



WARRINGTON TOWNSHIP BOARD OF SUPERVISORS MINUTES FOR JULY 24, 2012

The regular meeting of the Warrington Township Board of Supervisors was held on July 24, 2012, 7:30 p.m., at the Township Building located at 852 Easton Road, Warrington, PA 18976. The members present were as follows:

ATTENDANCE:

Gerald Anderson, Chairperson; John Paul, Vice Chairperson; Marianne Achenbach, Secretary/Treasurer; Matthew W. Hallowell, Sr. and Shirley A. Yannich, members. Staff present were Timothy J. Tieperman, Township Manager; William R. Casey, Esq., Township Solicitor; Richard Wieland, Township Engineer; Barry Lubert, Chief Financial Officer; and Barbara Livrone, Executive Assistant to the Township Manager.

MOMENT OF SILENCE

Mr. Anderson asked for a moment of silence.

PLEDGE OF ALLEGIANCE

The meeting opened with a pledge to the flag.

EXECUTIVE SESSION REPORT

Mr. Anderson reported that two legal matters were discussed in Executive Session relating to Happy Tymes and Geerlings Nurseries.

APPROVAL OF BILL LIST:

1. July 10, 2012 – July 24, 2012: \$818,058.03

Mrs. Achenbach motioned, seconded by Mr. Paul, to approve the bill list from 7/10/12 to 7/24/12 totaling \$818,058.03. This motion passed by a roll call vote of 5-0.

APPROVAL OF MINUTES:

2. June 26, 2012

Mr. Paul motioned, seconded by Mr. Hallowell, to approve the June 26, 2012 Meeting Minutes. The motion passed by a vote of 5-0.

MINUTES FOR POSTING:

3. July 10, 2012

Mr. Paul motioned, seconded by Mrs. Achenbach, to approve the posting of the July 10, 2012 Meeting Minutes. The motion passed by a vote of 5-0.

PUBLIC COMMENT:

The following residents offered public comment:

- Ms. Barbara Varga (2631 Pickertown Road) regarding her opposition to Act 13 and request that Warrington Township take a formal position in opposition to state legislation regulating the Marcellus shale.
- Mr. Russ Diamond (739 Country Club Lane) regarding striping issues in the Fairways at the Greensward and Wedge Way intersections and the status of the Lamplighter Villas traffic light.

OLD BUSINESS:**4. Consider adoption of an Ordinance amending Chapter 27 (Zoning) regulating No Impact Home Occupation Uses.**

Mr. Paul motioned, seconded by Mr. Hallowell, to adopt the Ordinance amending Chapter 27, Section 202, Home Occupations of the Warrington Township Zoning Ordinance regulating No Impact Home Occupation Uses. The motion passed unanimously. *(See Attachment A)*

NEW BUSINESS (ACTION/DISCUSSION ITEMS):**5. Receive Performance Report from American Pool Management Company regarding its pool management operations at Mary Barness Swim Club and Twin Oaks Day Camp.**

Mr. Brian Ward, Vice President of Operations for American Pool Management (APM) presented a performance report of his company's management operations at the Mary Barness Swim Club and Twin Oaks Pools. Mr. Ward did affirm the pools' compliance with ADA regulations.

CFO Luber addressed some of the finance questions relating to the pool operations, noting that while the pool operations are still running a deficit, the loss ratio is substantially less than prior years.

6. Consider adoption of Resolution authorizing the placement of an open space and park development referendum on the November 6, 2012 election ballot.

Mr. Paul motioned, seconded by Mrs. Achenbach, to adopt the Resolution authorizing the placement of an open space and park development referendum on the November 6, 2012 general election ballot. The motion passed unanimously. *(See Attachment B)*

7. Review 2012 Mid-Year Budget Update and Staff Financial Analysis Report.

Barry Luber presented the Financial Highlights/Revenue and Expenditure Report for the six months ending June 30, 2012. He indicated that the total revenue as of 6/30/12 was \$4,967,329 and the total expenditures as of 6/30/12 were \$3,866,475. *(See Attachment C – Power Point Presentation)*

Public comments included Stan Schwartzman (604 Guilford Court), who inquired about how local water/sewer rates compare to neighboring municipalities; and Mr. Joseph Bonargo, who inquired about the status of the document management program.

8. Review update and consider authorizing bid advertisement for Public Works Facility Project.

Mr. Paul motioned, seconded by Mrs. Achenbach, to authorize the Solicitor to place the required legal advertisement for the Public Works Facility Project. The motion passed unanimously.

9. Consider bid award for 2012 Road Program and discuss including additional roads based on favorable bid results.

Mr. Anderson commented that the lowest responsible was substantially lower than the township engineer's budgetary projection. said it looks like the bid came in for less than anticipated and recommended that if the Board accepts the 2012 Road Program bid that we go right out and increase the scope and ask for another bid for additional work throughout the township.

Mr. Paul motioned, seconded by Mrs. Achenbach, to award the bid for the 2012 Road Program to James D. Morrissey, Inc., Contractors in the amount of \$2,009,092.04. The motion passed unanimously.

