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**ORIGINAL**

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May 7, 2007

**VIA HAND DELIVERY**

Mr. James J. McNulty, Secretary  
Commonwealth of Pennsylvania  
Pennsylvania Public Utilities Commission  
Commonwealth Keystone Building  
400 North Street - Filing room (2 North)  
P.O. Box 3265  
Harrisburg, PA 17105-3265

A-210069 F 2000  
**RECEIVED** A-210124

MAY 07 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**RE: PROTEST OF LAKESIDE WATER SYSTEMS, INC. AND GERALD GAWRON, MARCELLA GAWRON, JEROME E. GAWRON, AND MARK GAWRON TO THE AMENDED APPLICATION OF DEER HAVEN, L.L.C. TO ACQUIRE COMMON STOCK, ASSETS AND CUSTOMERS OF LAKESIDE WATER SYSTEMS, INC. AND FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AUTHORIZING IT TO OFFER, RENDER, FURNISH OR SUPPLY WATER SERVICE**

Dear Mr. McNulty:

Please find enclosed the **ORIGINAL** and **FOUR (4)** copies of the Protest of Edwin, Inc. and the Gawrons, along with and **ORIGINAL** and **FOUR (4)** copies of the Petition to Intervene.

Should you have any questions, or should you need any additional information, please do not hesitate to contact me.

**DOCUMENT  
FOLDER**

Very truly yours,



WILLIAM E. VINSKO, JR., ESQUIRE

WEV/mjv  
Enclosure

cc: Edwin, Inc.  
The Gawron Family  
The Honorable Ember S. Jandebaur  
Counsel and Parties referenced on Certificate of Service

RECEIVED

MAY 07 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

AMENDED Application of Deer Haven, L.L.C. to Acquire the Assets and Customers of Lakeside Water Systems, Inc. and for a Certificate of Public Convenience Authorizing Deer Haven, L.L.C. to Offer, Render, Furnish or Supply Water Service to the Public in Portions of Palmyra Township, Pike County, Pennsylvania

Docket Nos.

A-210069F2000

A-210124

ORIGINAL

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PROTEST OF LAKESIDE WATER SYSTEMS, INC. AND GERALD GAWRON, MARCELLA GAWRON, JEROME E. GAWRON, AND MARK GAWRON TO THE AMENDED APPLICATION OF DEER HAVEN, L.L.C. TO ACQUIRE COMMON STOCK, ASSETS AND CUSTOMERS OF LAKESIDE WATER SYSTEMS, INC. AND FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AUTHORIZING IT TO OFFER, RENDER, FURNISH OR SUPPLY WATER SERVICE

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DOCUMENT  
FOLDER

DOCKETED  
MAY 08 2007

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

AMENDED Application of Deer Haven, L.L.C. to Acquire the Assets and Customers of Lakeside Water Systems, Inc. and for a Certificate of Public Convenience Authorizing Deer Haven, L.L.C. to Offer, Render, Furnish or Supply Water Service to the Public in Portions of Palmyra Township, Pike County, Pennsylvania

Docket Nos.           A-210069F2000  
                                  A-210124

**PROTEST OF LAKESIDE WATER SYSTEMS, INC. AND GERALD GAWRON, MARCELLA GAWRON, JEROME E. GAWRON, AND MARK GAWRON TO THE AMENDED APPLICATION OF DEER HAVEN, L.L.C. TO ACQUIRE COMMON STOCK, ASSETS AND CUSTOMERS OF LAKESIDE WATER SYSTEMS, INC. AND FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AUTHORIZING IT TO OFFER, RENDER, FURNISH OR SUPPLY WATER SERVICE**

**THE PROTESTANTS**

1. The names of the Protestants are:

Lakeside Water Systems, Inc.  
P.O. Box 268  
Newfoundland, PA 18445

Gerald Gawron           818 Griffin Pond Road, Clarks Summit, PA 18411  
Marcella Gawron       818 Griffin Pond Road, Clarks Summit, PA 18411  
Jerome Gawron         818 Griffin Pond Road, Clarks Summit, PA 18411  
Mark Gawron           818 Griffin Pond Road, Clarks Summit, PA 18411

2. The Protestants are represented by:

William E. Vinsko, Jr., Esquire  
Vinsko & Associates  
253 South Franklin Street  
Wilkes-Barre, PA 18703

## **DESCRIPTION OF THE PROTESTANTS**

3. Lakeside Water Systems, Inc. (hereinafter Lakeside ) is a Pennsylvania domestic business corporation with its business address at P.O. Box 268, Newfoundland, Pennsylvania, 18445.

4. Lakeside is the holder of a Certificate of Public Convenience issued by the Pennsylvania Public Utility Commission, which authorizes it to lay and collect water service Tariffs in portions of Palmyra Township, Pike County, Pennsylvania.

5. Gerald Gawron, Marcella Gawron, Jerome Gawron and Mark Gawron are the owners of all common stock in Lakeside.

6. Gerald Gawron, Marcella Gawron, Jerome Gawron and Mark Gawron are the former owners and operators of a marina which is located in that section of Palmyra Township, Pike County, Pennsylvania, for which Lakeside is authorized to provide water service and to charge customers for that service.

7. Edwin, Inc. is the deeded and titled owner of the water service treatment equipment on the 10.54' acre tract which is the basis for operations for the water treatment in the said area.

8. Lakeside is the company referenced in the Tariff, which is attached hereto as Exhibit "A" which confirms that, pursuant to a settlement approved by the Public Utilities Commission, that Lakeside is financially able to operate, technically able to operate, and physically able to operate the water treatment plant.

## **STANDING TO PROTEST**

9. The Protestants hereby incorporate paragraphs 1 through 9 of this Protest as if the same were set forth fully herein at length.

10. On or about March 8, 2006, Deer Haven, L.L.C., (hereinafter Deer Haven) filed an Application through which they sought to acquire all of the stock, assets and customers of the Protestant, Lakeside.

11. Through the aforesaid March 8, 2006 filing, Deer Haven also sought to acquire a Certificate of Public Convenience, which would authorize Deer Haven to provide water service and to charge customers for that service in portions of Palmyra Township, Pike County, Pennsylvania.

12. The Protestants herein, Lakeside, as well as the Gawrons, filed a timely protest on or about April 10, 2006 to the original Application and a Pre-Hearing Conference was held on or

about June 2, 2006 before the Honorable Administrative Law Judge Ember S. Jandebeur. (A copy of the hearing transcript is hereto attached as Exhibit "B").

13. As part of the Court Order issued by Judge Jandebeur on or about June 5, 2006, the matters for the original Application for Edwin, Inc. and the original Application for Lakeside Water Systems, Inc., were consolidated and continued for sixty (60) days to August 2, 2006. (See, Court Order of June 5, 2006 attached hereto as Exhibit "C").

14. The purpose of the continuation was "for a sufficient period to allow the parties to resolve the related and pending civil litigation." (See, Exhibit "C").

15. During this period, and prior to March, 2007, all of the litigation as it pertains to Edwin, Inc. and Lakeside Water Systems, including, but not limited to, issues concerning ownership and operation rights, have been judicially determined and fully adjudicated, as confirmed by the Court Order of December 18, 2006 which was a stipulation of all parties to the present action. (See, Court Order of December 18, 2006 attached hereto as Exhibit "D"). This is further confirmed by the Pike County Order of Court of February 13, 2007 which confirms that all equitable issues have been resolved in terms of a Forbearance Agreement which had previously questioned the equitable rights of the Applicant, Deer Haven, as it relates to the operation and ownership of Edwin. (See, Order of February 13, 2007 hereto attached as Exhibit "E").

16. As a result of the forgoing Court Orders, all matters as to ownership, operation and both equitable and legal rights concerning Lakeside have been fully adjudicated and all rights remain with the Gawrons. (See, Exhibits "D" and "E").

17. Pursuant to the Orders of Court and subsequent thereto, the Applicant filed the Amended Application of Deer Haven, L.L.C. to acquire the assets and the customers of Lakeside Water Systems, Inc. and for a Certificate of Public Convenience authorizing Deer Haven to offer, render, furnish or supply water treatment services to the public in portions of Palmyra Township, Pike County, Pennsylvania, which is the Application for which this Protest is being filed.

18. The area for which the Applicants seeks a Certificate of Public Convenience authorizing it to provide water service is the same area for which Lakeside currently holds a Certificate of Public Convenience authorizing it to provide water service therein and collect payment for that service.

19. The Applicant, Deer Haven, filed a second Amended Application simultaneously with the instant Application to acquire the assets and customers of Edwin, Inc. and for a Certificate of Public Convenience authorizing Deer Haven, L.L.C. to supply wastewater services to the public in portions of Palmyra Township, Pike County, Pennsylvania, under Docket Nos. A-230061F2000 and A-230106.

20. A determination granting this Amended Application as well as the Application docketed to Nos. A-230061F2000 and A-230106, would clearly be detrimental to the business interests of Lakeside and the Gawrons.

21. A determination granting the Application, as well as the Application docketed to Docket Nos. A-230061F2000 and A-230106 would be detrimental to the customers currently receiving water service.

22. Further, a determination granting the Amended Application, as well as the Amended Application docketed at A-230061F2000 and A-230106, would be detrimental to the proposed and potential customers seeking to acquire water and wastewater service from Lakeside Water Systems, Inc. and Edwin, Inc. for which the Protestants plan to service.

23. Based on the aforementioned facts and allegations, the Protestants clearly have standing to file this said Protest in this matter.

#### **NATURE OF PROTEST**

24. The Protestants hereby incorporate paragraphs 1 through 24 of this Protest as if the same were set forth fully herein at length.

25. The Amended Application filed by Deer Haven cites as the basis for its proposition that this Amended Application is valid, the fact that in May, 2004, the parties entered into a Forbearance Agreement under which the Gawrons agreed, *inter alia*, to transfer to Deer Haven all of the Lakeside and Edwin common stock. (See, Forbearance Agreement attached hereto as Exhibit "F") and also attached to the Amended Application as Appendix "C".

26. Unfortunately, the said Forbearance Agreement has been rendered moot and irrelevant pursuant to the Orders of Court in Pike County dated December 18, 2006 and February 13, 2007, whereby the parties stipulated and agreed that any matters pursuant to any litigation will be reduced to money damages and all equitable issues have been fully resolved, thereby eliminating any right, title or interest of Deer Haven in Edwin and/or Lakeside Water Systems, Inc.

27. Further, notwithstanding the fact that Deer Haven has no standing to have any right, title and interest in Lakeside Water Systems, Inc., neither Deer Haven nor Haven Development, L.L.C., the alleged parent company, have any right, title and interest in the water utility and equipment owned by Lakeside Water Systems, Inc.

28. The deed of June 11, 2004, which is attached as Appendix "D" to the Amended Application clearly excepts any right, title and interest in the air space, buildings, structures, improvements, foundations, footings, columns, etc., as set forth in Deed from GP Management, Inc. to Lakeside Water Systems, Inc. dated May 31, 1991 and recorded on June 3, 1991 in Pike County in Book 399, Page 125, a copy of which is attached hereto and incorporated herein as

Exhibit "G". Also, the Deed from GP Management to Lakeside Time Shares recorded in Lackawanna County Deed Book 399, Page 120, also gives the title to the water utility, (see, Exhibit G-1), including the well and distribution facilities (hereinafter referred to as the "utility").

29. The aforesaid Deed to Lakeside Water Systems, Inc., clearly gives all right, title and interest in the current water facilities, along with an easement to access the same, to Lakeside Water Systems, Inc. (See, Exhibit "G" and "G-1").<sup>1</sup>

30. The Applicant, Deer Haven, has refused, despite numerous attempts to acquire the information and numerous requests for the information, to provide access to the water facility and, has further refused to provide any information as to the customer base and, finally, has refused to turn over any amounts collected from the said customers.

31. Neither Lakeside nor the Gawrons have abandoned their operation of this public utility service.

32. Interestingly, in Paragraph 12 of the Amended Application, Deer Haven states that "Haven Development sold to Deer Haven the well and distribution facilities located on the 10.54 acres that Haven Development acquired from Lakeside Resort," even though, as evidenced by the Deeds attached hereto as Exhibit "G" and "G-1" and pursuant to the Deed referenced in Appendix "D" of their own Amended Application, neither Haven Development nor Deer Haven ever had any interest to convey.

33. Further, despite any allegation that Haven Development sold anything to Deer Haven, the Applicant has not provided any evidence of a Bill of Sale, Deed, or any verification of title to the said transfer, which clearly cannot exist in the first place.

34. Additionally, Paragraph 13 of the Amended Application states that "neither the Gawron group nor Lakeside Water Systems, Inc. has owned any facilities with which water service could be provided to the public in Palmyra Township, Pike County, Pennsylvania," even though Lakeside Water Systems, Inc., which is owned by the Gawrons without any liens or encumbrances, has verifiable Deeds confirming the ownership of the said water utility.

35. The allegations contained in Paragraphs 12 and 13 of the Amended Application are clearly erroneous and egregiously false.

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<sup>1</sup> In Paragraph 10 of the Amended Application, the Applicant, Deer Haven, L.L.C., egregiously misrepresents the ownership of the water distribution facility by stating that "The Deed also transferred to Haven Development a well and distribution facilities used to provide water service to the public." It also states that "The balance of the distribution facilities are located on land that is not owned by the Gawron group, its individual members or any of the corporate entities it controls." Pursuant to Exhibit "G", it is clear that the current title to the water distribution facilities is owned by Lakeside Water Systems, Inc. and Haven Development has absolutely no right, title or interest in the said water distribuion facilities as incorrectly and falsely stated in the amended application.

