

## Western Village Sewer & Water Connection Agreement Time Table

First year from date the agreement is signed, Schaders shall plan and design the sewer and water connections for hook up to the public systems. Plans shall be submitted to the Authority for approval.

October 15, 2004 through March 15, 2005-Schaders will grant access to Contractor for purpose of installing gravity main through easement on property.

### Connection and Fee Payment Schedule

| On or Before<br>05/30/2006   | On or Before<br>05/30/2007   | On or Before<br>05/30/2008  |
|--|--|---|
| <ol style="list-style-type: none"> <li>1) RV Park shall be make connection to Public Water System</li> <li>2) Prior to connection to the water system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2006 tapping fee rate</li> <li>3) Prior to connection to the water system, payment of <b>(1) Water Connection Fee</b> shall be made at the rate calculated and charged for all Western Village Area Connections</li> <li>4) A water meter shall be attached to the public water supply at time of connection to the water system. A 2" pit with 2" TRPL meter shall be obtained from the Authority. Cost of meter shall be the RV Park's responsibility and payment shall be made prior to delivery of meter to site.</li> <li>4) Billing for quarterly water rental charges will begin upon date of connection to the public water system.</li> </ol> | <ol style="list-style-type: none"> <li>1) First of (5) five sewer connections for RV Park shall be made to Public Sewer System</li> <li>2) Prior to 1st connection to sewer system, payment of <b>(2) EDU's of Sewer Tapping Fees</b> shall be made at the 2007 tapping fee rate</li> <li>3) Prior to 1st connection to sewer system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2007 tapping fee rate</li> <li>4) Prior to 1st connection to sewer system, payment of <b>(1) Sewer Connection Fee</b> shall be made at the rate calculated and charged for all Western Village Area Connections</li> <li>5) Billing for quarterly sewer rental charges will begin upon date of connection of first section of park to public sewer system based upon a rate of 20% of the previous three month's metered water usage</li> </ol> | <ol style="list-style-type: none"> <li>1) Second of (5) five sewer connections for RV Park shall be made to Public Sewer System</li> <li>2) Prior to 2nd connection to sewer system, payment of <b>(2) EDU's of Sewer Tapping Fees</b> shall be made at the 2008 tapping fee rate</li> <li>3) Prior to 2nd connection to sewer system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2008 tapping fee rate</li> <li>4) No Additional conneciton fee will be charged--this fee is waived in exchange for granting easement across premisis</li> <li>5) Billing for quarterly sewer rental charges will begin upon date of connection of second section of park to public sewer system based upon a rate of 40% of the previous three month's metered water usage</li> </ol> |

## Connection and Fee Payment Schedule

| On or Before<br>05/30/2009   | On or Before<br>05/30/2010   | On or Before<br>05/30/2011  |
|--|--|---|
| <p>1) Third of (5) five sewer connections for RV Park shall be made to Public Sewer System</p> <p>2) Prior to 3rd connection to sewer system, payment of <b>(2) EDU's of Sewer Tapping Fees</b> shall be made at the 2009 tapping fee rate</p> <p>3) Prior to 3rd connection to sewer system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2009 tapping fee rate</p> <p>4) No Additional connection fee will be charged--this fee is waived in exchange for granting easement across premises</p> <p>5) Billing for quarterly sewer rental charges will begin upon date of connection of third section of park to public sewer system based upon a rate of 60% of the previous three month's metered water usage</p> | <p>1) Fourth of (5) five sewer connections for RV Park shall be made to Public Sewer System</p> <p>2) Prior to 4th connection to sewer system, payment of <b>(2) EDU's of Sewer Tapping Fees</b> shall be made at the 2010 tapping fee rate</p> <p>3) Prior to 4th connection to sewer system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2010 tapping fee rate</p> <p>4) No Additional connection fee will be charged--this fee is waived in exchange for granting easement across premises</p> <p>5) Billing for quarterly sewer rental charges will begin upon date of connection of fourth section of park to public sewer system based upon a rate of 80% of the previous three month's metered water usage</p> | <p>1) Fifth (Final) of (5) five sewer connections for RV Park shall be made to Public Sewer System</p> <p>2) Prior to 5th (Final) connection to sewer system, payment of <b>(2) EDU's of Sewer Tapping Fees</b> shall be made at the 2011 tapping fee rate</p> <p>3) Prior to 5th (Final) connection to sewer system, payment of <b>(2) EDU's of Water Tapping Fees</b> shall be made at the 2011 tapping fee rate</p> <p>4) No Additional connection fee will be charged--this fee is waived in exchange for granting easement across premises</p> <p>5) Billing for quarterly sewer rental charges will begin upon date of connection of fifth (final) section of park to public sewer system based upon a rate of 100% of the previous three month's metered water usage</p> |

