

FINANCIAL SECURITY AGREEMENT FOR THE CASTLE PARCEL

THIS AGREEMENT (“**Agreement**”) is made and entered into this 25th day of January, 2019, between Lindenwold Residential Associates, LLC, a Pennsylvania limited liability company (“**Developer**”), **UPPER DUBLIN TOWNSHIP** (the “**Township**”), a township of the first class of Montgomery County, Pennsylvania, and **CITIZENS BANK, N.A.** (the “**Depository**”).

WHEREAS, Developer is the applicant for the subdivision and land development of that certain parcel of real estate situate on 701 South Bethlehem Pike, Upper Dublin Township, Montgomery County, Pennsylvania, which parcel of real estate is referred to as County Tax Parcel Nos. 54-00-02290-005 and 54-00-06163-002 (hereinafter referred to as the “**Site**”); and

WHEREAS, the Site is intended to be developed as a mixed use development pursuant to the provisions of the MRH Mixed Use Residential-Historic District consisting of the following: (i) Developer intends to restore, repair and maintain the historic castle located on the Castle Parcel (Parcel 3 on the Plans, as defined below); (ii) Mattison Development, LLC (“**Mattison**”) intends to develop 32 twin homes and 72 townhomes on the Residential Parcel (Parcel 1 on the Plans, as defined below); (iii) SBLP Upper Dublin, LLC (“**SBLP**”) intends to develop 250 senior living apartments with structured parking and associated amenities on the Senior Parcel (Parcel 2 on the Plans, as defined below); and (iv) Mattison intends to restore, repair and maintain certain historic resources on the Site (hereinafter referred to as the “**Project**”); and

WHEREAS, Developer received preliminary/final land development approval from the Board of Commissioners of the Township on March 13, 2018 pursuant to Resolution No. 18-2273 (the “**Approval Resolution**”) for a set of plans prepared by Bohler Engineering, Inc. dated April 28, 2016, last revised on December 27, 2018, consisting of sheets numbered 1 through 88 (hereinafter referred to as “**Site Plans**”); and

WHEREAS, Developer also received subdivision approval from the Board of Commissioners of the Township on March 13, 2018 pursuant to the Approval Resolution for a set of plans prepared by Bohler Engineering Inc. dated January 9, 2018, last revised April 24, 2018 (hereinafter referred to as “**Subdivision Plans**” and together with the Site Plans, collectively, the “**Plans**”); and

WHEREAS, Developer and the Preservation Alliance of Greater Philadelphia entered into a Deed of Preservation Easement (“**Preservation Easement**”) which provides for, inter alia, the restoration and repair of the Castle in accordance with the terms and conditions of the Preservation Easement and the scope of work set forth in the Novacastria Construction proposal dated February 21, 2018 (last revised November 8, 2018); and

WHEREAS, Developer and the Township entered into that certain Castle Parcel Development Agreement of even date herewith (the “**Development Agreement**”) providing that the Township shall be assured that various improvements be installed and various charges paid as more specifically listed in the Pancoast & Clifford Cost Estimate dated November 9, 2018, for the restoration and repair of the Castle, said cost estimate attached hereto as Exhibit “A” and made a part hereof, and the Construction Cost Estimate prepared by Bohler Engineering and approved by the Township Engineer for the development and construction of the site improvements proposed for the Castle Parcel as shown on the Site Plans, said

construction cost estimate attached hereto as Exhibit "B" and made a part hereof (together, the "Castle Project Improvements"); and

WHEREAS, the Township, as a condition of entering into the Development Agreement with Developer, has required that the Castle Project Improvements be installed and the charges paid by the Developer by means of a proper completion guaranty in a form satisfactory to the Township and in an amount sufficient to cover the cost of the Castle Project Improvements; and

WHEREAS, Developer now requests the approval of the Township to commence the restoration and repair of the Castle and the development and construction of the improvements proposed on the Castle Parcel (the "Castle Project") in accordance with the Preservation Easement and the Site Plans; and

WHEREAS, pursuant to this Financial Security Agreement Developer agrees to make a cash deposit in escrow with Citizens Bank, N.A. [Account No. 6305579257] in the sum of One Million Two Hundred Forty-Eight Thousand Fifteen Dollars (\$1,248,015) (the "Escrow Deposit") to guarantee the completion of the Castle Project Improvements as provided in the Development Agreement between the Developer and the Township and, as set forth in the Preservation Easement and the Novacastria Construction scope of work, and as shown on the Site Plans, and as required by the ordinances, codes, resolutions, regulations, and agreements of the Township; and

WHEREAS, the deposit of Developer is satisfactory to the Township, provided the parties hereto shall agree as hereinafter set forth.