36. The Gawrons vacated the operation of the marina and the land associated with the same pursuant to an agreed upon stipulation on December 20, 2005 in the Court of Common Pleas of Pike County.

37. However, the allegations contained in Paragraph 15 of the Amended Application which state "Neither the Gawron group or the owners of Lakeside Water Systems, Inc. have any right to be on the property owned by Deer Haven or Haven Development and/or to operate the water system," is clearly erroneous and egregiously false given the fact that Lakeside Water Systems, Inc. has verifiable Deeds to the water equipment and utility and currently holds the Certificate of Public Convenience which it did not abandon.

38. The quality of the water service to the property owners served by the water facility has declined subsequent to Deer Haven's assumption of the sewer treatment operation.

39. Deer Haven has blatantly failed, despite letters to its counsel (attached hereto as Exhibit "H") to file the annual reports until the spring of 2006 when Deer Haven and its counsel realized that the Application was going to have to be amended.

40. The Gawrons, as operators of Lakeside, have continuously tried to operate the water company but have been threatened repeatedly to stay off the property and, pursuant to the letter of June 22, 2006 from the PUC ordering that payment be made to Deer Haven until final adjudication, a copy of which is attached hereto as Exhibit "I", the Gawrons and Lakeside Water Systems, Inc. have waited until the hearing on the original Application, which has now been set for a hearing on the Amended Application, to resume operations.

41. The Gawrons and Lakeside Water Systems, Inc. are financially able to maintain the utility and have, at all times relevant hereto, maintained ready, willing and able to proceed accordingly.

42. Deer Haven has waived any rights to the water company operation through their prior Court Orders and do not even have standing to proceed in this fashion.

43. The Tariff (see, Exhibit "A") clearly requires approval by certain parties before any transfer of the company can occur and, before any of the assets/customers can be transferred.<sup>2</sup>

44. At no time has the Applicant, Deer Haven, shown any right, title or interest in any real estate, including specifically the water utility and equipment in order to have standing to file the said Application.

45. Interestingly and most disturbingly, the Order of this Honorable Court dated June 5, 2006, states "The parties further explained that the Applicant, Deer Haven, L.L.C. does not

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<sup>2</sup> It is interesting to note that counsel for Deer Haven, Janet Miller, was intimately involved with the preparation and approval of the governing Tariff and yet takes an opposite position in light of her client's Amended Application.

own title to the facilities for which it seeks a Certificate of Public Convenience. Both parties agreed that a hearing on the merits of the Applications could not proceed fruitfully until the resolution of the title(s), (which is, in part, the subject of the pending litigation and other forums)." (See, Order of June 5, 2006 attached as Exhibit "C").

46. Despite the Order of Court and the stipulation of all parties at that time, for which nothing has changed except the admission of Deer Haven that they do not have any further title or right given the stipulation and Court Orders in Pike County dated December 18, 2006 and February 13, 2007, respectively, the Amended Application boldly asserts that the Gawrons transferred "a well and distribution facilities used to provide water service to the public." (See, Amended Application, Paragraph 10).

47. It is clear that, through the Applicant's own admission in June, 2006, Deer Haven has absolutely no right or standing to file this Application as it has no right, title or control over the water service facilities.

48. Deer Haven's Amended Application should be denied as they cannot meet the standard for the issuance of a Certificate of Public Convenience.

49. Pursuant to 66 Pa.C.S. §1103, an applicant for a Certificate of Public Convenience must establish that the proposed service is "necessary or proper for the service, accommodation, convenience or safety of the public." This language has been interpreted to require that:

- a. An applicant demonstrate a public need or demand for the service;
- b. The inadequacy of the existing service or facilities in the proposed territory; and
- c. The applicant's fitness to render such service along technical, financial and legal lines.

Chester Water Authority v. Pennsylvania Public Utility Commission, et al., 868 A.2d 384, at 386 (Pa. 2005).

50. The Protestants have provided and are capable of providing the services associated with the existing Certificate of Public Convenience.

51. The Applicant can provide no evidence of a public need or demand for the Applicant, Deer Haven, to provide this service.

52. Deer Haven has actually forced customers to leave the service of the utility through improper operation and maintenance of the facilities as verified through the correspondence attached hereto as Exhibit "J".

53. As such, it is Deer Haven that has provided inadequate service to the customers in the service area and will not provide competent evidence that Protestants provided inadequate service.

54. Deer Haven has unlawfully assumed the operation of the water service and the collection of payments for the said services.

55. Deer Haven has been providing the service for a substantial period without obtaining the necessary Certificates of Public Convenience and related permits, licenses and approvals as they have demonstrated a propensity to disobey the law which should be legally preclude them from obtaining this Certificate.

56. Further, and most importantly, the Amended Application which has been filed is **incomplete** as it has failed to provide Deer Haven's Balance Sheet for the period ending December 31, 2006 which was to be attached as Appendix "J" as well as a copy of Deer Haven's Income and Expense Statement (Appendix "K") which makes it difficult, if not impossible, to properly respond to the alleged statements in the application.

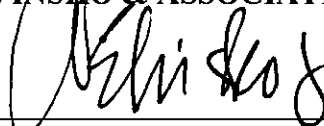
57. The Applicant also sought a continuance from the last hearing of March 27, 2007 in order to properly advertise the Amended Applications.

58. However, the Amended Application advertisements were not properly advertised for over thirty (30) days after the alleged hearing and, almost sixty (60) days after the said Applications were filed.

59. Based on all of the above, it is not in the best interest of the public nor the Protestants herein, for the Amended Application to be granted.

WHEREFORE, for all of the reasons set forth herein, the Protestants respectfully request that this Amended Application be immediately denied.

