

NAME OF DEVELOPMENT: 5 LOT SUBDIVISION, SOUTH ORANGE STREET &
WELDON AVENUE - M & M REALTY HOLDING,
LLC
AMOUNT OF SECURITY \$152,254.78
TYPE OF SECURITY: LETTER OF CREDIT

FINANCIAL SECURITY AGREEMENT

This **FINANCIAL SECURITY AGREEMENT** is made this 18th day of August, 2022, by and among **M & M REALTY HOLDING, LLC**, a Pennsylvania limited liability company with an address of 22 Little Lane, Media, PA 19063 (hereinafter referred to as "Developer") and the **TOWNSHIP OF UPPER PROVIDENCE**, Delaware County, Pennsylvania, with its principal office at 935 N. Providence Road, Media, PA 19063 (hereinafter referred to as the "Township").

WITNESSETH:

WHEREAS, Developer is about to commence construction of a five lot subdivision containing single family residential uses (the "Development") on property owned by Developer located at South Orange Street and Weldon Avenue, Upper Providence Township, Delaware County, Pennsylvania, being Folio No. 35-00-01199-00 (the "Property"); and

WHEREAS, on even date herewith, Developer and the Township will be entering into an Agreement regarding said development (hereinafter referred to as the "Development Agreement") providing, inter alia, that Developer will construct certain improvements on and about said Property as part of the Development; and

WHEREAS, the Development Agreement will require that Developer furnish to the Township security to assure the completion of the said improvements as therein set forth.

NOW, THEREFORE, the parties hereto, each in consideration of the promises of the other hereinafter contained, and each intending to be legally bound hereby, agree as follows:

1. Developer has caused Developers Bank ("Bank") to issue financial security in the form of a letter of credit ("LOC") in the sum of One Hundred Fifty-two Thousand Two Hundred Fifty-Four 78/00 (\$152,254.78) (hereinafter referred to as the "UPPER PROVIDENCE") for the benefit of the Township, which shall be released only on the order of Township for improvements enumerated on Exhibit "B" to the Development Agreement. The purpose of the LOC is to secure the full and complete construction of the said improvements on and about said Property as more fully provided for in the Development Agreement.

2. From time to time as portions of the said improvements are completed pursuant to the requirements of the Development Agreement, and upon request of Developer, there shall be released from the said LOC such sums as may be approved, in writing, by the Township. However, the Township will require retention of ten percent of the estimated cost of the aforesaid improvements until the time of completion of the Development and certification by the Township Engineer. The Township shall prepare the necessary documents for such release. The Township shall prepare the release authorization and shall transmit same to Developer for delivery to the Bank thereby enabling the Bank to release such portion of the LOC as authorized

by the release documents. The documents of release in each instance shall be transmitted by the Township to Developer within the time provided in paragraph 3 below. The purpose of the releases from the LOC is to provide Developer with funds to pay for the construction of the improvements as work progresses thereon and/or to reimburse Developer for sums previously paid by Developer for construction of the improvements or portions thereof.

3. It shall be the duty of the Township, prior to approving the release of monies from the aforesaid LOC but within thirty (30) calendar days of the date of Developer's request therefor, to determine whether the particular item(s) of improvements (or a substantial portion thereof) has not been so completed. If the Township determines that such improvements (or a substantial portion thereof) has not been so completed, then the Township shall, within the aforesaid thirty (30) day period, as appropriate, notify Developer thereof in writing setting forth with particularity the steps which must be taken by Developer before approval will be given for the requested release of monies from the LOC.

4. In the event Developer fails to complete all improvements in accordance with the terms and conditions and within the time required by the Development Agreement, Bank shall, upon receipt of written request from the Township, accompanied by a certification by the Township Engineer setting forth with particularity that part or portion of the improvements which have not been completed or which have been completed improperly and his estimate of the cost to complete or cure, as appropriate, release to the Township such portion of the balance of the LOC as is necessary to complete the improvements and/or correct the defect therein. Developer hereby releases Bank of and from any liability or claim for damages arising from payment by Bank to the Township pursuant to the provisions of this paragraph. Furthermore, the Township hereby releases Bank of and from any liability or claim for damages arising from the construction or failure to construct the improvements if Bank acts in accordance with the terms of this Agreement.

5. Upon completion of the improvements and the approval thereof by the Township, the balance of the said LOC shall be reduced, by payment to Developer, to the sum of 15% of actual costs of items to be dedicated which sum, if not previously released by Bank to the Township under paragraph 4 hereof, Bank shall retain for a period of eighteen (18) months to secure structural integrity of said improvements and the functioning of the improvements set forth on Exhibit "B" to the Development Agreement during the said eighteen (18) month period. Upon the expiration of eighteen (18) months period following the completion of the improvements and the approval thereof by the Township and upon request of Developer, the Township shall, within forty-five (45) days, reasonably determine the structural integrity and functioning of the improvements and cause to be executed and delivered to Developer a certificate of final completion authorizing Bank to release the balance of the LOC to Developer. In the event it is determined that the said improvements are not of proper structural integrity and/or do not function as designed, the Township shall, within forty-five (45) days following the expiration of such eighteen (18) months period, deliver to Developer written notice of such determination setting forth with particularity the steps which must be taken by Developer before it will issue a certificate of final completion. If Developer fails to correct any defects specified in said notice, the Township shall use the balance of the LOC, as is necessary, to correct the defect (s) specified in the said notice. Developer hereby releases Bank of and from any liability or claim for damages arising from the construction or failure to construct the improvements if Bank acts in accordance with the terms of this Agreement.

6. The parties hereto agree that this Agreement may be assigned by Developer in connection with a transfer of any interest in the Property or the Developer and provided that the LOC is assigned or replaced with adequate financial security (as determined by the Township) and that there is also a simultaneous assignment of the Development Agreement. All rights and obligations given herein to be imposed upon the parties shall extend to and bind their respective successors and assigns.

7. Notwithstanding any of the above, Bank shall take no action to unilaterally terminate this Agreement or release any funds without written notification from the Township.

8. The Final Plan (as that term is defined in the Development Agreement) as approved by the Township, together with all conditions imposed upon such approval by the Township and the Development Agreement, are specifically incorporated herein by reference and made a part hereof.

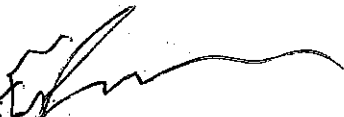
IN WITNESS WHEREOF, the parties hereto have caused their hands and seals to be affixed, duly attested, the day and year aforesaid.

TOWNSHIP OF UPPER PROVIDENCE

Attest:


Don Vymazal, Secretary

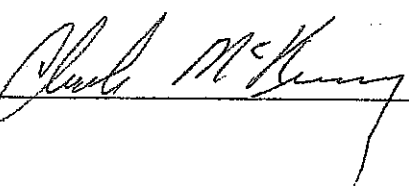
By:


Elgin Akarsoy, Chairman

DEVELOPER:

M & M REALTY HOLDING, LLC

By:



BANK:

CITIZENS BANK

By:

