP OF EAST FALLOWFIELD, a Second Class Township organized and existing under the laws of the Commonwealth of Pennsylvania, located on 2264 Strasburg Road, East Fallowfield, Chester County, Pennsylvania 19320 (hereinafter referred to as "Township").

W I T N E S S E T H :

WHEREAS, Developer contemplates construction of internal streets, sidewalks, curbs, drainage facilities, landscaping and other such public and quasi-public improvements as are provided in the final approved plans for _____, being a plan entitled _____ prepared by _____, to Project No. _____; dated _____, last revised _____, and consisting of _____ sheets. The improvements made the subject of this Financial Security Agreement and the estimated cost of construction thereof, together with the estimated cost of ancillary services including engineering, legal, inspection and project administration are specified in Exhibit "A" appended hereto; and

WHEREAS, said construction of improvements is to be done in accordance with a certain subdivision and land development agreement between Developer and Township (hereinafter called the "Agreement") which Agreement bears the date _____ and which sets forth the terms and conditions under which Developer may obtain permits and construct said development, and which Agreement is incorporated herein by reference without attachment hereto; and

WHEREAS, Developer has agreed to post a Letter of Credit as financial security, a copy of which is appended hereto as Exhibit "B" and made a part hereof, (hereinafter referred to as the "Letter of Credit") which shall be reserved for the purposes and disbursed only pursuant to the procedures described in this Subdivision Financial Security Agreement.

NOW, THEREFORE, in consideration of the Township relying upon the terms of this Subdivision Financial Security Agreement as security for the conditions set forth in the aforesaid Agreement, and intending to be legally bound, Township and Developer hereby agree as follows:

1. Developer agrees to post a Letter of Credit from a financial institution (hereinafter referred to as the "Financial Institution") and in a form acceptable to Township in favor of East Fallowfield Township in the sum of _____ (\$ _____) Dollars, representing 110% of the cost of the public and quasi-public improvements as set forth in the Subdivision and Land Development Agreement which is incorporated herein. The Letter of Credit may be reduced by certain sums as set forth herein not to exceed 90% of said Letter of

Credit (\$ _____) (the "Working Account"). The remaining balance of the Letter of Credit (\$ _____) shall be designated as the "Base Account" and shall not be released to the order of the Developer until all of the improvements as set forth on Exhibit "A" are finally completed and finally inspected and approved by the Township Engineer, and where appropriate a deed of dedication is accepted by the Township and a maintenance bond as described in Section 509 of the Municipalities Planning Code, 53 P.S. §10509, is received by the Township. Reduction and/or release of the Base Account from this Letter of Credit to the order of the Developer shall be authorized by the Township with respect to the public improvements upon acceptance of the deed of dedication and delivery of the maintenance bond and, with respect to the quasi-public improvements, upon final inspection thereof. Notice shall be given to the Financial Institution posting the Letter of Credit, which notice shall be substantially the following form:

(Name of Financial Institution Issuing Letter of Credit), is hereby notified that a Deed of Dedication has been accepted by the Board of Supervisors of East Fallowfield Township and a Maintenance Bond has been received with respect to the public improvements and that the quasi-public improvements have been finally inspected. (Name of Financial Institution) is hereby authorized to cancel Letter of Credit No., the original of which is enclosed.

EAST FALLOWFIELD TOWNSHIP

Township Secretary

By: _____
Chairman,
Board of Supervisors

Provided that, Financial Institution may release funds from the Base Account of the Letter of Credit directly to the Township pursuant to Paragraphs (6) and (7) hereof. Provided further that the balance of the Letter of Credit shall be increased by an additional ten percent (10%) for each one year period beyond the first anniversary date of the signing of this Agreement but not exceeding 110% of the cost of completing the remaining improvements as reestablished on or about the expiration of the preceding one year period. Upon submission to Developer of an itemized bill for inspections conducted by the Township Zoning Officer and/or the Township Engineer or a bill from the Township Solicitor for applicable legal work, the Developer shall pay to the Township the said amount, payable within twenty (20) days after receipt of the itemized bill. If amount is not paid within twenty (20) days, Township may draw said amount from the Letter of Credit.