Mr. Anderson noted that this bid was lower than budgeted projections and suggested that the Board authorize Staff to proceed forward in developing specifications for a second road bid. Mr. Achenbach raised some concerns about expanding the scope in such a way that would require additional water/sewer capital dollars which will not be available in 2012. Mr. Anderson suggested that Mr. Achenbach meet with the township engineer and CFO to work out a paving schedule that addresses these issues and report back to the Board with recommendation(s).

MANAGER'S REPORT:**a. Consent Item: Sewer Services Amendment – Montgomery Township Municipal Sewer Authority.**

Mrs. Yannich raised a possible conflict-of-interest since she knows one of the owners of the properties that will benefit from this Agreement. Mr. Anderson conferred with the Solicitor and fellow Supervisors who unanimously concurred that there was no conflict.

Mr. Paul motioned, seconded by Mrs. Achenbach, to approve the amendment to the Sewer Services Agreement between Montgomery Township Municipal Sewer Authority and the Township of Warrington for seven properties located on County Line Road in the Muirfield Subdivision. The motion passed unanimously.

11. CHAIRMAN'S REPORT:**a. Discuss strategies to inform Warrington residents about November open space referendum.**

Mr. Anderson asked the Board to consider whether or not to approve a special mailing to Warrington residents in addition to holding special hearings where residents would be invited to learn more about the November open space referendum.

b. Review current recommendations from the Open Space Task Force.

Mr. Anderson motioned, seconded by Mr. Paul to direct the Solicitor to have open space deed restrictions applied to selected Township-owned properties as recommended by the Open Space Task Force. The motion passed unanimously. (See Attachment D)

c. **Discussion on Planning Commission and Zoning Hearing Board Applicants.**

It was the consensus of the Board to make the appointments at the August 14, 2012 meeting to fill the vacancies on the Planning Commission and Zoning Hearing Board.

d. **Announcement of Special Executive Session Meeting with Emergency Services Committee.**

Mr. Anderson announced that a special executive session meeting with the Emergency Services Committee would be held on Tuesday, July 31, 2012 at 7:00 PM to discuss personnel matters. No action will be taken at this meeting but a report will be made at the Board's August 14, 2012 meeting.

12. **ENGINEER'S REPORT:**

a. **Lamplighter Villas Project Update.**

Mr. Wieland updated the Board on the status of the Lamplighter Villas project. He said the only remaining work to be done is some incidentals in the main housing area and the final wearing course between Phillips Avenue out to Street Road.

b. **Malcolm's Update.**

Mr. Wieland reported that the structural engineer would be making a site inspection this Thursday to determine any other items that need to be addressed before specifications are put together. He said the intent is to do a cosmetic demolition of the buildings on the Malcolm property and clean-up the debris at the site.

Mr. Anderson asked the solicitor on the requirements to declare this site a blighted area. Solicitor Casey responded that there is new statutory authority for municipalities to declare these properties blighted and to demolish them when both parties cannot arrive at an amicable solution. Mr. Anderson asked that the Solicitor research whether CDBG monies could be tapped to raze blighted structures.

13. **SOLICITOR'S REPORT:**

a. **Happy Tymes.**

Mr. Casey asked the Board to approve the stipulation for the Happy Tymes bankruptcy, which resolves the current issues with the Amusement Tax.

Mr. Anderson motioned, seconded by Mr. Paul, to approve the stipulation for the Happy Tymes bankruptcy, which resolves the issue with the Amusement Tax. The motion passed unanimously. (*See Attachment E*)

SUPERVISORS COMMENTS

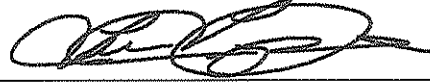
Subdivision and Land Development Ordinance

Mrs. Yannich inquired if the Township had in place an ordinance that says if you're developing your property with a subdivision or land development that you should give written notice to people located within a certain number of feet around your property. Mr. Anderson said to the best of his knowledge the Township has never had such an ordinance. He stated this is only required for zoning amendments.

ADJOURNMENT

Mr. Paul motioned, seconded by Mrs. Achenbach, to adjourn the meeting at 8:45 p.m. The motion passed unanimously.

Edited and Reviewed By:

A handwritten signature in black ink, appearing to read 'Timothy J. Tieperman', written over a horizontal line.

Timothy J. Tieperman, Township Manager

ATTACHMENT “A”

ORDINANCE 2012 – 0-09

AMENDING THE WARRINGTON TOWNSHIP ZONING ORDINANCE

SECTION 202 HOME OCCUPATION

WHEREAS, The Warrington Township Board of Supervisors have reviewed and found appropriate to amend the Warrington Township Zoning Ordinance, by adding Section 202: Definition of Terms: Home Occupation, and:

NOW THEREFORE, be it ENACTED and ORDAINED and IT IS HEREBY ENACTED and ORDAINED, that the Board of Supervisors of Warrington Township, Bucks County, Pennsylvania, hereby amends the Home Occupation section of the Warrington Township Code of Ordinances as follows:

§202. Definition of Terms.

Modify the definition of "HOME OCCUPATION" by adding category C, "NO-IMPACT HOME OCCUPATION."

