

THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
1 Park Drive
P.O. Box 486
Mount Holly, New Jersey 08060-0486
(609) 267-0015

SERVICE AGREEMENT BETWEEN
THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
AND

FOR
SANITARY SEWERAGE SERVICE

WHEREAS, The Mount Holly Municipal Utilities Authority, (hereinafter "MHMUA"), 1 Park Drive, Mount Holly, New Jersey is a public body created by the governing body of the Township of Mount Holly pursuant to the provisions of the Sewerage Authorities Law (P.L. 1946, c. 138) of the State of New Jersey, as amended and supplemented; and

WHEREAS, the MHMUA is charged, inter alia, with the responsibility for the maintenance, operation and improvement of works for the collection, treatment, purification and disposal of sewage within the MHMUA Service Area; and

WHEREAS, _____ (hereinafter "Applicant")

has its address or principal place of business at: _____

and has as its agent for the service of process in New Jersey the following:

_____; and

WHEREAS, the Applicant is the owner of real property within the Township of _____ described by the following Block _____ and Lot Number(s) _____ of the Official Tax Map of the Township of _____:

WHEREAS, the Applicant has submitted the S-1 APPLIACATION FOR SEWERAGE SERVICE and has requested the MHMUA to service the units enumerated on that Application with sanitary sewer service.

NOW, THEREFORE, in consideration of mutual promises, covenants and benefits, IT IS HEREBY AGREED, CONTRACTED AND STIPULATED between the MHMUA and Applicant as follows:

1. CONTINGENT UPON APPROVAL AND AVAILABILITY. The parties hereto fully understand that the United States Environmental Protection Agency and the New Jersey Department of Environmental Protection (NJDEP) may exercise jurisdiction over sanitary sewer services and from time to time may promulgate rules and regulations affecting said services. The parties hereto agree that the obligations of the MHMUA under the terms of this Agreement shall be contingent upon the MHMUA and the Applicant receiving all necessary approvals from the aforesaid agencies to provide said services and further, shall be contingent upon full compliance with any order, rule or regulation of the aforesaid agencies. In the event that the MHMUA is prohibited from providing, offering or extending said services to the Applicant by reason of any order, rule or regulation of the aforesaid agencies, then the obligation of the MHMUA to provide, offer or extend such services to Applicant shall be suspended until such time as the MHMUA shall receive authorization from the aforesaid agencies to provide, offer or extend such services to Applicant.

Further, Applicant expressly understands that this Agreement and the obligations imposed upon the MHMUA herein for sewerage services are contingent upon the MHMUA having capacity at its sewerage treatment facilities at the time this Service Agreement is executed, taking into consideration any sewerage agreements with other applicants which are completed, fully paid and prior in time to this Agreement.

In the event that the MHMUA shall be prohibited from extending service to Applicant because of any order or regulation of the aforesaid agencies or because the capacity is not available, the MHMUA shall be obligated to provide service to the Applicant as soon as it is permitted by the aforesaid agencies, or as soon as the capacity is available, taking into consideration any service agreements with other applicants which are completed, fully paid and prior in time to this agreement.

2. MHMUA RULES AND REGULATIONS AND SPECIFICATIONS FOR CONSTRUCTION. The Applicant agrees to abide by the Rules and Regulations promulgated by the MHMUA as well as the Specifications for Construction as they are in existence now and as they may be modified from time to time. Applicant acknowledges that said Rules, Regulations and Specifications have been made available to Applicant for inspection and purchase prior to signing this Agreement and that said Rules, Regulations and Specifications are satisfactory to Applicant. All Rules, Regulations and Specifications of the MHMUA are incorporated by reference into this Agreement and shall constitute a contract between the Applicant and MHMUA and Applicant agrees to be bound contractually thereby.

3. CONNECTION FEES. The Applicant shall pay such connection fees as are provided by the Rules and Regulations and the prevailing *Schedule of Rates* of the Authority. In the event that there is any physical or operational change associated with an increase in estimated projected sewer usage from any building, facility or structure of a nonresidential customer for which a building permit, site plan, subdivision or other municipal approval is required, the Applicant agrees to pay an additional connection fee corresponding with the amount of estimated increased sewer usage.

