

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("**Agreement**") is made this 19 day of October 2011, by and between CATALYST OUTDOOR ADVERTISING, LLC ("**Catalyst**"), a Delaware limited liability company having a business address of P.O. Box 1421, Malvern, Pennsylvania 19355 and LOWER MORELAND TOWNSHIP, MONTGOMERY COUNTY ("**Township**"), a municipal corporation duly formed and existing under the laws of the Commonwealth of Pennsylvania having a business address of 640 Red Lion Road, Huntingdon Valley, Pennsylvania 19006-6234 (collectively, Catalyst and the Township are referred to as the "**Parties**").

BACKGROUND

- A. Catalyst is in the business of developing, constructing, operating and maintaining off-premises advertising signs and billboards.
- B. Catalyst owns a billboard easement on the property located at 1456 County Line Road ("**Property**") in the Township.
- C. On August 10, 2011, pursuant to Section 916.1 of the Pennsylvania Municipalities Planning Code ("**MPC**") [53 P.S. §10916.1], Catalyst submitted to the Township Zoning Hearing Board a substantive validity challenge ("**Challenge**") to the Township Zoning Ordinance alleging that the Zoning Ordinance was invalid and unconstitutional for failing to provide for billboards as a permitted use in the Township.
- D. In its Challenge, Catalyst alleged that:
 - (1) The Township Zoning Ordinance has an illegal de jure exclusion of billboards in the Township;
 - (2) The exclusion of billboards is invalid and unconstitutional under Pennsylvania law; and

(3) As a successful challenger to the substantive validity of the Township Zoning Ordinance, Catalyst is entitled to have a billboard approved on the Property.

E. In its Challenge, Catalyst sought a permit from the Township to erect a free-standing billboard on the Property having the following dimensions:

(1) The bottom edge of the billboard would measure 81 feet from ground level;

(2) The top edge of the billboard would measure 104 feet from ground level;

(3) The face of the billboard would measure 20 feet, 2 3/8 inches by 58 feet, 7 3/16 inches; and

(4) The overall sign area of the billboard would measure approximately 1,184 square feet.

F. Pursuant to Section 908(3) of the Pennsylvania Municipalities Planning Code [53 P.S. §10908(3)], the Township is automatically a party to the Challenge.

G. At the time that Catalyst filed the Challenge, the Township alleges that it was in the process of preparing an amendment to the Zoning Ordinance that considered enacting a regulatory scheme to permit billboards in the Township.

H. Therefore, the Township alleges that there was an ordinance pending which precludes Catalyst's Challenge.

I. Catalyst disputes the Township's allegations by alleging that the pending ordinance doctrine does not preclude Catalyst's Challenge and no ordinance considering a regulatory scheme to permit billboards was pending in the Township under Pennsylvania law at the time Catalyst filed the Challenge.

J. Moreover, Catalyst alleges that the Township's efforts to revise the Zoning Ordinance to specifically permits billboards when the Zoning Ordinance on its face failed to previously do so is tantamount to an admission that the Zoning Ordinance is invalid for failing to permit billboards, a legitimate business use, in the Township.

K. As a result of the Township's admission, Catalyst commenced a civil action via a Writ of Summons against the Township in the Montgomery County Court of Common Pleas docketed at Case No. 2011-29188 ("**Civil Action**").

L. If it were required to file a complaint in the Civil Action, Catalyst alleges that it would seek: (i) declaratory relief that the Township's subsequent legislative actions to permit billboards is tantamount to declaring its Zoning Ordinance invalid for failing to permit billboards; and (ii) site-specific relief because Catalyst is a successful challenger and is permitted to construct a proposed billboard sign on the Property under Pennsylvania law.

M. The Township disputes Catalyst's allegation that by considering an amendment to the Zoning Ordinance to permit billboards the Township declared its Zoning Ordinance invalid.

N. Notwithstanding the disputed issues above, the Township believes that the Property is an appropriate location for a billboard because the Property is located close to the Pennsylvania Turnpike in an industrially zoned area away from residences and residentially zoned areas.

O. Therefore, the Township concludes that it is in the public interest to have a billboard on the Property if billboards must be permitted in the Township.

P. After negotiations, the Parties have reached an agreement to permit Catalyst to construct a proposed billboard sign on the Property.

Q. The Parties desire that this Agreement serve to formalize the understanding between the Parties with respect to: (i) Catalyst's construction of a proposed billboard sign on the Property; (ii) Court approval of this Agreement settling the Civil Action; and (iii) Catalyst's subsequent withdrawal of the Challenge.

NOW, THEREFORE, the Parties, intending to be legally bound hereby, agree as follows:

1. Background. The above Background information is incorporated by reference as if fully set forth herein.

2. Proposed Billboard Sign on the Property. Catalyst shall be permitted to construct an off-premises commercial advertising billboard sign on the Property substantially similar to the plan attached as **Exhibit "A"** ("**Billboard Plan**"). Specifically, the Billboard Plan depicts a double-sided/two-faced digital LED automatic changeable copy commercial off-premises billboard sign ("**Proposed Billboard Sign**") on the Property. The Proposed Billboard Sign may have a digital active area of up to 960 square feet on each sign face and shall have a maximum sign height of 83 feet measured from the average finished grade around the Proposed Billboard Sign. The construction of the Proposed Billboard Sign, including any grading around the sign or construction of the foundation, shall not constitute land development and shall be reviewed and approved by the Township as part of Catalyst's permit application(s).

3. Viewshed Easement. In order for the Proposed Billboard Sign to be clearly visible by motorists traveling on the Pennsylvania Turnpike, trees and other vegetation must be trimmed and/or cleared on the Township's property located at 3901 Heaton Road. Catalyst shall have the right, upon thirty (30) days written notice to the Township, to enter the Township property to trim trees and trim and/or clear vegetation to ensure that such trees or vegetation does not exceed forty (40) feet in height. Catalyst shall not trim trees or trim/clear vegetation that do

not exceed forty (40) feet in height. The Township shall have no duty or obligation under this Agreement to trim and/or clear trees and/or other vegetation on its property, and all such trimming or clearing shall be done at Catalyst's sole expense. The Township shall not erect, construct or permit the erection or construction of any structure between the Proposed Billboard Sign and the Pennsylvania Turnpike that exceeds forty (40) feet in height. Catalyst shall defend, indemnify and hold the Township harmless in connection with all claims arising from Catalyst's trimming and/or clearing activities occurring on the Township's Property. The Township shall execute and record a separate easement agreement against the Township's Property to establish Catalyst's Viewshed Easement as a covenant that shall run with the land. Catalyst's counsel shall prepare the Viewshed Easement and submit it to the Township Solicitor for his review and approval.

4. Building Permits. Upon full execution of this Agreement, Catalyst may submit its building and electrical permit applications for construction of the Proposed Billboard Sign. Catalyst shall not be required to submit any additional land development or permit applications in order to construct the Proposed Billboard Sign. The Township shall review, comment and/or approve Catalyst's submission of its building and electrical permit applications within thirty (30) days of Catalyst's submission. Upon approval of the building and electrical permit applications, the Township shall issue the permits to Catalyst provided there is Court approval of this Agreement and it has been entered as an Order against the Parties in the Civil Action as is hereinafter provided.

5. Township Approval. The Township Board of Commissioners shall announce the execution of this Agreement at a public meeting.

6. Court Approval. Immediately after the Township Board of Commissioners has approved this Agreement and the Parties have executed this Agreement, the Parties shall file a Joint Petition seeking Court approval of this Agreement and an Order entering this Agreement against the Parties in the Civil Action. Counsel for Catalyst shall prepare and file the Joint Petition. The Township Solicitor shall review, approve and execute the Joint Petition on behalf of the Township. The Joint Petition and Court Order approving this Agreement shall settle the Civil Action.