2. The Financial Institution will issue the Letter of Credit as security to cover the completion of any and all improvements as required by the aforesaid development plan and Agreement and pay all estimated costs associated therewith as specified in Exhibit "A" attached hereto.

3. It is agreed that if Developer shall install and dedicate the improvements secured hereby within the time limits set forth in the Agreement or as modified by the parties all according

to law, all in strict accordance with the plans and applications so approved, and in accordance with applicable ordinances of the Township and with all statutes, laws, ordinances and rules and regulations of all governmental bodies or agencies having jurisdiction over the work or any part hereof involved in said Agreement, Township shall, upon acceptance of dedication and final inspection and approval of the quasi-public improvements, authorize the release of the balance of the Letter of Credit to Developer and this Agreement shall thereupon terminate. In the event of default by Developer, Township may utilize and direct payment of such funds within the Letter of Credit for and only for completion of those public and quasi-public improvements secured as shown on said plan and for all costs as specified in Exhibit "A" attached hereto.

4. As the work involved progresses, Township will direct Financial Institution to reduce the Letter of Credit Working Account by certain sums. Any reductions in the amount of the Letter of Credit Working Account shall be limited to those amounts authorized by the Township Engineer and Board of Supervisors in writing, in the form as shown on Exhibit "C" attached hereto. Such certificates of completion shall constitute full authorization to Financial Institution to make reductions in the Letter of Credit Working Account established hereunder.

5. It is further understood and agreed that the Financial Institution shall at no time and in no manner bear any responsibility by reason of this Agreement other than to honor the Letter of Credit established hereunder for the benefit and use of the Township, subject to releasing therefrom such sum or sums as from time to time may hereinafter be directed by said Township in accordance with this Financial Security Agreement and the Subdivision and Land Development Agreement.

6. Township shall have the right to complete the improvements covered by this Financial Security Agreement if any of the following occurs:

- a. the credit of the Developer becomes impaired to the extent that the Developer is unable to marshal sufficient resources to complete or commence and proceed with due diligence to complete, the improvements covered by this Agreement;
- b. the Developer, without defense, fails to pay bills presented to it which are due in a normal course of business and with respect to the public improvements, after seven days notice from the Township;
- c. the Developer, after notice from the Township and as further provided in Paragraph (7) below, has failed within sixty (60) days to complete or commence and proceed with due diligence to complete, the correction of work improperly done or defective materials installed; or
- d. the work has not been completed in a good and workmanlike manner with such time periods set forth in the Subdivision and Land Development Agreement in accordance therewith.

In that event, Township may, at its option, after notice in writing to Developer, enter into possession and undertake to complete the improvements described herein and for which

the security is furnished hereby. The work may be done either by the Township's own agents or by contract, and the cost of completion of said work shall be paid by Township only from the balance then remaining in the said Letter of Credit; provided, however, that any balance remaining in the Letter of Credit after completion by Township, shall be released to Developer. It is further provided, in the event the cost of completion shall exceed the balance remaining in the Letter of Credit at the time of Developer's failure, refusal or neglect, the Developer agrees to pay Township, within ten (10) days after receipt of written notice by Township, such amount as Township requires to make up any deficit in the cost of completion. Cost of completion, as used in this Agreement, is defined to include the cost of material, labor, construction and installation costs, engineering and inspection charges, Township Solicitor's charges, plus the cost of all permits, bonds, insurance and the maintenance bond for eighteen (18) months, as in the Agreement provided, and expenses incurred by the Township as a result of Developer's breach. The Township shall be reimbursed immediately from the Letter of Credit by the Financial Institution without approval by the Developer upon certification of the Township Board of Supervisors to the Financial Institution as provided below.