4. USE OF FACILITIES. The MHMUA shall be permitted the free and uninterrupted use of all sewerage systems and facilities constructed and installed by Applicant. The MHMUA shall be permitted to make and utilize such connections with the systems and facilities as may be required by the MHMUA, even if the systems and facilities remain the private property of the Applicant or have not yet been dedicated to the MHMUA. The Applicant agrees to provide, at no cost to the MHMUA, such easements as may be necessary to permit the connection to, or use of, the systems and facilities.

5. ENGINEERING PLANS FOR SYSTEMS AND FACILITIES. Applicant shall file S-1 "APPLICATION FOR SEWERAGE SERVICE" and shall have paid all required fees at the time of the application. The APPLICATION FOR SEWERAGE SERVICE shall have been accompanied by six (6) copies of conceptual engineering plans for sewerage system and facilities to be constructed. For the purpose of this Agreement, "systems and facilities" shall be defined to include all mains, force mains, pumping stations, and any and all related appurtenances, excluding only laterals from the curb line to the building serviced. Said conceptual engineering plans, having been approved by the MHMUA upon the advice of its consulting engineers, shall be redrafted into construction plans which, after approval by the MHMUA, shall constitute the plans and specifications by which said sewerage system and facilities shall be constructed by Applicant and Applicant hereby agrees to construct the sewerage system and facilities in strict accordance with the Rules, Regulations and Specifications of the MHMUA.

6. SCHEDULE OF DEVELOPMENT. Applicant certifies that the following is the proposed chronological schedule of development by sections for the units to be constructed:

ESTIMATED CONNECTION DATE	SECTION NUMBER	NUMBER OF UNITS	TYPES OF UNITS

7. PERFORMANCE BONDS. Prior to the commencement of any construction, the Applicant shall post with the MHMUA a performance bond with the corporate surety authorized to do business in the State of New Jersey, in the amount of One Hundred (100%) percent of the estimated cost of the system and facilities to be constructed under the terms of this Agreement. The estimated cost shall be prepared by the MHMUA, upon the advice of its consulting engineer. Performance Bonds shall be posted by section, unless approval to the contrary is given by the MHMUA.

8. CONSTRUCTION. The Applicant shall construct and install, at no cost to the MHMUA all off site sewerage systems and facilities, including mains, force mains, pumping stations and any and all related appurtenances which are necessary to extend service from the existing sewerage system and facilities of the MHMUA to the units for which application for service has been made under this Agreement. All construction shall be in accordance the Rules, Regulations and Specifications of the MHMUA and the engineering plans submitted by Applicant and approved by the MHMUA.

9. INSPECTION. The MHMUA or its consulting engineers shall inspect the construction of the aforesaid sewerage systems and facilities to determine whether said systems and facilities are being constructed in the agreed manner. The MHMUA shall inform Applicant of any improper construction or of any deviation from the approved plans or MHMUA Rules, Regulations and Specifications. Applicant shall thereafter correct any defects or deficiencies. The MHMUA shall be under no obligation, notwithstanding any other paragraph in this Agreement to the contrary, to provide sewerage service to Applicant if said systems and facilities are not built in accordance with the approved construction plans and the MHMUA Rules, Regulations and Specifications. The cost of all inspections shall be borne by the Applicant.

10. SUBMISSION FOR ACCEPTANCE. After construction has been completed, Applicant shall request in writing that the MHMUA accept the sewerage systems and facilities constructed pursuant to this Agreement. The Applicant shall, at the time of the request, submit to the MHMUA any and all documents which are necessary to:

- a. Dedicate all sewer systems and facilities including mains, force mains, pumping stations and any and all related appurtenances except laterals to the MHMUA;
- b. Deed, at no cost to the MHMUA, all necessary titles or easements to the lands necessary for the maintenance or operation of the sewerage systems and facilities, including easements for extensions of mains to adjacent properties;
- c. Post a two-year maintenance bond in the amount of ten (10%) percent of the total construction costs as determined by the MHMUA to cover costs of repair for any latent defects discovered during the two-year period; and
- d. Furnish to the MHMUA drawings of the sewerage system and facilities as built.

11. EFFECT OF ACCEPTANCE. Upon acceptance by the MHMUA of the sewerage system and facilities as aforesaid, the Applicant shall be entitled to submit a Request for Sewer Permits for any or all units located in sections for which acceptance has been completed. The applicable connection fees shall be paid in full at the time Permits are requested. Connection fees shall be at the rates prevailing at the time Permits are requested.