C. NO-IMPACT HOME OCCUPATION – An occupation for gain or support conducted only by immediate members of a family residing on the premises and conducted entirely within the dwelling or accessory building providing all of the following criteria are met:

- (1) The business is compatible with the residential use of the property and surrounding residential uses;
- (2) no article is sold or offered for sale except such as may be produced on the premises by members of the family residing on the property;
- (3) the occupation shall occur only in the dwelling and total area of such occupation shall in no case occupy more than 25 percent (25%) of the floor area of the dwelling;
- (3) no commercial vehicles may be permitted;
- (4) no clients or customers are permitted to visit the premises;
- (5) no employees are permitted other than the residents of the dwelling;
- (6) no outside equipment storage is permitted;
- (7) no modification of the dwelling;
- (8) no advertising of the home address as a business location is permitted;
- (9) no bulk deliveries or pick-ups are permitted;
- (10) there shall be no display or sale of retail goods and no stock piling or inventory of a substantial nature;
- (11) there shall be no outside appearance of a business use, including, but not limited to, parking, signs or lights;
- (12) the business activity may not use any equipment or process which creates noise, vibration, glare, fumes, odors or electrical or electronic interference, including interference with radio or television reception, which is detectable in the neighborhood;
- (13) the business activity may not generate any solid waste or sewage discharge, in volume or type, which is not normally associated with residential use in the neighborhood;
- (14) the business may not involve any illegal activity.

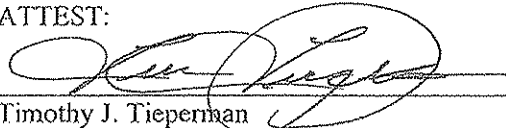
Modify the following sections by adding "NO-IMPACT HOME OCCUPATION" as a use that may be permitted by right.

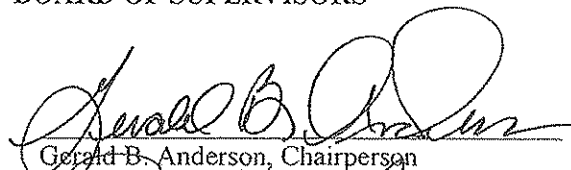
Section 402.I – RA District
Section 422.F – RA-A District
Section 502.A(8) – PRD District
Section 502.B(18) – PRD District
Section 702.F – R-1 District
Section 802.F – R-2 District
Section 852.F – R-3 District
Section 862.E – R-2I District
Section 905.1.B(6) – I-U District, Senior Living Community
Section 905.4.B(5) – I-U District, Independent Senior Residential Community
Section 902-A.F – I-U-A, Institutional Age Qualified Residential Community District
Section 902-B.E – I-U-A-1, Institutional Age Qualified District -1
Section 902-C.C – I-U-B, Institutional-Senior Residential Community Multifamily District
Section 1502.4 – CR/O, Corridor Residential/Office District
Section 1602.16 – CBD, Central Business District

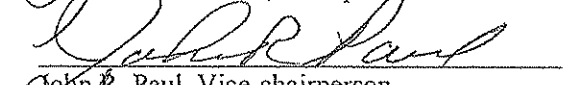
ORDAINED and ENACTED this 24th day of July, 2012.


WARRINGTON TOWNSHIP BOARD OF SUPERVISORS

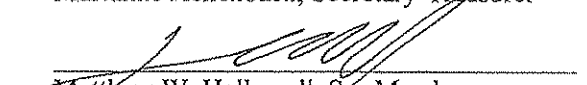
ATTEST:

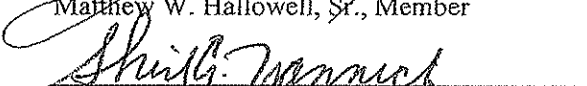

Timothy J. Tieperman
Township Manager


Gerald B. Anderson, Chairperson


John R. Paul, Vice-chairperson


Marianne Achenbach, Secretary-Treasurer


Matthew W. Hallowell, Sr., Member


Shirley A. Yannick, Member

ATTACHMENT “B”



RESOLUTION 2012 – R – 28

OPEN SPACE REFERENDUM

WHEREAS, the Board of Supervisors of Warrington Township, Bucks County, Pennsylvania are interested in determining if the Township should acquire additional land as open space; and

WHEREAS, the Board of Supervisors are cognizant of a need to improve existing park infrastructure; and

WHEREAS, in order to be placed on the November 2012 ballot, the request must be submitted to the County of Bucks Board of Elections by August 7, 2012;

NOW, THEREFORE, be it, and it is hereby **RESOLVED** by the Board of Supervisors of Warrington Township, Bucks County, Pennsylvania, that the following referendum language is approved for submission to the County of Bucks Board of Elections for inclusion on the Warrington Township ballot on November 6, 2012:

YES or NO

In order to preserve some or all of the remaining open space in Warrington Township and in addition to expand the existing park lands and improving the overall infrastructure of the Township's park system, the Board of Supervisors wishes to borrow up to \$ 3,000,000.00 over a Twenty (20) year period to purchase land to improve and to preserve open, undeveloped or historic land in Warrington Township. The Township would use the money to do one (1) or more of the following:

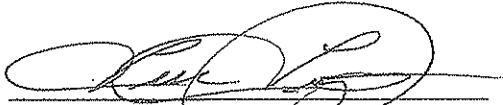
1. Finance the acquisition and improvement of open space: The Township would purchase undeveloped land or farmland from land owners in the Township and would restrict the land from development.
2. Acquire trail linkages and expand trail system: The Township would acquire the appropriate easement to facilitate the expansion of the Township's trail network, with the ultimate goal of linking up with other inter-municipal trail systems.
3. Improve infrastructure in existing parks: The Township would improve the infrastructure of some existing parks such as parking improvements at Barnes Park and facelifts at some of the lesser known pocket parks in Warrington.