**Connection and Fee Payment Schedule**

| <b>On or Before<br/>05/30/2012</b>  | <b>On or Before<br/>05/30/2013</b>  | <b>On or Before<br/>05/30/2014</b>  |
|---|---|---|
| <p>1) Payment of <b>(2)</b> EDU's worth of <b>Sewer Tapping Fees</b> shall be made at the 2012 tapping fee rate</p> <p>2) Payment of <b>(2)</b> EDU's worth of <b>Water Tapping Fees</b> shall be made at the 2012 tapping fee rate</p> | <p>1) Payment of <b>(2)</b> EDU's worth of <b>Sewer Tapping Fees</b> shall be made at the 2013 tapping fee rate</p> <p>2) Payment of <b>(2)</b> EDU's worth of <b>Water Tapping Fees</b> shall be made at the 2013 tapping fee rate</p> | <p>1) Payment of <b>(2)</b> EDU's worth of <b>Sewer Tapping Fees</b> shall be made at the 2014 tapping fee rate</p> <p>2) Payment of <b>(2)</b> EDU's worth of <b>Water Tapping Fees</b> shall be made at the 2014 tapping fee rate</p> |

**Connection and Fee Payment Schedule**

| <p align="center"><b>On or Before<br/>05/30/2015</b></p>  | <p align="center"><b>On or Before<br/>02/28/2016</b></p>   |  |
|---|--|--|
| <p>1) Payment of <b>(2)</b> EDU's worth of <b>Sewer Tapping Fees</b> shall be made at the 2015 tapping fee rate</p> <p>2) Payment of <b>(2)</b> EDU's worth of <b>Water Tapping Fees</b> shall be made at the 2015 tapping fee rate</p> | <p>If a balance is still due to the Authority at the end of ten (10) years from the date of connection to the public water system or 02/28/2016, whichever comes earlier, a balloon payment shall be made to the Authority for the full balance due and owing.</p> <p>Final payment with interest shall be made based upon calculations set in the original agreement.</p> |  |

**AGREEMENT**

THIS AGREEMENT, dated for convenience and effective as of the 12 day of July 2004, by and between;

SOUTH MIDDLETON TOWNSHIP MUNICIPAL AUTHORITY, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania and specifically organized under the Municipal Authorities Act of 1945, as amended, having its principal office at 345 Criswell Drive, Boiling Springs, Cumberland County, Pennsylvania, hereinafter called "Authority", party of the first part.

AND

STEVEN A. SCHRADER and DIANE L. SCHRADER, husband and wife, (hereinafter called "Schraders"), owners of all that certain tract of land with improvements described in the deed dated March 20, 2003 and recorded in the Office of the Recorder of Deeds of Cumberland County in Deed Book 256, Page 895, (hereinafter called "Premises"), and;

WESTERN VILLAGE RV PARK, INC., A Pennsylvania business corporation with a registered address of 26 West High Street, Carlisle, Cumberland County, Pennsylvania, hereinafter called the "Corporation"; (the Schraders and the Corporation are hereinafter collectively called the "Schraders") collectively, parties of the second part.

