ARTICLE VI

SEWAGE SERVICE CHARGES, RESERVATION OF CAPACITY CHARGES, BILLING AND COLLECTION

6.01(A). There is imposed upon the owners of all properties served by the public sanitary sewage system, service rental charges for the use of said system, payable in the amounts and as provided in the Sewer Rate Resolution heretofore adopted and modified. Said owners and users will be jointly and severally liable for the payment of said service charges and the penalties therein prescribed for delinquent payments thereof.

There is imposed a reservation of capacity fee upon the owners of all 6.01(B). properties for which capacity in the Authority's sewer system or the wastewater treatment facility has been reserved, by either the direct request of the property owner or by approval by the PA Department of Environmental Protection of the sewage planning module submitted by the property owner. At such time the Authority agrees to serve Developer, capacity is reserved for said Developer and property; however, subject to any restrictions or prohibitions imposed by DEP, Authority, or any other governmental entity or owners of the downstream sewer system or treatment plant. From the date the Authority approves capacity and agrees to serve the property, the Developer shall have six (6) months to construct the sanitary sewer and connect the property to the public sewer system. In the event the Developer fails to develop the property within six (6) months, the Developer agrees to pay the current rate per EDU reservation of capacity if Developer wishes to retain capacity approval. In the event Developer fails to or is unwilling to pay the Reservation of Capacity fee, Developer must reapply for a reservation of capacity, but not within the following twelve (12) months. Refer to the Reservation of Capacity Resolution dated April 09, 2007. Approval of the land development plan by the Board of Supervisors does not obligate the Authority or applicable Township to provide building permits and/or sanitary sewer connection permits. EDU's in reservation, approved planning modules and/or sewer connection permits are site specific and may not be transferred by Developer to Developer or for use at any other property. Upon obtaining a sewer permit, the Developer has one (1) year to construct the sewer lateral and connect the improved structure. One year from the date the sewer permit was issued, the Authority will begin to bill for service at the current rate for service even if no connection is made to the sanitary sewer system. If at that time the Developer fails to or is unwilling to pay the current rate for service, the Developer must provide, in writing, a letter stating their intent to relinquish the sewer permit. Upon receipt of said letter, the Authority will refund the tapping fee amount less a ten (10) percent administrative fee to produce and maintain said permit for the previous year. Failure to provide a letter to relinquish said permit will result in the

Authority pursuing all necessary legal action to collect all amounts in arrears.

6.02

All bills for service charges, and reservation of capacity fees shall be due when generated and shall be subject to the penalty provisions set forth in the Authority's Sewer Rate Resolution. Owners and, where adequate arrangements have been made with the Authority, users will be billed periodically for the sewage service charges in accordance with the billing practices of the Authority.

6.03

Bills and notices relating to the sewage service charges, surcharges and reservation of capacity charges will be mailed or delivered to the property owner's last address, or where proper arrangements have been made with the Authority, to the user's last address, as shown on the billing books of the Authority.

6.04

All sewer charges and billing shall be as per the Sewer Rate Resolution. The full charge for sewer services will begin when the sewer lateral is connected, inspected and approved to the home that is to be served.

6.05

Mobile home park operators shall pay rental on the basis of one (1) EDU for each mobile home space or lot within the mobile home park. However, each mobile home park operator shall receive a credit for each such space or lot which is unoccupied for a full calendar month. In order to compute occupancy, each mobile home court operator shall submit to Authority a report, once each quarter, due not later than the 10th day of the month following the close of the preceding quarter, showing the monthly occupancy status of the mobile home park. In the event the mobile home court operator fails to submit a report, or submits false information to the Authority regarding occupancy of his mobile home court, Authority shall charge such mobile home park a sewer rental equating to one (1) EDU for each space or lot contained within said mobile home park.

The Authority reserves the right to inspect vacant mobile home court lots and spaces and video inspect the private internal infrastructure of the mobile home park to determine if the sewer lateral has been adequately plugged and/or ensure the private infrastructure is watertight to prevent the infiltration of groundwater, melting snow, sticks, stone, vermin, etc., into the collection system within the mobile home court and subsequently to the collection system owned and operated by the Authority. For each open lateral discovered by the Authority, an inspection fee of \$50.00 (fifty dollars) per open connection will be charged to the mobile home court operator to defray the costs of inspection. If the private

infrastructure is determined to be inadequate the Authority may impose an inflow charge to the mobile home park for each occurrence.