Respectfully submitted,  
**VINSKO & ASSOCIATES**



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**WILLIAM E. VINSKO, JR., ESQUIRE**

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Wilkes-Barre, PA 18701  
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**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**AMENDED** Application of Deer Haven, L.L.C. to Acquire the Assets and Customers of Lakeside Water Systems, Inc. and for a Certificate of Public Convenience Authorizing Deer Haven, L.L.C. to Offer, Render, Furnish or Supply Water Service to the Public in Portions of Palmyra Township, Pike County, Pennsylvania

Docket Nos. A-210069F2000  
A-210124

**CERTIFICATE OF SERVICE**

*I hereby certify that I have this day served a true copy of the foregoing document upon the parties listed below, in accordance with the requirements of 52 Pa. code §1.54 (relating to service by a party).*

Erin L Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5<sup>th</sup> Floor  
Forum Place  
Harrisburg, PA 17101-1923

Harry Forbes, Chairman  
Pike County Commissioners  
Pike County Administration Building  
506 Broad Street  
Milford, PA 18337

William R. Lloyd, Jr., Esquire  
Office of Small Business Advocate  
1102 Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Janet L. Miller, Esquire  
Hawke McKeon Sniscak & Kennard, LLP  
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Department of Environmental Protection  
Northeast Regional Office  
2 Public Square  
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Blue Bell, PA 19422-0765

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HC 8 Box 6772  
Hawley, PA 18428

Robin Katzman Bowman, Assistant Counsel  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Rhonda L. Daviston, Esquire  
Pennsylvania Public Utility Commission  
Law Bureau - P.O. Box 3264  
Harrisburg, PA 17105-3265

Palmyra Township Board of Supervisors  
Palmyra Township Planning Commission  
HRC 1  
Box 15 C  
Paupack, PA 18451

Daniel Searfoorce  
Bureau of Fixed Utility Services  
Pennsylvania PUC  
Commonwealth Keystone Building  
400 North Street – Third Floor West  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Respectfully submitted,

VINSKO & ASSOCIATES

  
\_\_\_\_\_  
WILLIAM E. VINSKO, JR., ESQUIRE

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253 South Franklin Street  
Wilkes-Barre, PA 18701  
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Facsimile: (570) 970-9711  
[wvinsko@vinsko.com](mailto:wvinsko@vinsko.com)

Counsel for the Gawron family, Edwin Inc.,  
Lakeside Water Systems, Inc., and Lakeside Marina

DATE: May 7, 2007

# Exhibit "A"

PART I - RATES

SCHEDULE OF RATES AND CHARGES

Section A. Consumption Rates

The schedule of rates is as follows:

1. Residential Customers:

Applicability: This rate shall apply to each single-family residential dwelling that is not located within a mobile home park (as defined below in connection with "Mobile Home Park Customers").

Rate: Unmetered Flat Rate of \$15.00 per month.

2. Mobile Home Park Customers:

Applicability: This rate shall apply to multi-tenant, mobile home parks with more than six (6) buildings that are used as residential dwellings.

Rate: Unmetered Flat Rate of \$7.00 per unit connected to the water distribution system.

Section B. Construction Rates

The flat rate charge for unmetered building construction purposes shall be \$6.00 per quarter annum for residential construction, per unit under construction, until construction is completed, unless metered.

Section C. Service Termination or Resumption Rates

The fee for cut-off or turn-on of service at the curb stop shall be \$50.00.

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions

Whenever the developer/owner or occupant of a property within the service territory of the Company requests the Company to extend its' system to serve such property, the Company shall agree to extend its' service under the following conditions:

1. Definitions

For the purpose of this rule:


- a) "Bona fide service applicant" shall mean a person or entity who is applying for service to a primary residence or place of business where that person or business resides.
- b) "Street service connection" shall mean a pipe with appurtenances used to conduct wastewater from a collection main of the Company to the curb line of the premises.

2. The Company agrees to fund and construct mains to a bona fide service applicant to the extent that the contents do not materially handicap its ability to secure a fair return on investment or does not unduly burden other Customers as a result of rate increases. At current average costs of construction, a distance of at least thirty-five (35) feet may be extended without undue burden on the utility or its Customers. Extensions beyond thirty-five (35) feet may be reviewed for their impact. Applicants may be required to enter into an "Extension Deposit Agreement" when the Company determines the extension may place undue burdens on it or other Customers. The Company will not fund the cost of construction to any service applicant if the Company determines that the Applicant is not a bona fide service applicant or that the Applicant is requesting special utility service.
3. The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the Applicant, all estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include the material cost and installation cost for a pipe the size of which is necessary to provide adequate service to the Applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include a reasonable allowance for overhead costs and taxes, as appropriate. The minimum pipe size for main extensions shall be six (6) inches per 52 Pa. Code §65.17(b).

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions (continued)

4. In determining the length of necessity for an extension required, the terminal point of such extension shall, in all cases, be at that point in the curb line which is equidistant from the side property lines of the last lot for which wastewater service is requested. A street service connection will be provided only for Customer Service Lines that extend from the curb to the premises to be served which are laid in a straight line at right angles to the curb line.
5. An "Extension Deposit Agreement" may be entered into for construction of facilities which ~~are not funded~~ by the Company pursuant to subsection (b) and must be funded by the Applicant as a condition of extending the facilities. 
6. When an "Extension Deposit Agreement" calls for the refunding of deposits, the Company will refund to the Applicant, during the period of ten (10) years from actual date of deposit, a Per Customer Refund Amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension as distinguished from extension or branches thereof; provided, however, that the total amount refunded shall not exceed the original deposit without interest and that all or any part of the deposit not refunded within said 10-year period shall become the property of the Company. The Per Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension.
7. At the conclusion of the project, there shall be a reconciliation of the actual costs incurred to the amount of deposit that has been paid. If the actual cost exceeds the deposit, the Applicant shall be responsible for payment of the difference to the Company. If the deposit exceeds the actual cost, the Company shall refund the difference.

ISSUED:

EFFECTIVE:

TABLE OF CONTENTS

	Page No.
Title Page	1
List of Changes	2
Table of Contents	3
 <u>Part I</u>	
Rates	4
 <u>Part II</u>	
Definitions	5-6
 <u>Part III</u>	
Rules and Regulations	
Section A - Applications for Service	7
Section B - Construction and Maintenance of Facilities	8-10
Section C - Discontinuance, Termination, and Restoration of Service	11-12
Section D - Billing and Collections	12-13
Section E - Deposits	13-14
Section F - Water Main Extensions	15-20
Section G - Fire Protection Service	21
Section H - Service Continuity	22
Section I - Waivers	22
Section J - Amendment of Tariff	22
 <u>Part IV</u>	
Water Conservation Contingency Plan	23-24

ISSUED:

EFFECTIVE:

PART I - RATES

SCHEDULE OF RATES AND CHARGES

Section A. Consumption Rates

The schedule of rates is as follows:

1. Residential Customers:

Applicability: This rate shall apply to each single-family residential dwelling that is not located within a mobile home park (as defined below in connection with "Mobile Home Park Customers")

Rate: Unmetered Flat Rate of \$15.00 per month

2. Mobile Home Park Customers:

Applicability: This rate shall apply to multi-tenant, mobile home parks with more than six (6) buildings that are used as residential dwellings.

Rate: Unmetered Flat Rate of \$7.00 per unit connected to the water distribution system.

3. Commercial Customers:

Applicability: This rate shall apply to the Lakeside Hotel, Lakeside Resort Restaurant and Spirits, Lakeside Marina and Lakeside Timeshares, Inc.

Rate: Unmetered Flat Rate of \$335.50 per month.

Section B. Construction Rates

The flat rate charge for unmetered building construction purposes shall be \$6.00 per quarter annum for residential construction, per unit under construction, until construction is completed, unless metered.