NOW, THEREFORE, the parties hereto for and in consideration of the mutual promises, conditions and covenants of this Agreement and with the intent to be legally bound, hereby mutually agree as follows:

**BACKGROUND**

1. South Middleton Township's Act 537 Wastewater, Facilities Plan of March 1991, as amended, calls for public sewer and water service to the Premises and the area in and around the Premises.
2. The Authority is extending public sewer and water services to the area in and around the Premises.

3. Several differences of opinion have arisen between the Authority and the Schraders regarding a right-of-way across the Premises, the need for public sewer and water and the ability of the Township to require the Premises to connect to the public sewer and water system.

4. The parties to this Agreement believe it is in the best interests of all concerned to avoid litigation over the proposed right-of-way, connection issues and collection of connection fees.

5. The parties recognize the unique background and characteristics of the Premises as a 38-acre campground in reaching this Agreement.

#### **PLANNING AND DESIGN**

6. The Schraders shall grant a perpetual easement to the Authority across and through the Premises as documented in a separate Easement document executed contemporaneously with this Agreement.

7. Over a seven-year period from the date of this Agreement the entire Premises shall be connected to public water and sewer services, unless by the terms of this Agreement, a longer time period is necessary.

8. During the first year from the date of this Agreement, the Schraders shall plan and design the sewer and water connections. Such planning and design work shall be submitted to the Authority for review and comment. The planning and design shall include dividing the Premises into five (5) zones for sewer connection purposes.

#### **CONNECTION AND INTERIM FEES**

9. Schraders shall connect the Premises to the Authority's public water supply on or before May 30, 2006. A water meter shall be attached to the public water supply pursuant to the

Authority's Rates, Rules and Regulations. Prior to connection, Schraders shall pay to the Authority the amount required for two (2) equivalent dwelling units (EDUs) worth of water tapping fees as an interim fee.

10. Provided that the sewer is extended by the Authority as planned, Schraders shall make the first of five (5) sewer connections to the Authority's public sewerage system on or before May 30, 2007. Prior to connection, Schraders shall pay to the Authority the amount required for two (2) EDUs' worth of sewer tapping fees, two (2) EDUs' worth of water tapping fees and one (1) sewer connection fee.

11. During the next four (4) years, Schraders shall make the remaining four (4) sewer connections to the Authority's public sewerage system on or before May 30, 2008, 2009, 2010 and 2011 respectively. Prior to each year's connection, Schraders shall pay to the Authority the amount required for two (2) EDUs' worth of sewer tapping fees and two (2) EDUs' worth of water tapping fees as interim fees. The sewer connection fees for these four (4) connections shall be waived by the Authority in exchange for the granting of the easement across the Premises.

12. On or before May 30, 2012, 2013, 2014 and 2015, Schraders shall pay to the Authority the amount required for two (2) EDUs worth of sewer tapping fees and two (2) EDUs worth of water tapping fees.

13. The Schraders' duty to connect and to pay tapping fees and connection fees as set forth in the foregoing paragraphs is conditioned upon the Authority's construction of the extension to its sewage service as set forth in its 537 Plan, along the right-of-way/easement that is granted by the Schraders to the Authority for this purpose.

#### **WATER AND SEWER USE CHARGES**

14. Water use (or rental) charges shall be in effect from the date the Premises is

connected to the public water system.

15. Sewer use (or rental) charges shall be in effect from the date the Premises is connected to the public sewerage system. The sewer use charge for each quarter shall be based upon twenty (20) percent of the public water readings for the prior quarter for each of the five (5) phases of sewer connections. For example, during the first year that the first sewer connection is in place, a quarterly sewer use charge based upon discharge of twenty (20) percent (1 phase x 20%) of the prior quarter's water meter reading shall be in effect. As another example, during the year after the fourth sewer phase is connected, a quarterly sewer use charge based upon discharge of eighty (80) percent (4 phases x 20%) of the prior quarter's water meter reading shall be in effect.

