

SAMPLE AGREEMENT FOR SMITH AND COMPANY

AGREEMENT

THIS AGREEMENT made and entered into this [] day of [],
2007, by and between the following:

HEMPFIELD TOWNSHIP, a municipal corporation, with offices located at
1132 Woodward Drive, Suite A, Greensburg, Westmoreland County, Pennsylvania,
hereinafter referred to as the “Township”,

A N D

Smith and Company, having an address at **111 Miller Lane, Gbg., PA**
15601 hereinafter referred to as the “Developer”,

WHEREAS, the Developer owns land in Hempfield Township, Westmoreland
County, Pennsylvania, that is shown in a plat of subdivision/site plan, filed with
Hempfield Township known as the **Smith Mini Storage Plan No.**
20070001, to be recorded in the Office of the Recorder of Deeds in
and for Westmoreland County, hereinafter referred to the “Plan”; and

WHEREAS, the Developer desires that the roads, storm drains, and other
improvements shown in the aforementioned subdivision/site plan be installed and
dedicated to Hempfield Township; and

WHEREAS, pursuant to Chapter 76 (Subdivision and Land Development) and
Chapter 72 (Stormwater Management) of the Hempfield Township Code, prior to the
issuance of any building permit, financial security is required to ensure that the said
roads, storm drains, catch basins, fire hydrants, stormwater management facilities, and
other improvements in the aforementioned Subdivision Plan/Site Plan are installed in
conformity with the applicable Ordinances of the Township.

SAMPLE AGREEMENT FOR SMITH AND COMPANY

NOW, THEREFORE, with the intent to be legally bound hereby, the following agreement is hereby entered into by the aforesaid parties:

1. The Developer agrees that the roads, storm drains, catch basins, fire hydrants, stormwater management facilities, and other improvements shown in the said Subdivision/Site Plan shall be installed and maintained in conformity to the applicable Ordinances of the Township.

2. The Developer shall post with the Township a financial security of a type allowed by the Pennsylvania Municipalities Planning Code; specifically, 53 P.S. § 10509, in the amount of _____ Dollars, which said financial security shall be a guarantee of the completion of all improvements as shown on said Plan of Lots/Site Plan, including, but not limited to, the streets, storm drains, catch basins, fire hydrants, curbs, gutters and storm water management in the aforesaid Plan of Lots/Site Plan, pursuant to the plans and specifications presented to the Township by the Developer, and further, the financial security shall guarantee completion of said improvements within one (1) year from the date hereof.

3. There is attached hereto and made a part hereof and marked Exhibit “A” the Engineer’s estimate of construction costs for the improvements to be installed.

4. If the Developer require more than one (1) year from this date to complete the required improvements, the Developer shall post additional financial security in either of the following amounts:

- (a) The amount of financial security shall be increased by an additional ten (10%) percent for each one year period beyond the anniversary date of the posting of said financial security; or
- (b) To an amount not exceeding ONE HUNDRED AND TEN (110%) PERCENT of the cost of completing the required

SAMPLE AGREEMENT FOR SMITH AND COMPANY

improvements as reestablished on or before the expiration of the preceding one year date.

The amount required for completing the required improvements shall be determined by the Developer submitting to the Township the estimated cost of completion prepared and certified to by a Registered Professional Engineer, licensed by the Commonwealth of Pennsylvania, which shall be verified by the Township's Engineer.

5. The parties hereto agree that the Developer may request a release of such portion of the posted financial security as the installation proceeds. Such request shall be in writing addressed to the Township, and the Township shall have forty-five (45) days from receipt of such request, within which the Township Engineer shall certify in writing, to the Township, that said portion of the work upon the improvements has been completed in accordance with the approved plat.

6. In any event, the full schedule for release of the posted financial security shall be:

- (a) At the time of completion of the grading for the roads in the Plan of Lots as reasonable determined by the Township Engineer, that you will forward a document releasing one-third (1/3) of the amount shown for paving on Exhibit "A" which is attached hereto;
- (b) At the time of completion of the binder on the roads and after reasonable approval given by the Township Engineer, you will forward a document releasing an additional one-third (1/3) from the amount shown for paving on Exhibit "A" which is attached hereto. Said amount will be released from the full force and effect of the financial security;
- (c) That the balance as shown for paving or one-third of the amount shown on Exhibit "A", shall be held until final acceptance by the Township. After said final acceptance of the roads by the Township, then said amount shall be released and a maintenance bond in the amount of fifteen (15%) percent of the cost of construction, as shown on Exhibit "A", shall be established as a maintenance bond for a period of eighteen (18) months from the date of acceptance;