7. Catalyst's Challenge. Catalyst's Challenge that is pending before the Township Zoning Hearing Board shall be held in abeyance pending a final and unappealable Order from a Court of competent jurisdiction approving this Agreement and settling the Civil Action. In accordance with the applicable provisions of the MPC, Catalyst hereby grants an indefinite extension of time in which the Township Zoning Hearing Board must hold the first hearing on the Challenge. Catalyst may revoke its indefinite extension only if this Agreement is not approved by a Court and only upon sixty (60) days written notice to the ZHB and the Township. Within ten (10) days of a final and unappealable Order approving this Agreement, Catalyst shall withdraw its Challenge with prejudice.

8. Billboard Sign Maintenance. Catalyst shall maintain the Proposed Billboard Sign in good working order and repair at all times.

9. Restrictions and Further Obligations.

- (1) The Proposed Billboard Sign shall not:
 - (a) Advertise adult or sexually oriented businesses or materials;
 - (b) Advertise obscene or profane language;

- (c) Except in the event of the posting of an Amber Alert, be operated between the hours of 11:30 p.m. and 6:00 a.m. The Proposed Billboard Sign shall utilize ambient light sensors to reduce the intensity of the LED illumination during periods of darkness;
- (d) Emit any verbal announcements or loud noises;
- (e) Display any moving, flashing, scrolling or animated text or video;
- (f) Spill any light or glare onto neighboring properties or the roadway;
and
- (g) Change copy more than once every seven (7) seconds. All copy changes shall be instantaneous and shall not fade in or out of the digital active area.

(2) The opening between the sign faces of the Proposed Billboard Sign shall be covered with material of a color that blends with the sky.

10. Amber Alerts. Catalyst shall provide the Township and/or other law enforcement authorities with reasonable copy time on the Proposed Billboard Sign in which to post "Amber Alerts." Within sixty days (60) of the completion of the construction of the Proposed Billboard Sign, Catalyst shall provide the Township with direct access to the Proposed Billboard Sign to remotely post Amber Alerts. In addition the Township can contact Catalyst by dialing (610) 975-9390 to inform Catalyst that an Amber Alert posting is necessary and the Township shall provide Catalyst with the content of the Amber Alert. Catalyst shall ensure that the Township and/or other law enforcement authorities will have access to Catalyst personnel at the above number 24 hours a day, seven days a week, in the event it is necessary to post an Amber Alert on the Proposed Billboard Sign after business hours or overnight.

11. Township Fees. Thirty (30) days after Court approval of this Agreement, Catalyst shall pay the outstanding legal, administrative and consulting fees incurred by the Township in connection with the Challenge, the Civil Action and the negotiation and drafting of this Agreement.

12. Cooperation. The Parties shall cooperate and take all necessary and reasonable steps in order to effectuate the permitting and construction of the Proposed Billboard Sign on the Property in accordance with this Agreement. The Township has no objection to the inclusion of this Agreement in Catalyst's Application to the Pennsylvania Department of Transportation for the required sign permit(s), and the Township shall record the appropriate instrument against the Township's Property to memorialize Catalyst's Viewshed Easement.

13. Miscellaneous.

(a) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(b) Specific Performance and Enforcement of Settlement Agreement. The Parties agree that, in addition to all remedies at law, either may petition the Court of Common Pleas for specific performance and/or enforcement of this Agreement without having to exhaust administrative remedies. The Parties further agree that the Court shall retain jurisdiction for purposes of enforcing the terms of this Agreement.

(c) Entire Agreement. This Agreement shall constitute the entire agreement among the Parties and supersedes all prior negotiations, understandings and agreements of any nature whatsoever with respect to the subject matter hereof.

(d) Amendment. This Agreement may be amended upon the written consent of the Parties to this Agreement, which shall not be unreasonably withheld. No waiver

or discharge of any provision of this Agreement shall be effective against any party unless that party shall have consented thereto in writing.

(e) Assignment. This Agreement may be assigned by Catalyst. No assignment shall be effective without the assignee's or successor's written assumption and acceptance of all of the obligations under this Agreement. Written notice of the Agreement shall be provided to the Township.