4. Acquire historic lands: Some candidate parcels have historic homesteads on them which the Township would lease to preserve the buildings' historic integrity.

RESOLVED, this 24th day of July, 2012.

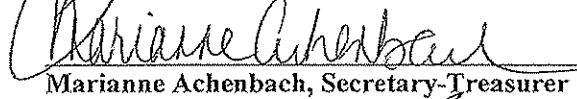
BOARD OF SUPERVISORS OF WARRINGTON TOWNSHIP

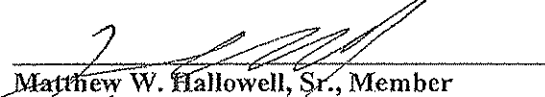
ATTEST:


Timothy J. Tieperman
Township Manager


Gerald B. Anderson, Chairperson


John R. Paul, Vice Chairman


Marianne Achenbach, Secretary-Treasurer


Matthew W. Hallowell, Sr., Member


Shirley A. Yannich, Member

ATTACHMENT “C”

WARRINGTON TOWNSHIP
BUDGET UPDATE
AS OF JUNE 30, 2012

GENERAL FUND - REVENUE

<u>Large Revenue Categories</u>	<u>2012 Budget</u>	<u>As of 6/30/12</u>	<u>Percent</u>
Total Revenue	\$9,871,200	\$4,967,329	50.3
Earned Income Tax	\$3,400,000	\$1,471,000	43.3
Real Estate Tax	2,121,000	1,992,000	93.9
Real Estate Transfer Tax	560,000	173,000	31.0
Cable TV Franchise Fees	455,000	231,000	50.8
Building Permits	474,000	211,000	44.5

G/F REVENUE - CATEGORIES OF CONCERN

Real Estate Transfer Tax		Earned Income Tax	
2012 Budget	\$560,000	2012 Budget	\$3,400,000
Through June	173,000	Through June	1,471,000
Year-end Estimate	350,000	Year-end Estimate	3,200,000
Year-end	(\$210,000)	Year-end	(\$200,000)

GENERAL FUND - EXPENDITURES

	<u>2012 Budget</u>	<u>As of 6/30/12</u>	<u>Percent</u>
Total Expenditures	\$9,871,200	\$3,866,475	39.2

<u>Line Items of Concern</u>	<u>2012 Budget</u>	<u>As of 6/30/12</u>	<u>Year-End Est.</u>
Contracted Services	\$372,000	\$256,000	\$500,000
Motor Fuel	126,000	69,000	165,000
Engineering Costs	90,000	65,000	130,000
Worker's Compensation	80,000	55,000	110,000
Year-End Projection of over-budget line-items			(\$237,000)

GENERAL FUND – FUND BALANCE PROJECTION

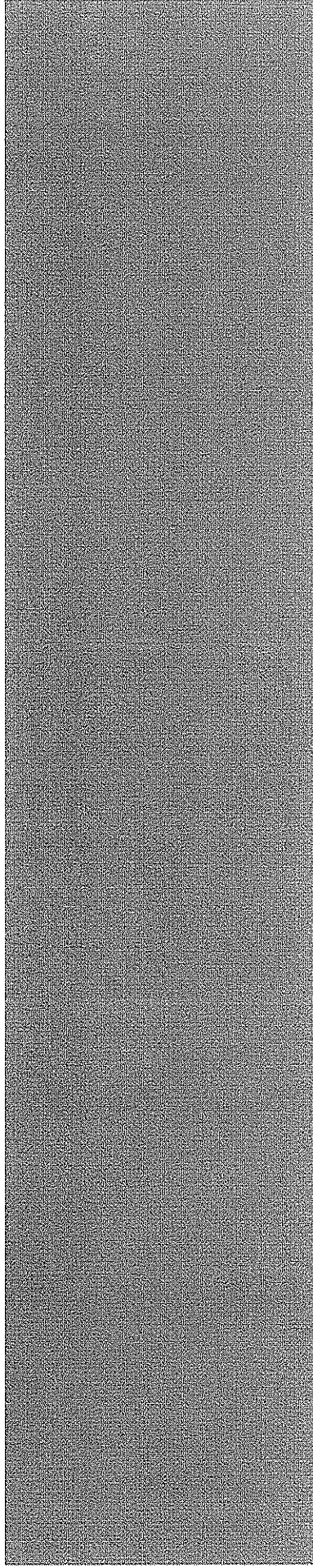
Fund Balance 1/1/2012 \$678,000

Revenue Under Budget (\$410,000)

Expenditures Line-items Over Budget (\$237,000)