Section C. Service Termination or Resumption Rates

The fee for cut-off or turn-on of service at the curb stop shall be \$50.00.

ISSUED:

EFFECTIVE:

PART II - DEFINITIONS

Unless the context clearly indicates otherwise, the following words and phrases shall have the meaning assigned below whenever they are used throughout this tariff:

1. Applicant: a person who applies to become a customer of the Company in accordance with Part II, Section A of this tariff.
2. Nonresidential Service: utility service supplied to a commercial or industrial building, including a hotel or motel, and a customer who purchases water from the Company for the purpose of resale.
3. Company: Lakeside Water Systems Inc.
4. Company Service Line: the connection from the collection facilities or pipeline extensions of the Company which connects any main with the inlet connection of the customer service line at the hypothetical or actual curb line or the actual property line, including the control valve and valve box. The control valve and valve box determine the terminal point for the Company's responsibility for the street service connection.
5. Cross-Connection: any pipe, valve, other physical connection, or other arrangement or device connecting the pipelines or facilities of the Company, to and with pipes and fixtures by which any contamination might be admitted or drawn into the collection system of the Company from lines other than the Company's.
6. Customer: a person who is an owner or occupant and who (a) contracts with the Company for water service. or (b) takes or receives water service without a contract.
7. Customer Service Line: the service line extending from the end of the Company service line or connection to the point of collection, or the customer's premise
8. Meter: any device supplied by the Company, except as approved by the Commission, for the purpose of measuring water consumption.
9. Person: any natural or fictitious person, including, but not limited to, associations, partnerships, corporations, municipalities, authorities, counties, and the state or federal governments.

ISSUED:

EFFECTIVE:

PART II - DEFINITIONS (continued)

10. Private Fire Protection Service: water service provided exclusively for the purpose of fire protection that is available to particular customers only and not to all customers or the general public, and that is provided through automatic sprinkler systems, fire hydrants, or similar mechanisms.
11. Property: a residence, commercial establishment, or other facility, or lot or other parcel of land to which water service is provided or for which the Company has installed a Company service line.
12. Public Fire Protection Service: water service provided exclusively to a political subdivision for the benefit of the public, for the purpose of fire protection.
13. Residential Service: utility service supplied to a residential dwelling. Utility service provided to a hotel or motel or mobile home park, will not be considered to be residential service.
14. Tariff: the service rates, rules and regulations issued by the Company, and any supplements or revisions thereto approved by the Pennsylvania Public Utility Commission.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS

Section A - Application for Service

1. General Rule: All applications for service must be in the form provided by the Company and signed by the owner or owners of the property to which water service can or will be provided; except that, where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, a lessee may make an application for service in his, her or its name. The Company may also, at its sole discretion, require that a separate contract for service be signed by the Applicant.
2. Change in Ownership or Tenancy: A new application must be made to the Company upon any change in ownership where the owner of the property is the customer, or upon any change in the identity of a lessee where a lessee of the property is the customer. The Company shall have the right to discontinue or otherwise interrupt water service, upon three (3) days' notice, if a new application has not been made and approved for the new customer.
3. Acceptance of Application: An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the Applicant pending review and acceptance of the application.
4. Application Forms: Application forms can be obtained at the Company's home office, presently located at PO Box 268, Newfoundland, PA 18445.
5. Water Used for Construction Purposes: Where water is required for construction purposes, the application shall so indicate. Unmetered service may be provided for construction purposes.
6. Temporary Service: In the case of temporary service for short-term use, the Company may require the customer to pay all costs of making the service connection and removing the material after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. However, if the material is removed, the customer shall be credited with the reasonable salvage which the Company will receive on discontinuance of service.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section B - Construction and Maintenance of Facilities

1. Customer Service Line: The Company reserves the right to determine the size, kind, and depth of customer service lines. The customer service line shall be furnished, installed, maintained, an/or replaced, when necessary, by and at the sole expense of the customer.
2. Separate Trench: The customer service line shall not be laid in the same trench with drain or sewer pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service, or within three (3) feet of any open excavation or walk, unless a written exception is granted by the Company.
3. Customer's Responsibilities: All service lines, connections, and fixtures furnished by the customer shall be maintained by the customer in good working order. All valves, meters, and appliances furnished by the Company and on the property owned or leased by the customer shall be protected properly by customer. All leaks in the customer service line or any pipe or fixture, in or upon the property supplied, must be repaired immediately by the customer.
4. Right to Reject: The Company may refuse to connect with any piping system or furnish water through a service already connected if such system/service is not properly installed or maintained. The Company may also refuse to connect if lease based material, as defined in the Safe Drinking Water Act, have been used in any plumbing beyond the Company's curb control valve. It shall be the customer's responsibility to provide the Company with any such certification which may be required to verify the absence or removal of such materials.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section B - Construction and Maintenance of Facilities (continued)

- 5. Water Use Standards for Certain Plumbing Fixtures: This rule establishes maximum water use for certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum efficiency of water use which the Commission has determined is technologically feasible and economically justified.

<u>Plumbing Fixture</u>	<u>Maximum Water Use</u>
showerheads	3.0 gallons/minute
lavatory faucets	3.0 gallons/minute
kitchen faucets	3.0 gallons/minute
water closets	1.6 gallons/flush
urinals	1.5 gallons/flush

Reevaluation of Water Use Standards: Upon the order or recommendation of the Commission or other agency with requisite authority, the Company may, at any appropriate time, amend any of the water use standards listed above. Amendments will apply only to new construction and renovation.

Exemptions: The Company may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, inappropriate, or cannot be accommodated by existing technology.

- 6. Stop and Waste Valves: Check Valves: The Company requires the installation of stop and waste valves and of check valves on all new or reconstructed customer service lines. The responsibility for the proper installation and maintenance of the valve(s) shall, however, be the customer's at the customer's sole expense.
- 7. Backflow Prevention Device: The installation of a backflow prevention device of the type approved by the Company may be required by the Company if, in the Company's opinion, such a device is needed to protect the integrity of the system. The backflow prevention device shall be installed, owned and maintained by the customer at the customer's expense. The location of the backflow prevention device shall be approved by the Company. The Company recommends the installation of approved double check valves for service pipes providing service to residential units.

PART III - RULES AND REGULATIONS (continued)Section B - Construction and Maintenance of Facilities (continued)8. Pressure:

- a) Generally the Company will maintain service pressures from a low of 25 p.s.i.g. to a high of 125 p.s.i.g. at the main, but during periods of peak demand pressures at the main may range from 20 to 150 p.s.i.g.. The Company may request permission from the Commission to furnish service at other pressures where necessary to supply adequate service.
- b) If a customer needs the pressure reduced, the customer must install and maintain, at the customer's expense, a pressure regulator or valve. The pressure regulator will be installed on the inlet side of the meter.