SAMPLE AGREEMENT FOR SMITH AND COMPANY

- (d) That with respect to the storm sewer lines as shown on Exhibit "A", monies will be released by the Township on a monthly basis based upon the extent of linear feet of line being installed and tested by the Township Engineer and/or its authorized agent. The release shall be determined by the per foot basis of the contractor's bid for such items and an amount equal to seventy (70%) percent of such cost as shown on Exhibit "A" which shall be equal to the number of feet installed shall be released. The balance of thirty (30%) percent shall be retained until final completion and acceptance of the lines by the Township.
- (e) That the amounts shown for water line construction, electric line construction and excavation, grubbing and tree removal and gas line installation shall be released upon completion of the same after certification by the Township Engineer.
- (f) That the balance as shown for stormwater management on Exhibit "A", shall be held until the facility has been completed and certified as-built drawings bearing the seal of a Registered Professional Engineer, licensed by the Commonwealth of Pennsylvania, have been submitted to the Township and verified by the Township Engineer. After said verification by the Township Engineer, then said amount shall be released and a maintenance bond in the amount of fifteen (15%) percent of the cost of construction, as shown on Exhibit "A", shall be established and posted as a maintenance bond for a period of eighteen (18) months from the date of acceptance months.

7. The Township will have the power to declare a default and pursue the proceeds of the financial security in the event the Developer defaults in any aspect, which may be required under the terms and conditions of the applicable Township Ordinance.

8. If the improvements in said subdivision/site plan are installed in accordance with the Township Code, the bond mentioned herein posted shall be released and the parties to this Agreement shall be released by Hempfield Township provided that the Developer posts a maintenance bond in accordance with the Code of the Township of Hempfield to the benefit of Hempfield Township in the amount of fifteen (15%) percent

SAMPLE AGREEMENT FOR SMITH AND COMPANY

of the construction costs of the said improvements in the Subdivision Plan/Site Plan to further ensure compliance with the terms and provisions of Chapter 76 (Subdivision and Land Development) and Chapter 72 (Stormwater Management) of the Hempfield Township Code; and to guarantee the structural integrity of said improvements. The aforesaid maintenance bond shall remain in full force and effect for a period of eighteen (18) months from the date of official acceptance of said improvements by the Township.

9. At the execution of this Agreement, the Developer shall deposit with the Township the sum of _____ Dollars as inspection fees to be paid to the Township Engineer for inspection of the installation of the improvements. The amount of the inspection fee is calculated to be seven (7%) percent of the construction costs for the improvements to be installed pursuant to this Agreement. The fees charged by the Township for the township Engineer's inspection shall not be greater than the fees paid by the Township to the Engineer for other engineering services performed. In the event the amount herein deposited reduces below thirty (30%) percent of the amount deposited, the Developer shall within fifteen (15) days after written notice by the Township of the necessity of replenishing the inspection fee account, deposit with the Township such sums as may be determined by the Township Engineer to be necessary to complete the Township Engineer's inspection of the installation of the improvements.

10. It is understood and agreed by the parties hereto that there shall be no changes in the construction drawings approved by the Township with respect to the improvements to be installed, unless and until the same has been approved by the Township Engineer or a duly authorized agent of the Township. In the event changes to the construction drawings are made, a revised set of construction drawings shall be submitted to the

SAMPLE AGREEMENT FOR SMITH AND COMPANY

Township within three (3) days of the approved revision. The revised construction drawings shall indicate the date the revision was approved and be signed by the developer's engineer.

12. This Agreement may not be assigned or transferred by the Developer to any third party without the express written consent of the Township.

13. This Agreement shall become effective upon the approval by the Board of Supervisors of the Township of Hempfield of the aforementioned subdivision.

14. This Agreement shall be binding upon the parties hereto, their heirs, administrators, successors and assigns (subject to the written consent of the Township as set forth in Paragraph 11 above).

In consideration of the promises herein contained, the parties hereto have entered into this Agreement with the intent to be legally bound hereby the day and year first written above.

HEMPFIELD TOWNSHIP

By _____
Chairman

ATTEST: (SEAL)

Secretary

Developer: _____

By _____
Developer

ATTEST: (SEAL)

SAMPLE AGREEMENT FOR SMITH AND COMPANY

Secretary