#### CALCULATION OF FINAL TAPPING FEES

16. Water usage shall serve as the basis for determining both water EDUs and sewer EDUs with such discharge being calculated using the consecutive ninety (90) day period with the highest water usage. Monthly water readings shall be taken. Authority may, at its option, install a secure water meter for monitoring purposes.

17. To determine a final number of EDUs for both water and sewer tapping fees, the water usage (and thus estimated sewer discharge) shall be calculated using the consecutive ninety (90) day period with the highest usage over a three (3) year period, taking an average of the three (3) years to reach the final figure. For example, if rate usage shows 10,000 gallons in June 2007 (30) days, 20,000 gallons in July 2007 (31 days) and 33,000 gallons in (the first 29 days of) August 2007, and this was the consecutive ninety day period with the highest usage, the EDUs would be calculated as follows:

$$10,000 + 20,000 + 33,000 = 63,000/90 \text{ days}$$

$$\frac{63,000}{90 \text{ days}} = 700 \text{ gallons per day}$$

$$\frac{700 \text{ gallons per day}}{250 \text{ gallons per EDU (for example only)}} = 2.8 \text{ EDUs}$$

The same calculation would be repeated for 2008 and 2009. If the results were 2.8 EDUs for 2007, 3.2 EDUs for 2008 and 2.9 EDUs for 2009, the three (3) year average calculation would be as follows:

$$2007 = 2.8$$

$$2008 = 3.2$$

$$2009 = 2.9.$$

$$2.8 + 3.2 + 2.9 = 8.9/3 \text{ years} = 2.96.$$

Note: Because you cannot buy a part of an EDU, 3 EDUs would be the final number to be purchased.

18. The calculation of estimated flows and the dollar amount of fees for EDU for water and sewer tapping fees shall be based upon the Authority's Rates, Rules and Regulations in effect at the time of the actual connection to the system for each phase.

#### **FINAL PAYMENT WITH INTEREST**

19. Once the final water tapping fees and sewer tapping fees have been established, the full amount paid to the Authority for sewer tapping fees and water tapping fees under this Agreement shall be deducted from the final fee. If a balance is still due to the Authority at the end of ten (10) years from the date of connection to the public water system or February 28, 2016, whichever is earlier, the Schraders shall make a balloon payment to the Authority for the full balance due and owing.

20. Interest of six percent (6%) per annum shall be due and owing from the Schraders for all amounts owed to the Authority under this Agreement. For interest calculation purposes, the full amount of water tapping fees shall be considered due to the Authority at the time of actual connections or as of February 28, 2006, whichever is earlier. For interest calculation purposes, twenty percent (20%) of the full amount of sewer tapping charges shall be considered due to the Authority at the time

of actual connection of each successive phase of sewer connection, but not later than the date provided in the Agreement. For example, if the final sewer tapping fee is determined to be \$25,000 (as calculated pursuant to Paragraph 16 above), then \$5,000.00 (20% of \$25,000) is considered to be due for interest calculation purposes on the date of the actual connection of the first sewer phase but not later than February 28, 2007.

All amounts paid to the Authority shall be credited on the date received against the amounts owed prior to calculating interest.

### MISCELLANEOUS

21. Schraders may install a "deduct" meter in the public water line exclusively used for filling the swimming pool so that the cost of filling the swimming pool is not used to calculate tapping and use fees for sewer purposes.

22. The Parties shall have the right to terminate this Agreement upon occurrence of any of the following:

- A. The other Party's failure to perform any of the terms hereof which failure is not excused pursuant to Paragraph 30 hereof;
- B. The other Party's violation of any of the terms hereof;
- C. A determination that this Agreement or any of its terms are unlawful; or
- D. Issuance of a final Order of the Pennsylvania Department of Environmental Protection which has the legal effect of making lawful compliance herewith impossible.

23. In the event this Agreement is breached, the parties hereto may utilize any remedy at law or in equity to enforce the terms of the Agreement. In the event this Agreement is terminated, any issues between the parties shall be determined according to applicable laws, ordinances and rules and regulations.