9. Cross-Connections: No cross-connection shall be installed or continued except upon terms and conditions established in writing by the Company. A cross-connection may be considered to be eliminated if a method of backflow prevention is approved by the Company in writing.

10. Individual Service Lines for Residential Customers: Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company's collection main, and that service line shall not serve any other customer or premise. No additional attachment may be made to any customer's service line for any purpose without the express approval of the Company.

The Company will make all connections to its' mains and will furnish, install and maintain all service lines from the main to and including the curb stop and box. All such connections shall be property of the Company and shall be accessible to and under its control. No attachment shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section C - Discontinuance, Termination, and Restoration of Service

1. Discontinuance by Customer: Where a customer requests the Company to discontinue service, the following rules shall apply:
  - a) A customer who wishes to have service discontinued shall give at least three (3) days' notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the customer's intent to discontinue service. The customer shall not turn water on or off at any curb stop, without the prior written consent of the Company. A customer discontinuing service retains his status as a former customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.
  - b) Where a customer requests turn-on of service within six (6) months of disconnection, the customer shall be subject to monthly minimum billing for the period of disconnection.
2. Termination by Company: Service to the customer may be terminated for good cause, including but not limited to, the following:
  - a) for making an application for service that contains material misrepresentations;
  - b) for willful or negligent waste of water through improper or imperfect pipes or fixtures, or for willful or negligent failure to repair leaks in pipes or fixtures;
  - c) for tampering with any service line, curb stop, or installing or maintaining cross-connections or any unauthorized connection;
  - d) for theft of service, which shall include taking service without having made a proper application for service under Part II, Section A;
  - e) for failure to pay, when due, any charges accruing under this tariff;
  - f) for receipt by the Company of an order or notice from the Department of Environmental Protection, health authorities, plumbing inspectors, or another similar agency to terminate service to the property on the grounds of violation of any federal, state or local law, or local ordinance, or upon notice to the Company from any such agency that it has ordered an existing violation on the property to be terminated and that such order has not been complied with; or
  - g) for violation of any of the provisions of this tariff not specified above.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section D - Deposits (continued)

- c) Refunds and Interest - A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the past year on time without having been late on more than two (2) occasions or late two (2) consecutive times and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one (1) year Treasury Bills for September, October and November of the previous year payable annually without deductions for taxes thereon unless otherwise required by law. The interest rate shall become effective April 14, 1995; and January 1 of each year after 1995.

2. Nonresidential Customers

- a) New Customer - A deposit may be required from any new Applicant who does not have prior satisfactory credit history with the Company. The amount of deposit will not be more than one average bill plus one month.
- b) Refunds and Interest - A deposit will be refunded if the customer pays all bills on time over a twelve month period or service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions

Whenever the developer/owner or occupant of a property within the service territory of the Company requests the Company to extend its' system to serve such property, the Company shall agree to extend its' service under the following conditions:

1. Definitions

For the purpose of this rule:

- a) "Bona fide service applicant" shall mean a person or entity who is applying for service to a primary residence or place of business where that person or business resides.
- b) "Street service connection" shall mean a pipe with appurtenances used to conduct wastewater from a collection main of the Company to the curb line of the premises.

- 2. The Company agrees to fund and construct mains to a bona fide service applicant to the extent that the contents do not materially handicap its ability to secure a fair return on investment or does not unduly burden other Customers as a result of rate increases. At current average costs of construction, a distance of at least thirty-five (35) feet may be extended without undue burden on the utility or its Customers. Extensions beyond thirty-five (35) feet may be reviewed for their impact. Applicants may be required to enter into an "Extension Deposit Agreement" when the Company determines the extension may place undue burdens on it or other Customers. The Company will not fund the cost of construction to any service applicant if the Company determines that the Applicant is not a bona fide service applicant or that the Applicant is requesting special utility service.
- 3. The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the Applicant, all estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include the material cost and installation cost for a pipe the size of which is necessary to provide adequate service to the Applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include a reasonable allowance for overhead costs and taxes, as appropriate. The minimum pipe size for main extensions shall be six (6) inches per 52 Pa. Code §65.17(b).

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions (continued)

4. In determining the length of necessity for an extension required, the terminal point of such extension shall, in all cases, be at that point in the curb line which is equidistant from the side property lines of the last lot for which wastewater service is requested. A street service connection will be provided only for Customer Service Lines that extend from the curb to the premises to be served which are laid in a straight line at right angles to the curb line.
5. An "Extension Deposit Agreement" may be entered into for construction of facilities which are not funded by the Company pursuant to subsection (b) and must be funded by the Applicant as a condition of extending the facilities.
6. When an "Extension Deposit Agreement" calls for the refunding of deposits, the Company will refund to the Applicant, during the period of ten (10) years from actual date of deposit, a Per Customer Refund Amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension as distinguished from extension or branches thereof; provided, however, that the total amount refunded shall not exceed the original deposit without interest and that all or any part of the deposit not refunded within said 10-year period shall become the property of the Company. The Per Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension.
7. At the conclusion of the project, there shall be a reconciliation of the actual costs incurred to the amount of deposit that has been paid. If the actual cost exceeds the deposit, the Applicant shall be responsible for payment of the difference to the Company. If the deposit exceeds the actual cost, the Company shall refund the difference.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section D - Billing and Collections (continued)

5. Separate Checks: Payment made by check to the Company shall not include any payments to other affiliated utilities or corporations. Failure to provide a separate check will result in the return of the check to the customer as if no payment had been made.
6. Return Check Charges: The customer will be responsible for the payment of a charge of twenty dollars (\$20.00) per incident where a check which has been presented to the Company for payment of any bill is returned by the bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any and all charges assessed by the bank.
7. Disputed Bills: In the event of a dispute between the customer and the Company respecting any bill, the Company promptly will make such investigation as may be required by the particular case and report the result to the customer. When the Company has made such a report to the customer sustaining the bill as rendered, the Customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the customer.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section G - Service Continuity:

1. Regularity of Services: The Company may, at any time, shut off the wastewater in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for other reasons. The Company will, so far as circumstances permit, notify customers to be affected by any interruptions in the service.
  
2. Liability for Damages:
  - a) The Company's liability for any loss or damage from any excess or deficiency in the collection process, due to any cause other than willful misconduct or negligence by the Company, its agents, or employees, shall be limited to an amount no more than the customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur.
  
  - b) The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a Customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its' agents, or employees.

Section H - Waivers

The Company may, in its sole discretion, waive any of the Rules or Regulations contained herein that operate for the benefit of the Company, provided that no such waiver will be valid unless in writing and signed by the Company, and provided that no violation of the Public Utility Code, the regulations of the Public Utility Commission, or any other applicable statute, law, or regulation.