7. In the event of inadequate, improper or untimely construction of any of the aforesaid improvements, or of the failure to construct the said improvements in accordance with the approved plans and specifications and the terms and conditions of any approval thereof, or any occurrence described in Paragraph 6 hereof, such portions of the Letter of Credit as necessary may be applied for the cost of completion and/or for the proper completion and/or construction of said improvements; it being provided, however, that in the event the Township Engineer determines that said improvements have not been completed in a timely fashion or have been improperly constructed, sixty (60) days notice shall be given to Developer of such defective or incomplete work as is determined by said engineer (such notice shall contain a detailed description of all work required to be performed, and Developer shall have the aforesaid period of sixty (60) days within which to commence the completion or correction of said defects. If commencement of the correction or completion of the work has not occurred within the said sixty (60) day period or if correction or completion has commenced but, thereafter, the Developer fails to continuously marshal at the job site sufficient men and material to complete or correct the work with all due diligence, then the Financial Institution, upon notice from the Township shall to release from the said Letter of Credit the sum of money requested by the Township for correction of the inadequate, improper or untimely construction. The Township's demand for such payment, signed by the Township Secretary, together with a Certification of Compliance by the Township of the notice provisions of this Paragraph (7), will be all the authority the Financial Institution needs or requires to pay such sums to Township and may be in substantially the following form:

Pay to the order of East Fallowfield Township the sum of _____ Dollars (\$ _____) from the (name of Financial Institution) Letter of Credit No. _____ established for the benefit of said Township, pursuant to a Subdivision Financial Security Agreement dated the _____ day of _____, 200_ executed by in accordance with a Subdivision and Land Development Agreement entered into between said Township and Developer dated the _____ day of _____, 200_, relative to the construction and installation of certain improvements in a development known as _____. Township certifies that it sent Developer the attached notice

on indicating that certain improvements listed thereon have been improperly constructed or have not been completed and said improvements remain uncompleted or the defective condition thereof remains uncorrected as of this date.

Date: _____ EAST FALLOWFIELD TOWNSHIP

Township Secretary

By: _____
Chairman,
Board of Supervisors

8. All parties recognize that the Financial Institution is merely posting the Letter of Credit in question in order to insure the obligations of Developer. The Financial Institution's obligation to disburse all or part of the Letter of Credit on demand of the Township and in accordance with the Financial Security Agreement shall not be impaired by the bankruptcy or insolvency of Developer or by the default of the Developer under any construction loan agreement, by the termination of any construction loan agreement for any reason or by the default by Developer of any obligation due and owing to Financial Institution. Financial Institution shall exercise no discretion with respect to payment over of the Letter of Credit to Township and when proper and timely demand is made by Township upon Financial Institution, Financial Institution shall pay over said funds in accordance with the terms of this Agreement and shall be released, thereafter, from any further liability to either the Developer or Township. It is not the responsibility nor the right of the Financial Institution to exercise any discretion whatsoever with respect to whether the Township is right or correct in its demand for said funds. Financial Institution's sole responsibility is to pay over those funds upon demand.

9. Financial Institution shall not release any monies unless specifically authorized to do so by the Township in writing in the form as shown on Exhibit "C" attached hereto.

10. In the event Financial Institution advises Township that it does not intend to extend the Letter of Credit for an additional period of one (1) year, as provided in the Letter of Credit, or the Letter of Credit shall expire prior to the completion of the public and quasi-public improvements as required by the Agreement, Developer shall post a new Letter of Credit of a duration of at least one (1) year in an amount satisfactory to the Township Engineer necessary to secure the public and quasi-public improvements uncompleted as of the date of the Financial Institution's notification of cancellation of the Letter of Credit, but not exceeding 110% of the cost of completing the remaining improvements as reestablished on or about the expiration of the preceding one year period. In the event a new Letter of Credit is not delivered to the Township on or before sixty (60) days prior to the expiration of the original Letter of Credit, the Township shall have the right to issue a sight draft against the Letter of Credit in an amount necessary to pay for the cost of completion of all public and quasi-public improvements.

IN WITNESS WHEREOF, the parties have executed this Agreement the date above mentioned.