(f) Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(g) Notices. All notices or other communications required or permitted to be given under the terms of this Agreement shall be in writing and shall be sent by certified mail, postage prepaid or by private carrier guarantying next day delivery, addressed as follows:

If to Catalyst, addressed as follows:

Catalyst Outdoor Advertising, LLC
P.O. Box 1421
Malvern, PA 19355
Attn: Thaddeus Bartkowski

with a copy to:

Gregg I. Adelman, Esquire
Union Meeting Corporate Center
910 Harvest Drive
P.O. Box 3037
Blue Bell, PA 19422

If to the Township:

Lower Moreland Township
640 Red Lion Road
Huntingdon Valley, PA 19006-6234
Attn: Township Manager

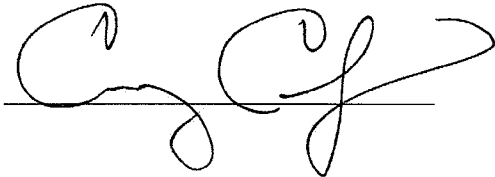
with a copy to:

Ross Weiss, Esquire
Cozen O'Connor
200 Four Falls Corporate Center, Suite 400
P.O. Box 800
West Conshohocken, PA 19428-0800

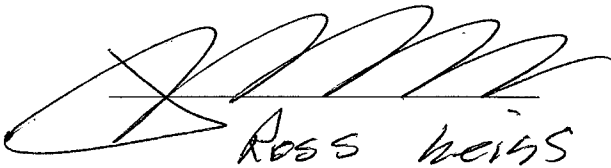
(h) Counterparts. This Agreement may be executed in multiple counterparts such that all counterparts together shall create a fully executed and complete Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year.

Witness/Attest

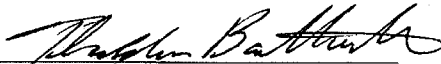


Witness/Attest


ROSS WEISS

Catalyst

Catalyst Outdoor Advertising, LLC


By: 
Name: Thaddeus Bartkowski
Title: Founding Partner


Township


Lower Moreland Township,
Montgomery County

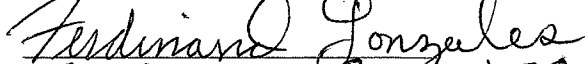
By: Lower Moreland Township
Board of Commissioners