6.06

Each sewage service charge, surcharge, reservation of capacity fee and penalty imposed by the Sewer Rate Resolution of the Authority shall be a debt due the Authority and if not paid within the period prescribed in the Sewer Rate Resolution after the date of the bill, shall be deemed delinquent. In such event, the Authority shall proceed to file a lien in the Office of the Prothonotary of Centre County and collect the same in the manner provided by law for the filing and collection of municipal claims. In the event of failure to pay the sewage service charge, surcharge or penalty after they become delinquent, the Authority may also authorize additional legal action and/or the appropriate personnel to shut off water service to said property or to remove or close the sewer connection and to take such steps as may be necessary to accomplish such shut off, removal or closing, or in the case of reservation of capacity charges, to cancel the reservation of such capacity. The expenses of such shut off, removal, closing or cancellation, as well as the expenses of restoring any such service, shall likewise be a debt due the Authority and a lien on the property served and may be filed and collected as hereinabove provided. Such sewage service shall not be restored until all sewage service charges, surcharges, and penalties, including the expense of removal, closing and restoration shall have been paid or adequate provisions for their payment shall have been made.

6.07

The Spring-Benner-Walker Joint Authority will rebill a quarterly sewer rental statement if a customer contacts the office and states that he/she did not receive a quarterly bill within a reasonable time after the quarterly billing has been mailed. The due date on this bill will remain the same as the normal due date for that quarter unless the bill has been returned to the Authority Office by the postal service.

6.08

All persons violating any provisions of these Rules and Regulations shall be given notice of such violation either personally or by means of the United States mail, and if no action to correct said violation is taken within thirty (30) days of the date of such notice, the sewer or water connection may be removed or closed. Re-connection will not be made until after correction of the violation has been accomplished. The expense of such shut off, removal or closing and the expense of restoring the water or sewage service and any legal and/or recording fees shall be a debt due the Authority and a lien upon the property served and may be filed and collected as provided in Section 605 hereof.

If a bill is returned by the postal service, and the customer is rebilled, the billing date is the date that the bill is reissued, due thirty days from the reissue date.

A penalty will not be waived unless the penalty is assessed in error by the Authority. When the bill is mailed from the Authority office and is not returned to the Authority office by the postal service, it is assumed that the customer received the bill. If the customer states he/she did not receive the bill, the mailing address is verified with the customer. If the mailing address is correct and the bill has not been returned by the postal service the penalty will be applied. Payment for sewer services must include any previous penalties that exist on the account at the time a bill is due. The Authority will not accept payment of sewer rental payment unless the amount includes all previous penalties and charges. The customer may submit a written appeal to the Board for consideration to remove a penalty.

A request from a customer for a penalty waiver shall be considered by the Appeal Committee. The customer will be answered in writing, advising them of the decision and the customer's right to appeal.

If the customer wishes to appeal the Committee's ruling, he/she may make such appeal directly to the Board of Directors. The customer will be answered in writing, advising them of the decision and the customer's right to appeal.

If the customer wishes to appeal the ruling of the Board of Directors, he/she shall make suit in the Court of Common Pleas of Centre County.

6.09 The Authority reserves the right to request annual assessment information from non-residential customers and adjust the annual usage fees accordingly.

6.10 PERSONAL HARDSHIP USER FEE STRUCTURE

In the event a customer suffers a loss of occupancy of a property, the owner may request the Authority Board for either one of the following: 1) A reduced user rate based on the Authority's Reservation of Capacity Fee, or 2) the owner may also request the Authority Board for a leniency period of no more than six (6) months where the user fees could be waived to allow sufficient time to rebuild and/or get their affairs back in order.

The Reservation of Capacity Fee would be a reduced rate as established by the Policies set forth by this Authority and will be billed in place of standard user rates.

In the event customer suffers a loss of occupancy of a property, and does not wish to reserve the capacity or request a waiver, the property will not have any capacity reserved for the future. If at some point in the future the current property owner would like to renew service, he will be responsible for requesting for the new service and paying the capacity portion of the tap fee.