NOW, THEREFORE, the parties hereto, intending to be legally bound by the terms hereof, agree as follows:

1. Developer shall contemporaneously with the execution hereof deposit the base sum of One Million Two Hundred Forty Eight Thousand Fifteen Dollars (\$1,248,015) with the Depository [Account No. 6305579257], such sum and any required additional amounts or so much thereof as may be required to be used and applied solely for the said site work as shown on the Site Plans and set forth in the Construction Cost Estimate (\$150,689) and the restoration, repair and improvements to the Castle building as set forth in Preservation Easement and the Pancoast & Clifford Cost Estimate (\$1,097,326) for which the Developer is responsible, the said Castle Project Improvements to be completed on or before two years from the date hereof unless extended at the sole discretion of the Township. If said base sum becomes insufficient due to increase in building and construction costs to guarantee completion of the Castle Project Improvements, Developer agrees to increase the set aside with the Depository by any additional amount necessary to guarantee completion of said improvements. Developer agrees to set aside such additional amount within ten (10) days after notification in writing to do so given by the Township Engineer. The Township Engineer shall base his notification of any required additional sum on the rise in building and construction costs in the Philadelphia area as reflected in the most recent quarterly Cost Index of Building and Construction Cost contained in the Engineering New-Record, or upon an increase in the amount of charges applicable to the Castle Project.

2. The Depository hereby acknowledges the set aside of the said sum of One Million Two Hundred Forty Eight Thousand Fifteen Dollars (\$1,248,015) to be used and applied solely for the said Castle Project Improvements and the said charges, and the Depository agrees to pay over the same only upon receipt of joint instructions (the "Joint Instructions") from the duly authorized representatives of

the Developer and the Township (not more frequently than once per month), unless the Developer is in default of its Development Agreement with the Township, as certified by the Township Engineer, in which event said sum, or so much thereof as may be necessary to complete the said Castle Project Improvements and/or pay the said charges, shall be released to the Township upon its instructions alone for the purpose of completing said improvements. Said sum shall be reduced to the extent of the sums paid over on the Joint Instructions or to the extent approved by the Township Engineer for work satisfactorily completed.

3. Depository agrees, subject only to the provisions of **Paragraph 4** below, to make such funds available to the Township in accordance with **Paragraph 2** above for completion of the Castle Project Improvements regardless of the occurrence of any event or circumstance of any kind, including, without limitation, the insolvency or dissolution of the Developer. Depository's obligations to make such advances, however, shall be limited to the undisbursed amount of the Escrow Deposit.

4. At any time following the second anniversary of the date hereof, Depository may deliver to the Township written notice of its intent to terminate its obligations under this Agreement effective sixty (60) days from the date of delivery of such notice. Upon receipt of such notice, the Township may issue instructions pursuant to **Paragraph 2** above to advance any sums necessary to complete any required improvements which remain incomplete at the time such instructions are issued.

5. The Depository shall not have any duty or responsibility with respect to the deposit other than to make advances thereof in accordance with the terms of this Agreement. The Depository assumes no liability for the construction of the said improvements.

6. This Agreement shall bind the parties hereto, and their heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

TOWNSHIP OF UPPER DUBLIN

Attest: _____
Paul A. Leonard, Secretary

By: _____
Ira S. Tackel, President

ATTEST: Witness:

Kathleen A. Elliott

LINDENWOLD RESIDENTIAL ASSOCIATES, LLC

By: Aquinas Lindenwold Residential Associates, LLC, a Pennsylvania limited liability company, Its Manager

By: Aquinas Realty Partners, LLC, a Pennsylvania limited liability company, its Manager

By: [Signature]
Leonard S. Ponca, Its Member

CITIZENS BANK, N.A.