Expenditure Savings \$200,000

Estimated Fund Balance 12/31/2012 \$231,000



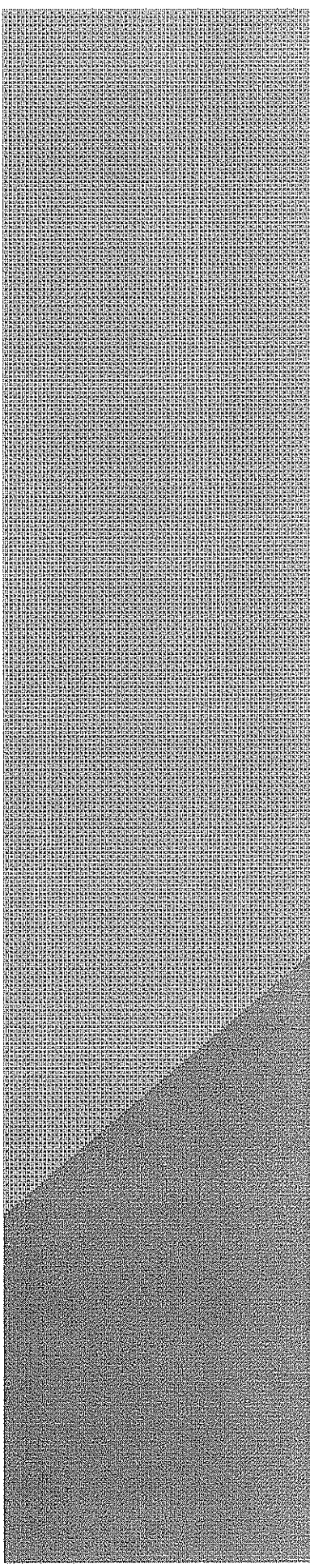
GENERAL FUND - SUMMARY

Fund Balance Policy = 10% of G/F Expenditures = \$987,000

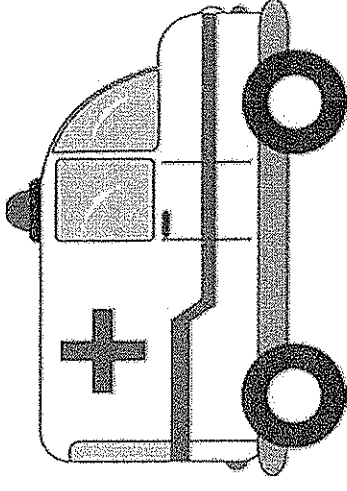
Projected 2012 Ending Fund Balance = \$231,000

Amount needed for minimum Fund Balance = \$756,000

Between now and the adoption of the 2013 Budget, cost containment measures and/or new revenue sources need to be discussed and considered.



AMBULANCE FUND



As of 6/30/2012 Year-end Projection

Beginning Fund Balance -1/1/12

\$434,000

Revenue (real Estate Tax)

\$77,000

\$80,000

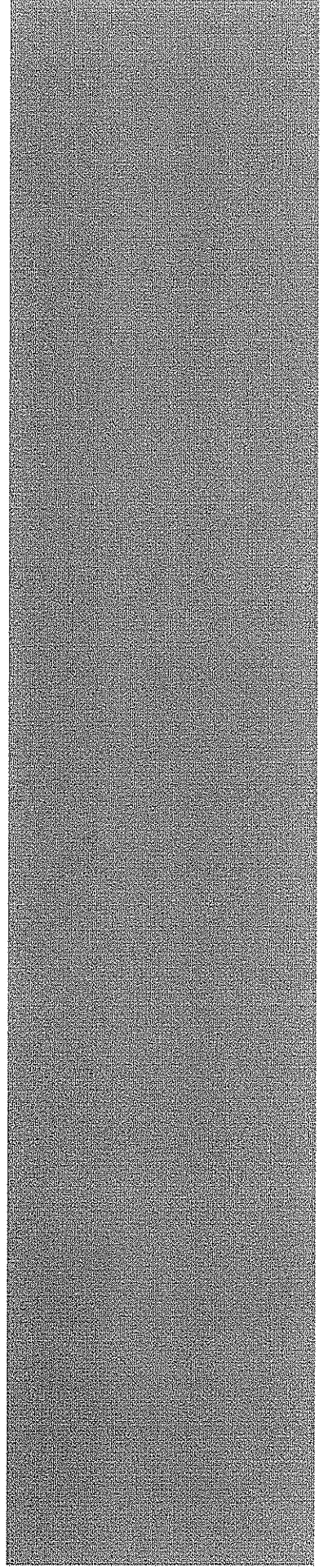
Expenditures

\$117,201

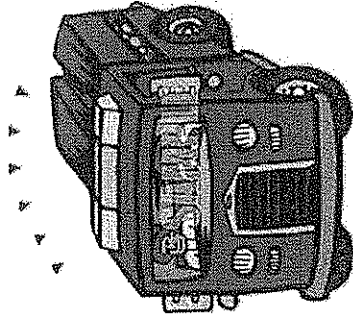
\$230,000

Ending Fund Balance -12/31/12

\$284,000



FIRE PROTECTION FUND



As of 6/30/2012 Year-end Projection

Beginning Fund Balance-1/1/12

\$622,000

Revenue (real Estate Tax)