Section I - Amendment of Tariff

Whenever Title 52 of the Pennsylvania Code is amended in such a way as would produce a difference between it and this tariff, this tariff is deemed to be amended to be consistent with the amendments to Title 52, except that, if application of the amendment of Title 52 is discretionary, this tariff will remain unchanged.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section E - Deposits1. Residential Customers

- a) New Applicants - The Company will provide new service without requiring a deposit unless the Applicant was terminated for nonpayment in the last twelve (12) months or has an unpaid balance from prior service with the Company. The amount of the deposit will not be greater than an estimated average bill plus one month.
- b) Existing Customers - If a Customer has paid late on two (2) consecutive occasions or three (3) times in a 12-month period, the Company may send a letter informing the Customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing Customer may be required to pay a deposit as a condition to having service restored after termination for non-payment or for failure to comply with a payment agreement. The amount of deposit will not be more than one average bill plus one month.
- c) Refunds and Interest - A deposit will be refunded if service is discontinued and the final bill is paid or if the Customer has paid the bills for the past year on time without having been late on more than two occasions or late two consecutive times and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one year Treasury Bills for September, October and November of the previous year payable annually without deductions for taxes thereon unless otherwise required by law. The interest rate shall become effective on the effective date of this tariff; and on January 1 of each year thereafter.

2. Nonresidential Customers

- a) New Customer - A deposit may be required from any new Applicant who does not have prior satisfactory credit history with the Company. The amount of deposit will not be more than one average bill plus one month.
- b) Refunds and Interest - A deposit will be refunded if the Customer pays all bills on time over a twelve month period or service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions

Whenever the developer/owner or occupant of a property within the service territory of the Company requests the Company to extend its' system to serve such property, the Company shall agree to extend its' service under the following conditions:

1. Definitions

For the purpose of this rule:

- a) "Bona fide service applicant" shall mean a person or entity who is applying for service to a primary residence or place of business where that person or business resides.
  - b) "Street service connection" shall mean a pipe with appurtenances used to conduct wastewater from a collection main of the Company to the curb line of the premises.
2. The Company agrees to fund and construct mains to a bona fide service applicant to the extent that the contents do not materially handicap its ability to secure a fair return on investment or does not unduly burden other Customers as a result of rate increases. At current average costs of construction, a distance of at least thirty-five (35) feet may be extended without undue burden on the utility or its Customers. Extensions beyond thirty-five (35) feet may be reviewed for their impact. Applicants may be required to enter into an "Extension Deposit Agreement" when the Company determines the extension may place undue burdens on it or other Customers. The Company will not fund the cost of construction to any service applicant if the Company determines that the Applicant is not a bona fide service applicant or that the Applicant is requesting special utility service.
3. The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the Applicant, all estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include the material cost and installation cost for a pipe the size of which is necessary to provide adequate service to the Applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the "Extension Deposit Agreement" shall include a reasonable allowance for overhead costs and taxes, as appropriate. The minimum pipe size for main extensions shall be six (6) inches per 52 Pa. Code §65.17(b).

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Wastewater Extensions (continued)

4. In determining the length of necessity for an extension required, the terminal point of such extension shall, in all cases, be at that point in the curb line which is equidistant from the side property lines of the last lot for which wastewater service is requested. A street service connection will be provided only for Customer Service Lines that extend from the curb to the premises to be served which are laid in a straight line at right angles to the curb line.
5. An "Extension Deposit Agreement" may be entered into for construction of facilities which are not funded by the Company pursuant to subsection (b) and must be funded by the Applicant as a condition of extending the facilities.
6. When an "Extension Deposit Agreement" calls for the refunding of deposits, the Company will refund to the Applicant, during the period of ten (10) years from actual date of deposit, a Per Customer Refund Amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension as distinguished from extension or branches thereof; provided, however, that the total amount refunded shall not exceed the original deposit without interest and that all or any part of the deposit not refunded within said 10-year period shall become the property of the Company. The Per Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension.
7. At the conclusion of the project, there shall be a reconciliation of the actual costs incurred to the amount of deposit that has been paid. If the actual cost exceeds the deposit, the Applicant shall be responsible for payment of the difference to the Company. If the deposit exceeds the actual cost, the Company shall refund the difference.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section G - Service Continuity:

1. Regularity of Services: The Company may, at any time, shut off the wastewater in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for other reasons. The Company will, so far as circumstances permit, notify customers to be affected by any interruptions in the service.
2. Liability for Damages:
  - a) The Company's liability for any loss or damage from any excess or deficiency in the collection process, due to any cause other than willful misconduct or negligence by the Company, its agents, or employees, shall be limited to an amount no more than the customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur.
  - b) The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a Customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its' agents, or employees.

Section H - Waivers

The Company may, in its sole discretion, waive any of the Rules or Regulations contained herein that operate for the benefit of the Company, provided that no such waiver will be valid unless in writing and signed by the Company, and provided that no violation of the Public Utility Code, the regulations of the Public Utility Commission, or any other applicable statute, law, or regulation.

Section I - Amendment of Tariff

Whenever Title 52 of the Pennsylvania Code is amended in such a way as would produce a difference between it and this tariff, this tariff is deemed to be amended to be consistent with the amendments to Title 52, except that, if application of the amendment of Title 52 is discretionary, this tariff will remain unchanged.

ISSUED:

EFFECTIVE:

# APPENDIX C

**APPENDIX C TO JOINT PETITION FOR  
SETTLEMENT OF ALL PROCEEDINGS**

In settlement of all claims and issues raised in the formal complaints brought by Sky Top Heights Mobile Home Park against Lakeside Water Systems, Inc. (Docket No. C-00970721) and against Edwin, Inc. (Docket No. C-00970722) requesting refunds of all utility fees paid for water and wastewater service from December 1993 to April 1997, Lakeside Water Systems, Inc. and Edwin, Inc. (collectively) shall:

1. Pay Sky Top Heights Mobile Home Park the sum of Thirty-Five Thousand Dollars (\$35,000.00). This payment shall be made by Certified Check and shall be made within fifteen (15) days of the entry of a Commission Order approving, without modification, the terms of the "Joint Petition for Settlement of All Proceedings."
  
2. Credit the water and wastewater accounts of Sky Top Heights Mobile Home Park in the total amount of Thirty-Nine Thousand Dollars (\$39,000.00), to be spread equally over a period of thirty-nine (39) months. A total credit of One Thousand Dollars (\$1,000.00) per month will be applied: a credit of \$400.00 per month will be applied to the Sky Top water account and a credit of \$600.00 per month will be applied to the Sky Top wastewater account. Sky Top will pay the balance of all water and wastewater bills rendered during the time that the credit is in place. The first credit will be applied to the first month's bill rendered after the entry of a Commission Order approving, without modification, the terms of the "Joint Petition for Settlement of All Proceedings." The credit will be clearly shown on

each monthly billing statement rendered to Sky Top for water or wastewater service. The balance due from Sky Top (the difference between the total amount billed and the credit) also will be clearly shown on each statement.