By: 
Name: Jill Blumhardt

By: 
Name: Deise Kwitz

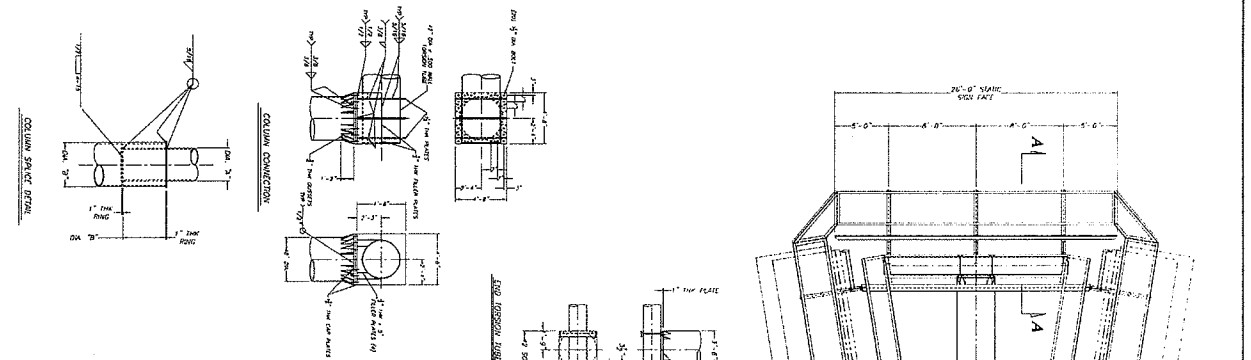
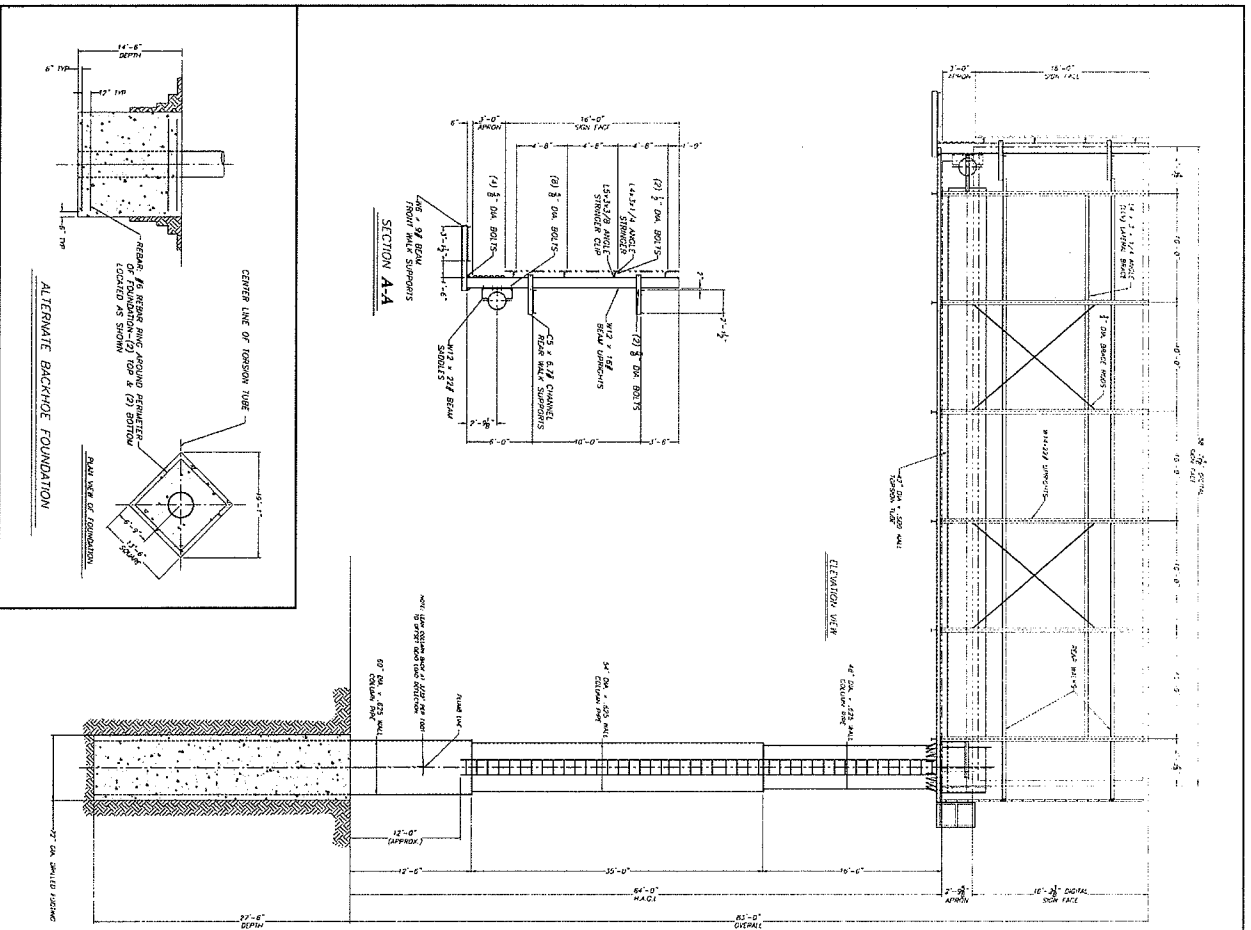
By: 
Name: FRANCIS DEVINNEY

By: 
Name: Eleanor Schneider

By: 
Name: FERDINAND GONZALES

By: _____
Name: _____

EXHIBIT "A"