\$375,000

\$400,000

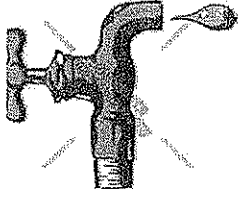
Expenditures

\$158,000

\$475,000

Ending Fund Balance-12/31/12

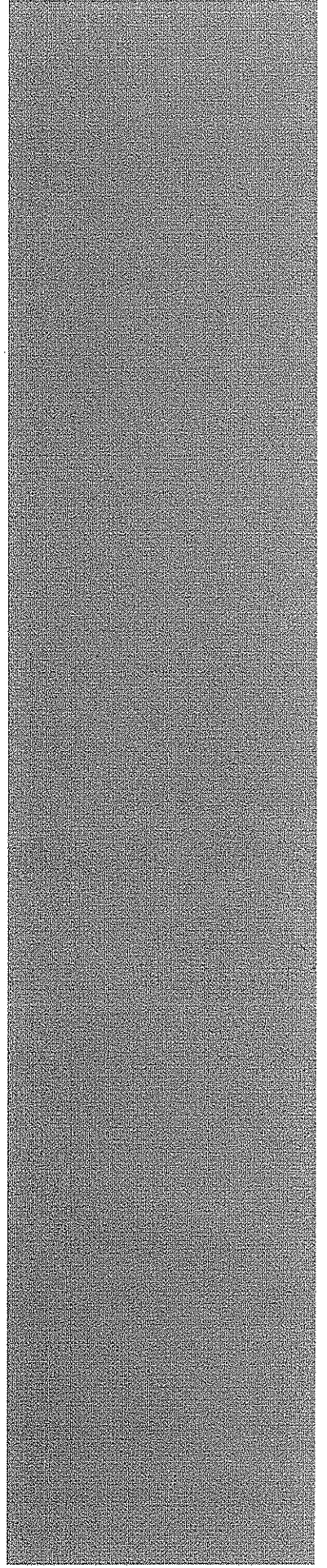
\$547,000



WATER & SEWER FUND - REVENUE

	<u>2012 Budget</u>	<u>As of 6/30/12</u>	<u>Percent</u>
Total Revenue	\$7,024,844	\$2,462,458	35.1
Sewer Fees *	\$4,153,000	\$1,464,000	35.3
Water Fees *	\$2,675,000	\$888,000	33.2

* \$222,500 (sewer tap-in fees and) \$102,165 (water tap-in fees) were received in July for Penrose Walk.

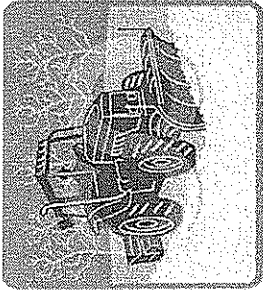


WATER & SEWER FUND - EXPENSES

	<u>2012 Budget</u>	<u>As of 6/30/12</u>	<u>Percent</u>
Total Expenditures	\$8,055,000	\$1,861,000	23.1
General Administration	\$820,300	\$290,000	35.4
Facilities	\$110,200	\$46,000	42.2
Sewer Treatment	\$3,831,900	\$665,020	17.4
Meters	\$66,000	\$57,000	87.1
Water Distribution	\$172,400	\$76,000	44.5
Water Supply	\$1,692,400	\$402,000	23.7
Debt & Other	\$1,348,600	\$319,000	23.6

CAPITAL RESERVE FUND (2008 BOND ISSUE)

2012 Projects	Budget	As of 6/30/2012	Year-end Projection
Township Building Roof	\$25,000	\$0	\$25,000
Township Bldg. Parking Lot	\$100,000	\$0	\$100,000
Upper State/Mill Creek	\$36,000	\$0	On Hold
Twin Oaks Day Camp (C)	\$75,000	\$20,000	\$60,000
Lower Level Renovations (C)	\$125,000	\$71,000	\$71,000
Palomino Basin	\$120,000	\$12,000	On Hold
Road Resurfacing	\$429,000	\$0	\$429,000
New Public Works Facility	\$1,600,000	\$77,000	\$1,000,000



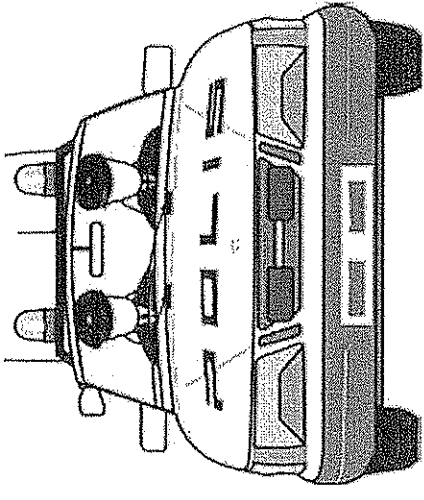
HIGHWAY AID FUND (LIQUID FUELS)

Projection	As of 6/30/2012	Year-end
Beginning Fund Balance -1/1/12		\$96,000
Revenue (annual allocation)	\$479,000	\$479,000
Expenditures (Snow Removal/ Road Resurfacing)	\$39,000	\$350,000
Ending Fund Balance -12/31/12		\$225,000