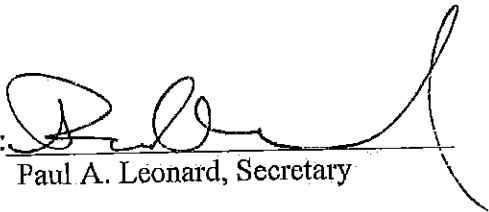
Attest: [Signature]
Name/Title: Tiffany Myers - Place
Personal Banker Universal

By: [Signature]
Name/Title: Angellque Buchanan
Small Business Relationship Banker
Notary Public

Commonwealth of Pennsylvania - Notary Seal
Angellque Buchanan, Notary Public
Bucks County
My commission expires February 23, 2022
Commission number 1323000
Member, Pennsylvania Association of Notaries

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

TOWNSHIP OF UPPER DUBLIN

Attest: 
Paul A. Leonard, Secretary

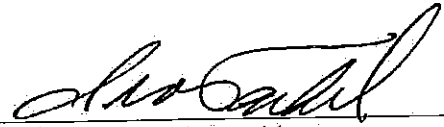
By: 
Ira S. Tackel, President

Exhibit A

PANCOAST & GLIFFORD



Estimate Summary Sheet

Mattison Estate

Estimate Summary

Estimate No: E18016

Estimate Date: Revised 11/09/2018

<i>CSI</i>	<i>Description</i>	<i>Totals</i>
01000	General Conditions	64,670
02000	Site Work	47,950
02020	Selective Demolition	48,500
02135	Asbestos Abatement	62,111
02900	Landscaping - Owner's Allowance	1,000
03000	Concrete	5,956
04000	Masonry & Stone Work/Restoration	19,000
05000	Steel & Misc Metals	20,640
06000	Carpentry & Millwork	30,750
07000	Waterproofing	2,000
08100	Doors and Hardware	13,067
08400	Window Repairs	95,000
09600	Flooring	1,800
09900	Painting/Wall Covering/Plaster	60,010
10000	Specialties	452
14400	Wheelchair Lift	13,390
15300	Fire Sprinkler	199,870
15400	Plumbing	21,000
15600	HVAC	173,900
16000	Electrical incl Fire Alarm	116,200
Subtotals		997,266
	Permit	21,500
	GL Insurance	10,973
	P&P Bond Cost	12,720
	Fee	54,866
Total		1,097,326



**Mattison Estate
Ambler, PA**

Estimate Clarifications

Estimate Date: Revised 11/09/2018

Clarifications:

1. Pricing is based on Drawings by Stampfl Associates LLC dated 12/08/2017, and the Novocastria Construction Revised Scope of Work dated 11/08/18
2. This Estimate is based on one (1) Phase of construction, and normal work hours. It is assumed that existing utilities (electric, water, etc.) may be utilized during construction.
3. Allowances as follows:
 - Landscaping - \$1,000
 - Electrical wire repairs - \$10,000
 - Heating oil removal - \$2,000
4. Hazardous material remediation per Vertex Report dated 01/06/2017 and per Novocastria Revised Scope of Work dated 11/08/18. We also include removal of the furnaces and an allowance of \$5,000 for removal of items in the crawl space. Includes a \$2,000 allowance for removal of oil tank contents with the assumption being that there is only heating oil in the tanks.
5. Engineering costs included only for sprinkler, mechanical, and electrical scopes of work.
6. Demolition per Novocastria Construction Revised Scope of Work dated 11/08/18. Also includes removal of ceilings in the non-historical areas, removal of walls and doors at 2nd and 3rd floor non-historical areas and removal of window blinds.
7. Site work includes:
 - An allowance of 300 LF of Storm Mains
 - (15) storm water laterals of an average of 10 LF each
 - Includes Water Meter Pit, furnish and install.
 - No water Meter included.
 - Re-work of the asphalt paving as required at the Wheelchair Lift
 - Pick up sanitary line at 5' outside building is in our plumbing line item
 - Pick up water line at 5' outside building is in our plumbing line item
 - No work included for the Sanitary Sewer line outside of 5' from building.
 - No Sanitary manhole included
 - No PA One Call included
 - No saw cutting or patching of driveways for the Water or Sanitary work
 - No trenching, backfilling or restoration for Water or Sanitary work
8. Cast-in-Place Concrete per Novocastria Construction Revised Scope of Work dated 11/08/18 and plans.