DEVELOPER:

(seal)
Attest:

By: _____

**BOARD OF SUPERVISORS OF
EAST FALLOWFIELD TOWNSHIP**

George Broadbent, Chairman

Chris Makely, Vice-Chairman

Garth Monaghan, Member

ATTEST:

Denise Miller, Secretary

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF : ss

On this, this _____ day of _____, 200__, before me, a notary public, personally appeared _____ who acknowledged himself to be the _____ of _____, a Pennsylvania _____, and that he as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the _____ by himself as _____.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF CHESTER :

On this, the _____ day of _____, 200___, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be the Chairman of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF CHESTER :

On this, the _____ day of _____, 200__, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be the Vice Chairman of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF CHESTER :

On this, the _____ day of _____, 200__, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared _____, who acknowledged himself to be a Member of the Board of Supervisors of East Fallowfield Township, and that as such officer, executed the same for the purposes therein contained.

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

Notary Public

EXHIBIT "A"

ESTIMATED CONSTRUCTION COSTS

EXHIBIT "B"

LETTER OF CREDIT

(ATTACH COPY OF LETTER OF CREDIT
ORIGINAL TO EAST FALLOWFIELD TOWNSHIP)

EXHIBIT "C"

LETTER OF CREDIT REDUCTION LANGUAGE

CERTIFICATE OF COMPLETION

We, the undersigned, hereby certify that the work provided for in a certain Subdivision and Land Development Agreement between the Township of East Fallowfield and _____, Developer, dated the _____ day of _____, 200__ relative to the construction and installation of certain improvements in a development known as _____, has been completed to the extent of _____% representing _____ Dollars (\$ _____). We, as Beneficiary authorize the reduction of (name of Financial Institution) Letter of Credit Number established and set over to Township, pursuant to a Subdivision Financial Security Agreement dated the _____ day of _____, 200__, by the amount of \$(Insert Reduction Amount), the new balance of the Letter of Credit will be \$(Insert New Balance). It is agreed that the reduction of the Letter of Credit hereby authorized shall not be construed as acceptance of the work by said Township and said Township hereby reserves the right to reinspect the said work and to require the Developer referred to in said Agreement to correct any and all deficiencies and defects. This Certificate does not authorize a reduction in the Letter of Credit below an amount of ten (10%) percent of the initial Letter of Credit balance (\$ _____).

Date: _____

EAST FALLOWFIELD TOWNSHIP

By: _____

, Chairman
Board of Supervisors

By: _____

Township Engineer

[FORM OF LETTER OF CREDIT]

IRREVOCABLE LETTER OF CREDIT

No.

[Date]

Township of East Fallowfield
c/o Vincent M. Pompo
Lamb McErlane PC
24 East Market Street
P.O. Box 565
West Chester, PA 19381

Dear Sir or Madam:

We hereby establish, effective immediately, an irrevocable letter of credit in your favor at the request and for the account of _____, up to an aggregate amount of U.S. \$ _____, in favor of East Fallowfield Township, Chester County, and available by your sight draft drawn on us. Any draw request submitted under this letter of credit shall be payable upon the following terms and conditions and when accompanied by the following documents:

A signed statement by East Fallowfield Township (Beneficiary) indicating that the amount drawn represents monies due under a certain Subdivision Financial Security Agreement dated the __ day of ____, 2004 among _____ and the Township of East Fallowfield.

This letter of credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any documents, instrument or agreement referred to herein or in which this letter of credit is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

We hereby engage with you that the drafts drawn and presented strictly in compliance with the terms of this credit will be duly honored by us if presented at our counter at _____ [Must be a local/regional address], PA on or before 2:00PM on _____, 2005 [date not earlier than 24 months from date of issuance].

This letter of credit shall be automatically extended for one (1) year from the present or any future expiration dated unless ninety (90) days prior to such expiration date we shall notify you by certified mail, return receipt requested, that we elect not to consider this letter of credit renewed for any such additional period. Upon receipt of such notice you may draw on us by means of your draft for the remaining balance of the letter of credit accompanied by your statement that the letter of credit has not been extended.

Except so far as otherwise expressly stated, this credit is subject to the Pennsylvania Uniform Commercial Code and, to the extent consistent therewith, the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publications No. 500.

_____ Bank

Vice President