INTERNAL SERVICES FUND

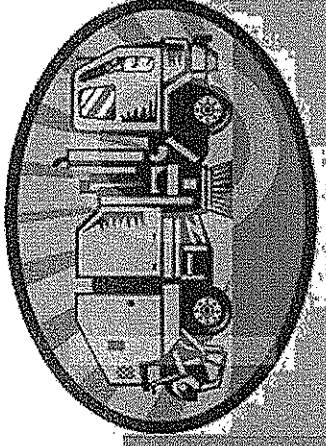
2012 Purchases/Leases -Completed

3 Ford Police Interceptors- Patrol Cars
1 Dodge Ram 1500 - Deputy Fire Marshall
Computer Upgrade – Hardware/Software



2012 Purchases/Leases – By year-end

1 Ford Fusion – Codes Inspector
Crew Cab; Ford F450; Ford F150; Truck Body Unit
Street Sweeper – Public Works



ATTACHMENT “D”



Warrington Township
Open Space and Land Preservation Task Force

Warrington Township
Board of Supervisors
Gerald B. Anderson, Chairperson
Via email at ganderson@warringtontownship.org

June 25, 2012

Re: Open Space Deed Restrictions
Selected Township-owned Properties

Dear Mr. Anderson:

In accordance with the goals that the Board of Supervisors outlined for our Task Force, I am writing with our first recommendation for the preservation of open space in Warrington.

We have reviewed the acquisition documentation for the following township-owned properties and have determined that there are no current restrictions that require the land to be maintained as open space in the future.

<u>Property</u>	<u>Date of Acquisition</u>	<u>Number of Acres</u>	
Twin Oaks Tax Par 50 004 137	1-28-98	3129 Bradley	46.6
IPW Upper Nike 50 004 136	"	3095 Bradley	16.8
50 010 003	5-22-92	300 Folly Rd	<u>8.903</u>
			71.49 acres total

While we do understand that it highly unlikely that this Board would propose selling the properties or changing the existing uses as open space, it is foreseeable that some future board might find justification for such actions.

It our recommendation that these properties be protected as open space. Given that the Township already owns these properties, the cost of preservation is extremely low. It is our request that the matter be referred to the Township Solicitor for confirmation of our research and estimated costs for drafting and recording the instruments necessary to accomplish this important goal.

We thank the Board for the opportunity to serve the Township.

Respectfully submitted,

Warrington Township Open Space Task Force

ATTACHMENT “E”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: : CHAPTER 11
HAPPY TYMES FAMILY FUN :
CENTER, INC. : BKY. NO. 10-18571 MDC

ORDER ON
STIPULATION IN SETTLEMENT OF DEBTOR'S
(HAPPY TYMES FAMILY FUN CENTER, INC.) OBJECTION TO
1) PROOF OF CLAIM # 12 OF WARRINGTON TOWNSHIP; AND
2) ADMINISTRATIVE CLAIM OF WARRINGTON TOWNSHIP

AND NOW, this day of , 2012, in
consideration of the Stipulation in Settlement of Debtor's
(Happy Tymes Family Fun Center, Inc.) Objection to 1) Proof of
Claim # 12 of Warrington Township; and 2) Administrative Claim of
Warrington Township, it is

ORDERED that the stipulation is approved.

THE HON. MAGDELINE D. COLEMAN
Bankruptcy Judge

Service list:

U.S. Trustee
833 Chestnut Street, Suite 500
Philadelphia, PA 19107

John Francis Murphy, Esq.
P.O. Box 657
Doylestown, PA 18901

Daniel S. Siedman, Esq.
Ciardi Ciardi & Astin
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: : CHAPTER 11
HAPPY TYMES FAMILY FUN :
CENTER, INC. : BKY. NO. 10-18571 MDC

STIPULATION IN SETTLEMENT OF DEBTOR'S
(HAPPY TYMES FAMILY FUN CENTER, INC.) OBJECTION TO
1) PROOF OF CLAIM # 12 OF WARRINGTON TOWNSHIP; AND
2) ADMINISTRATIVE CLAIM OF WARRINGTON TOWNSHIP

Warrington Township, through its counsel in this bankruptcy, John Francis Murphy, Esq., and the debtor Happy Tymes Family Fun Center, Inc., through its counsel, Daniel S. Siedman, Esq., and the debtor HTREC, Inc., through its counsel, Daniel S. Siedman, Esq., hereby stipulate as follows:

RECITALS

1. Happy Tymes Family Fun Center, Inc., filed a chapter 11 bankruptcy petition with this court on October 1, 2010.

2. HTREC, Inc., filed a chapter 11 bankruptcy petition with this court on October 1, 2010.

3. By court order, both cases were consolidated for joint administration.

4. On March 12, 2012, the court entered an order confirming the outstanding chapter 11 plans of reorganization of Happy Tymes Family Fun Center, Inc.

5. On March 12, 2012, the court entered an order confirming the outstanding chapter 11 plans of reorganization of HTREC, Inc.

6. The real estate upon which Happy Tymes Family Fun

Center, Inc., operates upon is not owned by Happy Tymes Family Fun Center, Inc., but is owned by HTREC, Inc.

7. Happy Tymes Family Fun Center, Inc., had two suits that were filed against Warrington Township in the Bucks County Court of Common Pleas, with docket numbers 2008-04910 and 2008-06120, which attempted to dispute a portion of the tax liability at issue here.