9. Masonry & Stone per Novocastria Construction Revised Scope of Work dated 11/08/18 and plans. Pricing based on the use of Mara Restoration as the subcontractor.
10. Metal Fabrications per Novocastria Construction Revised Scope of Work dated 11/08/18 and plans.
11. Carpentry and Millwork per Novocastria Construction Revised Scope of Work dated 11/08/18 and plans.
12. Gutters and downspouts per Novocastria Construction Revised Scope of Work dated 11/08/18.
13. Caulking and sealants per Novocastria Construction Revised Scope of Work dated 11/08/18.
14. Doors, Frames and Hardware as follows:
 - Repair existing exterior doors
 - Replace (2) ext. doors/hardware at circular turret adjacent to portico
 - Replace (1) ext. door/hardware at access to basement
 - Replace (1) int. door/hardware at ADA restroom
 - Exterior doors to be hollow metal, 18ga, galvanized, polystyrene core, primed
 - Interior door to be wood, single rotary-cut natural birch, 5-ply, PC, custom finish
 - (4) sets of finish hardware to be Hager hinges, trim, weather-stripping, thresholds, LCN closer and Schlage lock/latch sets
 - (2) temporary folding gates
15. Includes window repairs and renovations based on the use of CWM Technologies as the subcontractor.
16. Includes an allowance to provide work for Item #14 dealing with the window AC unit.
17. Plaster per Novocastria Construction Revised Scope of Work dated 11/08/18 and plans.
18. Flooring per Novocastria Construction Revised Scope of Work dated 11/08/18 and includes underlayment and waterproofing at bathroom floor
19. Painting per Novocastria Construction Revised Scope of Work dated 11/08/18. This also includes painting the exposed sprinkler pipe at the Portico. No painting of interior face of existing windows included.
20. Wall Covering includes furnishing and installing wall covering at the ADA restroom only and an allowance of 10 man-days to patch existing wall covering.
21. Specialties include only toilet accessories at the new ADA restroom. No signage or Fire Extinguishers included.
22. Handicap Lift includes Symmetry VPC UL42 wheelchair lift in ivory or gray, as well as state permits and inspections.
23. Fire Protection per Novocastria Construction Revised Scope of Work dated 11/08/18.
24. Plumbing as follows:
 - Dis-connect and safe off (1) sink location on the 1st floor
 - Furnish and install one (1) floor mounted tank type water closet and one (1) pedestal lavatory (allowance of \$2,000 total used for fixtures)
 - One 40-gallon electric water heater
 - Dis-connect and safe off all toilet rooms on upper floors
 - Pick up domestic and fire water line from 5' outside building, connect to existing domestic system and provide a stub up for the sprinkler contractor to begin his work.
 - Pick up sanitary line at 5' outside building and connect to existing system in building
 - All excavation and backfill for this work
 - Permits and inspections
 - Engineering included.

- No new backflow preventer

25. HVAC as required without the ability to use the existing in-wall duct work Includes the following:

- This pricing follows the intent of the HVAC notes on Drawing A-2.
- Replace four (4) attic cooling-only systems with new heat pumps with supplemental electric heat. We will remove the old units, provide new transitions from existing ductwork to new fan coils and reconnect existing piping.
- Provide a variable refrigerant flow (VRF) heat pump system consisting of (5) 5 ton Fan Coils and (1) 3 ton Fan Coil, (1) 24 ton modular condensing unit and associated refrigerant piping and control wiring.
- Vertical Fan Coils will be set in the tower, basement and 2nd floor where shown. Condensing units will be set on the roof.
- Tower and 2nd floor systems are provided with all new ductwork and wall/floor grilles. Basement systems will receive new insulated ductwork terminated at floor registers.
- Central touch-screen controller with (6) local thermostats to control the VRF system.
- Four (4) wall mounted thermostats to control the attic heat pumps
- Certified air balance
- System check, test and start-up
- Engineering
- Permits and inspections

26. Electrical per Novocastria Construction Revised Scope of Work dated 11/08/18 and with the following:

- Pricing reflects furnishing and installing a vault for the PECO-furnished transformer.
- 100 LF of trenching, conduit and wire for electrical service to Mattison Estate.
- 100 LF of trenching and conduit for tele/data.
- New MDP in basement
- \$10,000 allowance to repair existing, wiring, fixtures, and circuits.
- No new fixtures.
- Engineering included.
- Permits and inspections included.

27. Includes new fire alarm connections to existing system.

28. No tele/data, audio/visual, security, or any other low voltage work.

29. Includes costs for the Building Permit

30. Includes costs for a Performance and Payment Bond

End of Clarifications

UPPER DUBLIN TOWNSHIP

DEVELOPMENT: MATTISON
 ESCROW AGENT: UPPER DUBLIN
 TOWNSHIP: CASTLE ONLY - Lindewold Residential Associates
 OWNER/DEVELOPER:

TOTAL ESCROW AMOUNT: \$206,115.00
 PERIOD: SET-UP
 ESCROW RELEASE NO:
 PROJECT #: UD 15.011
 AMOUNT THIS RELEASE: \$0.00

ITEM NO.	DESCRIPTION	ORIGINAL AMOUNT			AMOUNT THIS REQUEST		COMPLETED TO DATE		REMAINING TO DATE	
		QUANTITY	UNIT PRICE	TOTAL	TOTAL UNIT	TOTAL \$	TOTAL UNIT	TOTAL \$	TOTAL UNIT	TOTAL \$
1	E&S CONTROLS	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
2	EARTHWORK	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
3	<RESERVED>	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
4	ASBESTOS REMOVAL	1	\$36,500.00	\$36,500.00	0%	\$0.00	0%	\$0.00	100%	\$36,500.00
5	BUILDING DEMO	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
6	UNDERGROUND BASIN	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
7	WATER SYSTEM - Stone Only	1	\$17,175.00	\$17,175.00	0%	\$0.00	0%	\$0.00	100%	\$17,175.00
8	SANITARY SYSTEM - Stone Only	1	\$15,135.00	\$15,135.00	0%	\$0.00	0%	\$0.00	100%	\$15,135.00
9	SIDEWALK	1	\$14,566.00	\$14,566.00	0%	\$0.00	0%	\$0.00	100%	\$14,566.00
10	CURBING	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
11	RETAINING WALLS	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
12	ROADWORK/PAVING	1	\$38,022.00	\$38,022.00	0%	\$0.00	0%	\$0.00	100%	\$38,022.00
13	OFF-SITE IMPROVEMENTS	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
14	DAM/STREAM	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
15	FENCE AT LAKE	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
16	BLASTING	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
17	LIGHTING	1	\$18,740.00	\$18,740.00	0%	\$0.00	0%	\$0.00	100%	\$18,740.00
18	LANDSCAPING	1	\$41,977.00	\$41,977.00	0%	\$0.00	0%	\$0.00	100%	\$41,977.00
19	HISTORIC	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
20	WALKING PATH	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
21	AS-BUILT PLANS	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
22	ENTRANCE MONUMENT	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
23	<RESERVED>	1		\$0.00	0%	\$0.00	0%	\$0.00	100%	\$0.00
				\$182,115.00		\$0.00		\$0.00		\$182,115.00
24	ENGINEERING & INSP.	1 LS	\$12,000.00	\$12,000.00	0%	\$0.00	0	\$0.00	100%	\$12,000.00
25	CONTINGENCIES	1 LS	\$12,000.00	\$12,000.00	0%	\$0.00	0	\$0.00	100%	\$12,000.00
TOTALS:				\$206,115.00		\$0.00		\$0.00		\$206,115.00

EXHIBIT B

SUMMARY:		CONSTRUCTION ONLY:		ENGINEERING & CONTINGENCIES:	
TOTAL ESCROW	\$206,115.00	TOTAL ESCROW	\$182,115.00	TOTAL ESCROW	\$24,000.00
AMOUNT RELEASED THIS PERIOD	\$0.00	AMOUNT RELEASED THIS PERIOD	\$0.00	AMOUNT RELEASED THIS PERIOD	\$0.00
TOTAL RELEASED TO DATE	\$0.00	TOTAL RELEASED TO DATE	\$0.00	TOTAL RELEASED TO DATE	\$0.00
AMOUNT REMAINING	\$206,115.00	AMOUNT REMAINING	\$182,115.00	AMOUNT REMAINING	\$24,000.00

IN PROVIDING THIS INFORMATION AS TO THE STATUS OF CONSTRUCTION, UPPER DUBLIN TOWNSHIP MAKES NO REPRESENTATION (EXCEPT WHERE EXPRESSLY STATED HEREIN TO THE CONTRARY) AS TO THE FINAL QUALITY OF THE CONSTRUCTION TO DATE; ITS ABILITY TO PASS FINAL CONFORMANCE WITH APPLICABLE PLANS, SPECIFICATIONS OR MUNICIPAL REQUIREMENTS; ITS ABILITY TO PASS FINAL APPLICABLE TEST REQUIREMENTS, OR THE COST OR DEGREE OF FUTURE WORK, WHICH WILL BE REQUIRED TO COMPLETE THE WORK TO CONFORM WITH FINAL APPLICABLE REQUIREMENTS. UPPER DUBLIN TOWNSHIP EXPRESSLY DISCLAIMS ANY AND ALL LIABILITY FOR CLAIMS OR DAMAGES ARISING FROM ANY CONSTRUCTION DEFICIENCIES HEREAFTER DISCOVERED.

TOWNSHIP ENGINEER