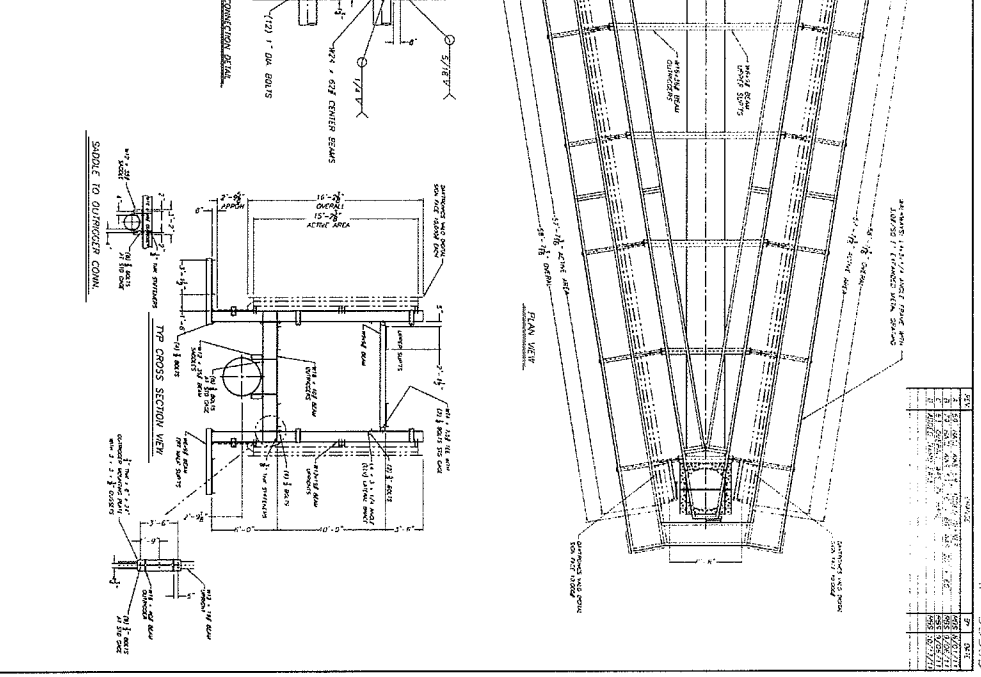


- SPECIFICATIONS:**
1. STEEL ROLLED "I" BEAM SECTIONS: ASTM A992
 2. ALL OTHER STEEL ROLLED SECTIONS: ASTM A36
 3. PIPE SECTIONS: A53, S1, X42
 4. BOLTS: minimum 1/2" diameter, 1/4" diameter & smaller: Grade A325
 5. CONCRETE: 4000 PSI, 28 DAYS
 6. HORIZONTAL SOIL PRESSURE: 300/30 1/4"
 7. DESIGN WIND LOAD: 20 PSF, 105 DESIGN WIND SPEED (FOR 50 MPH, 175 MPH WIND SPEED AND EXPOSURE "C")
 8. ALL WELDING SHALL BE IN ACCORDANCE WITH AWS STANDARDS USING E-70 ELECTRODES
 9. ALL WALKWAYS TO HAVE SAFETY CABLES
 10. REINFORCING BAR: ASTM A-615 GRADE 60 W/ REQUIRED

PRODUCTIVITY FABRICATORS

DATE: 07/19/11	1455 GARDNER LANE #20	DESIGNED BY: R. SCOTT
16" x 60" FULL FLAG, 25' V, 83" OVERALL SIGN	LOWER HIGHLAND	CHECKED BY: R. SCOTT
WITH 16" x 26" THIRD FACE		DATE: 07/19/11

MC OUTDOOR, LLC. (FORMERLY V&B)



NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	07/19/11
2	ISSUED FOR CONSTRUCTION	07/19/11
3	ISSUED FOR AS-BUILT	07/19/11
4	ISSUED FOR RECORD	07/19/11
5	ISSUED FOR ARCHIVE	07/19/11