8. Prior to 2008, Warrington Township passed ordinances allowing for the taxation of places of amusement.

9. On January 3, 2012, Warrington Township timely filed a proof of claim (claim # 12) against Happy Tymes Family Fun Center, Inc., in the amount of \$132,000.00 based on its estimated liability of Happy Tymes Family Fun Center, Inc., for the amusement tax.

10. Since Happy Tymes Family Fun Center, Inc., did not file the required tax returns on the amusement taxes, Warrington Township used past tax records of the amusement tax paid by the debtor to estimate the amount of tax due in the proof of claim.

11. On April 6, 2012, Warrington Township timely filed a notice of administration claim against Happy Tymes Family Fun Center, Inc., in the amount of \$70,000.00 based on its estimated liability of Happy Tymes Family Fun Center, Inc., for the amusement tax due from the petition date to March 15, 2012.

12. Since Happy Tymes Family Fun Center, Inc., did not file the required tax returns on the amusement taxes, Warrington Township used past tax records of the amusement tax paid by the debtor to estimate the amount of tax due in the notice of

administrative claim.

13. On April 25, 2012, Happy Tymes Family Fun Center, Inc., filed an objection to the proof of claim # 12 of Warrington Township.

14. On April 25, 2012, Happy Tymes Family Fun Center, Inc., filed an objection to the notice of administrative claim filed by Warrington Township.

15. As of July 17, 2012, Happy Tymes Family Fun Center, Inc., filed all amusement tax returns with Warrington Township through March 31, 2012, including the time periods covered by the township's proof of claim and notice of administrative claim.

16. Warrington Township has determined that based on the amusement tax returns filed through March 30, 2012, Happy Tymes Family Fun Center, Inc., owes the township \$157,174.11 for the amusement tax.

AGREEMENT OF THE PARTIES

17. The parties agree that the above recitals are true and correct.

18. Warrington Township shall file tax lien(s) on the Happy Tymes Family Fun Center, Inc., amusement taxes for the period through March 31, 2012.

19. The amusement tax lien(s) will be filed against HTREC, Inc., since HTREC, Inc., is the party that owns the real estate.

20. Warrington Township is granted relief from the automatic stay and relief from any other stay imposed by the

confirmed chapter 11 plans and any other order of the bankruptcy court to file the tax lien(s).

21. Happy Tymes Family Fun Center, Inc., can dispute the intended tax lien(s) represented by the amusement tax returns that covered the period embraced by the proof of claim of Warrington Township and the notice of its administrative claim in one of the two suits that were filed against Warrington Township in the Bucks County Court of Common Pleas, with docket numbers 2008-04910 and 2008-06120.

22. To the extent that in those two cases, the Bucks County Court of Common Pleas issues a final, non-appealable ruling that the tax lien(s) figure(s) were incorrect, then Warrington Township will adjust the tax lien payoff(s), either upward or downward per the court order.

23. With the period commencing April 1, 2012, Happy Tymes Family Fun Center, Inc., will timely file all amusement tax returns with Warrington Township and timely pay the amusement taxes on those returns.

24. In the event that Happy Tymes Family Fun Center, Inc., does not file and pay on the returns for the period commencing on April 1, 2012, the amusement tax lien(s) will be filed against HTREC, Inc., since HTREC, Inc., is the party that owns the real estate.

25. The tax returns and taxes due for the period commencing on April 1, 2012, shall not be subject to adjudication in the Bucks County Court of Common Pleas, under docket numbers 2008-04910 and 2008-06120; any dispute for the period after March

15, 2012, will require a new complaint with a new docket number.

26. On occurrence of the filing of all tax lien(s) against HTREC, Inc., for the period prior to April 1, 2012, Warrington Township will waive its right to payment of its proof of claim and payment of its administrative claim, but will only waive those rights as to distribution through the confirmed chapter 11 bankruptcy plans.

27. Warrington Township and Happy Tymes Family Fun Center, Inc., agree that Warrington Township shall be permitted to audit the records of Happy Tymes Family Fun Center, Inc., to determine if the figures reported on the amusement tax returns are true and correct. Such audits shall be done with no more than reasonable frequency and at times mutually agreeable to the parties. Any discrepancies as determined by Warrington Township shall result in the increase or reduction in the tax due, and a concomitant increase or reduction in the amount of the lien payoff on such tax. Each party will be responsible for payment of its own audit expenses.

28. The undersigned hereby affirmatively assert that they have sufficient authority to bind their respective clients.

29. The parties intend to be legally bound by the terms of this agreement.

30. Original signatures on duplicate counterparts of the agreement shall constitute a single signed stipulation, and photocopies of signature pages transmitted by email or facsimile shall be deemed original signatures.

31. This stipulation will be submitted to the bankruptcy court for review, with the intention that it will be approved by court order of the bankruptcy court.

RESPECTFULLY SUBMITTED,

dated:

JOHN FRANCIS MURPHY, ESQ.
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dated:

DANIEL S. SIEDMAN, ESQ.
Ciardi Ciardi & Astin
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103
(counsel for Happy Tymes Family Fun Center, Inc.)

dated:

DANIEL S. SIEDMAN, ESQ.
Ciardi Ciardi & Astin
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103
(counsel for HTREC, Inc.)

dated:

Happy Tymes Family Fun Center, Inc.
by _____, President

dated:

HTREC, Inc.
by _____, President