24. Except for Schraders' failure to pay the amounts owed to Authority, a determination that this Agreement is unlawful or upon order of the Pennsylvania Department of

Environmental Protection (in which event this Agreement may be terminated without prior notice). The Parties agree to give each other written notice of their intention to terminate this Agreement not less than twenty (20) calendar days prior to the proposed date of termination, said notice to state the reason therefore and the date of the proposed termination. The notice to the Schraders shall be sufficient if mailed to Schraders or the Corporation by certified mail or by personal service upon either the Schraders or any of the Corporation's agents or employees. The notice to the Authority shall be sufficient if mailed to the Authority by certified mail or by personal service upon either the Authority or the Authority's agents or employees. Either Party shall have the right to cure the problem giving rise to the proposed termination within the twenty (20) day period. The right to cure shall not extend or be available for any subsequent occurrence of the reason for the first notice.

25. Schraders shall permit potential bidders for the sewer construction project to have access to the Premises for core drilling during the bidding process, but shall not be required to permit such access during busy times for its business such as during a "car show weekend".

26. The Authority is responsible to insure that access road to the Premises or a reasonable alternative shall remain open during the construction of the main sewer line. Upon completion of construction the Authority is responsible to insure that the road is properly repaired, returning it to its previous or equivalent condition.

27. Construction of the sewer line across the Premises is currently scheduled to take place between November 1, 2004 and March 15, 2005. In the event of weather delays or delays for other reasons beyond the control of the Authority or its contractor, reasonable additional time to complete the construction shall be permitted. In event of such delays, reasonable, commensurate delays in payment of fees or performance of or other duties hereunder by the Schraders shall also be allowed. In the event it is necessary to reschedule the construction of the sewer lines to another year, the construction shall take place during the winter months (November through March) to minimize disruption to the campground operation.

28. All matters not specifically addressed in this Agreement shall be governed by the Rules and Regulations of the Authority and by the laws of the Commonwealth of Pennsylvania.

29. This Agreement shall "run with the land" and shall be binding upon and inure to the benefit of any successor owners of the Premises.

30. In event timely performance of the obligations hereunder becomes impossible due to fire, flood, strikes, acts of God or similar events beyond the reasonable control of either party, the time for performance hereof shall be extended for a reasonable period of time as such circumstance may require. This excusable delay shall only occur if the party claiming such delay provides written notice to the other party within 10 days of other party's knowledge of such event. Service of such notice shall be as set forth in Paragraph 24 hereof.

31. This Agreement shall be construed and enforced under the laws of the Commonwealth of Pennsylvania.

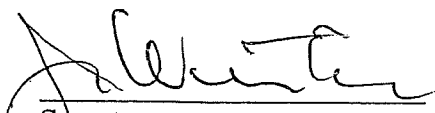
32. Time is of the essence for all dates and time frames set forth in this Agreement.


33. Although not a party to this Agreement, South Middleton Township is being asked to be a signatory to this Agreement to indicate its approval of the terms hereof, including the time schedule for implementing its Act 537 Plan and the schedule for connection of the Premises to the public water and sewerage systems. In the event South Middleton Township does not approve of the terms and sign this Agreement on or before October 1, 2004, the Agreement shall be null and void and of no further effect.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by themselves or by their duly authorized officers effective as of the day and year first written above.

ATTEST

**SOUTH MIDDLETON TOWNSHIP  
MUNICIPAL AUTHORITY**

  
Secretary  
(Official Seal)

By:   
Chairman

ATTEST

SOUTH MIDDLETON TOWNSHIP

\_\_\_\_\_  
Secretary  
(Official Seal)

By: \_\_\_\_\_  
Chairman

WITNESS

Suzanne M. Myers  
J. Nicole L. Henry

Diane L. Schrader  
Diane L. Schrader  
Steven A. Schrader  
Steven A. Schrader

ATTEST

WESTERN VILLAGE RV PARK, INC.

Steven A. Schrader  
Secretary  
(Official Seal)

By: Diane L. Schrader  
Title: President