12. SPECIAL CONDITIONS OF ISSUED PERMITS. It is expressly understood by Applicant that a sewer permit which is issued for any unit shall be valid for a period of one (1) month from the date of issue. Physical connection is defined to be made when the sewer facilities within the building for which service is requested are capable of being used. In the event that physical connection is not made within the one (1) month period, the permit shall automatically expire and shall be void and of no force and effect. The Applicant hereby agrees that the MHMUA shall retain twenty (20%) percent of the connection fee paid for each expired permit as a charge for reservation of capacity and loss of service revenue. It is hereby stipulated and agreed that said charge is reasonable in the amount and is to be considered as liquidated damages, and not as penalty. The parties agree that actual damages would be difficult to calculate and stipulate that this amount is reasonable as liquidated damages. The balance of the connection fee paid for the expired permit shall be returned to the Applicant by the MHMUA. Applicant may file a new request for permit at any time thereafter. Applicant shall certify in writing to the MHMUA the date or dates that physical connections are made. Failure to certify the dates of physical connections within twelve (12) months of the dates of permits shall be deemed to indicate that physical connections have not been made and shall automatically void all permits for which there has been no certification or physical connection. Upon the date of physical connection, the MHMUA shall charge, and the Applicant agrees to pay, sewer service charges for the dwelling connection.

13. **FEE SCHEDULE.** Applicant shall pay to MHMUA the following fees:
- a. An "APPLICATION FOR SEWERAGE SERVICE" fee in the amount of \$60.00 for S-1 shall have been paid in full at the time of submission of the S-1 application and accompanying conceptual engineering plans.
 - b. Conceptual review fees shall have been posted at the time of the submission of the S-1 "APPLICATION FOR SEWERAGE SERVICE" in the amount of \$30.00 for each equivalent dwelling unit (EDU) receiving sewer service.
 - c. Connection fees shall be paid in full at the time that Sewer Permits are requested for all Permits that are requested. The connection fees charged Applicant shall be the fees prevailing at the time Permits are requested.
 - d. Escrow fees for inspection, engineering review, legal review and other services which may be provided by the MHMUA to the Applicant shall be posted at the time that S-3 Applications are submitted to the MHMUA with accompanying construction plans by sections, said fees to be based upon the prevailing escrow rates contained in the Rules and Regulations. Any funds remaining in the Conceptual Review Fee Account shall be credited to this escrow account at the time that this Agreement is signed. Said fees are to be held in escrow for use by the MHMUA on behalf of the Applicant only. In the event the escrow fund is depleted or in deficit, the Applicant shall post additional escrow funds with the MHMUA in an amount to be set by the MHMUA. The Applicant hereby agrees that all costs incurred by the MHMUA for inspection, engineering review, legal review, and for other services provided to Applicant by the MHMUA shall be reimbursed to the MHMUA by Applicant from this escrow account. The MHMUA shall, from time to time, withdraw funds from this escrow account to reimburse itself for such expenses.

14. **USE OF FACILITIES.** The MHMUA shall be permitted the free and uninterrupted use of all sewerage systems and facilities constructed and installed by Applicant during the periods prior to final acceptance by the MHMUA.

15. **AGREEMENT BINDING.** This Agreement shall be binding upon the Applicant and the MHMUA, and shall run with the ground and shall be binding upon their successors, assignees, purchasers, heirs, executors or administrators. The Applicant agrees to be responsible for the payment of all charges against the escrow account established for this project. In the event the project is sold or any interest transferred to a third party, the Applicant shall continue to be responsible for such charges unless the third party assumes such obligation in a written agreement with the MHMUA.

16. The covenants and conditions contained herein embody the entire agreement between the parties and no other agreements exist, except as to any other written agreements between the parties.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers this _____ day of _____, 20____.

WITNESS/ATTEST:

 (Name and Title)

APPLICANT
 By: _____
 (Name and Title)

ATTEST:

 Brandy C Boyington, Secretary

THE MOUNT HOLLY MUNICIPAL
 UTILITIES AUTHORITY
 By: _____
 Jules Thiessen, Chairperson