3. If the number of connected units located in the Sky Top Heights Mobile Home Park falls to a level so that the amount of the monthly credit applied to either the Sky Top water or wastewater account exceeds the amount due for water or wastewater service for any particular month, the balance of the credit for that month will be carried forward to the succeeding month. In no event shall Sky Top pay less than \$100.00 per month on either its water or its wastewater account. If at the end of the thirty-nine (39) month time period a credit balance remains, such balance shall be paid to Sky Top by Certified Check within sixty (60) days of the end of the thirty-nine (39) month period.
  
4. At any time within the thirty-nine (39) month credit period, Sky Top and Lakeside may agree to alter the application of the monthly credit to the Sky Top water and wastewater accounts.

# APPENDIX D

LAKESIDE WATER SYSTEMS, INC.

EDWIN, INC.

**LEGAL DESCRIPTION OF APPLICATION TERRITORIES**

**WATER/WASTEWATER SERVICE  
PALMYRA TOWNSHIP, PENNSYLVANIA**

- TRACT 1: WALLENPAUPACK LANDS, INC.
- TRACT 2: WHITE BEAUTY VIEW ESTATES
- TRACT 3: LAKESIDE RESORT ENTERPRISES, LP
- TRACT 4: TIA LAND DEVELOPMENT, INC.
- TRACT 5: HEARN I
- TRACT 6: WALLENPAUPACK LANDS, INC.
- TRACT 7: LAKE VIEW LAND & CATTLE, INC.
- TRACT 8: ENTRANCE PARCELS - DOTTER
- TRACT 9: VIP TRAILER PARK
- TRACT 10: ABROMITIS
- TRACT 11: HEARN II
- TRACT 12: SWAIN
- TRACT 13: DUNN
- TRACT 14: MARTIN
- TRACT 15: GEORGE
- TRACT 16: HOWELLS TRACT
- TRACT 17: GUCCINI I
- TRACT 18: GUCCINI II
- TRACT 19: GUCCINI III

TRACT NO. 1

ALL that certain piece or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 1 on the survey map prepared by Harry F. Schoenagel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded, and more particularly bounded and described as follows:

BEGINNING at the Southwesterly corner of TRACT NO. 2, in the line of lands of Donald Nelson and others, being also the Southwesterly corner of Lot Number Ten (10) on the Plot of the Subdivision known as White Beauty View Estates, recorded in Pike County in Plat Book 8, at page 55;

Thence along the line of TRACT NO. 2 by eight courses and distances as follows:

- (1) North thirty-seven (37) degrees fifty-five (55) minutes twenty-seven (27) seconds East, along Lot Number Ten (10), eighty-one and seventy hundredths (81.70) feet to a corner;
- (2) South fifty-three (53) degrees fifty-nine (59) minutes and twenty-three (23) seconds East, along Lot Number Fifteen (15), three hundred five (305.00) feet to a corner;
- (3) South eight-three (83) degrees forty-three (43) minutes thirty-six (36) seconds East, along Lot Number Sixteen (16), one hundred twenty-three and fifty-four hundredths (123.54) feet to a corner;
- (4) Along Lots Number Sixteen (16) and Seventeen (17) North thirty-seven (37) degrees fifty-five (55) minutes and twenty-seven (27) seconds East two hundred forty-three and forty-four hundredths (243.44) feet to a corner on the Westerly edge of the right-of-way of a forty (40.00) foot wide private road;
- (5) Continuing along Lot Number Seventeen (17) on the Westerly edge of the right-of-way of the forty (40.00) foot wide private road, following a curve to the left with a radius of two hundred thirty seven and sixty-nine hundredths (237.69) feet, an arc distance of one hundred two and one hundredth (102.01) feet to a point of tangency;
- (6) Crossing the said forty (40.00) foot wide private road North thirty-seven (37) degrees fifty-five (55) minutes twenty-seven (27) seconds East forty (40.00) feet to the most northerly corner of Lot Number Thirty-eight (38);
- (7) Along Lot Number Thirty-eight (38), following a curve to the right with a radius of two hundred seventy-seven and sixty-nine hundredths (277.69) feet, an arc distance of two hundred five and fifty-nine hundredths (205.59) feet to a corner; and

(8) Continuing along Lot Number Thirty-eight (38) North seventy-five (75) degrees forty-five (45) minutes and nineteen (19) seconds East sixty-six and seventy-one hundredths (66.71) feet to a corner of lands now or formerly of Tanglewood Lakes, Inc.

Thence along the line of lands of Tanglewood Lakes, Inc. and the several lots in the subdivision of said lands, as shown on the Survey Map, by five courses and distances as follows:

(1) South fifty-four (54) degrees nineteen (19) minutes and five (05) seconds East four hundred ninety-seven and forty-eight hundredths (497.48) feet to a corner;

(2) South sixty-nine (69) degrees thirteen (13) minutes and forty-three (43) seconds East two hundred twenty-one and fourteen hundredths (221.14) feet to a corner;

(3) South seventy-nine (79) degrees thirty-three (33) minutes and eleven (11) seconds East one hundred ninety-one and twenty-one hundredths (191.21) feet to a corner;

(4) South forty-two (42) degrees fifty-eight (58) minutes and thirteen (13) seconds East five hundred seventy-nine and forty-nine hundredths (579.49) feet to a corner, and

(5) South fifty-eight (58) degrees seventeen (17) minutes and seventeen (17) seconds West one thousand eight hundred thirty-two and fifty-one hundredths (1,832.51) feet to a corner in the center of Kleinhans Creek sometimes called Giffords Creek;

Thence along the centerline of the said Creek by fourteen (14) courses and distances as follows:

(1) North sixty-five (65) degrees nine (09) minutes seventeen (17) seconds West forty-six and twenty-six hundredths (46.26) feet to a corner;

(2) North thirty-six (36) degrees twenty-seven (27) minutes twenty-nine (29) seconds West eighty and forty-eight hundredths (80.48) feet to a corner;

(3) North twenty-four (24) degrees forty-nine (49) minutes sixteen (16) seconds West seventy-eight and eighty-seven hundredths (78.87) feet to a corner;

(4) North forty-five (45) degrees twenty-six (26) minutes thirty-seven (37) seconds West one hundred sixteen and twenty-nine hundredths (116.29) feet to a corner;

(5) North forty-seven (47) degrees thirty-four (34) minutes twenty-nine (29) seconds West fifty-three and seventy-five hundredths (53.75) feet to a corner;

(6) North thirty-four (34) degrees twenty-seven (27) minutes and seventeen (17) seconds West seventy-four and twenty-nine hundredths (74.29) feet to a corner;

(7) North eighteen (18) degrees thirty-one (31) minutes and thirty-seven (37) seconds West twenty-seven and fifty-three hundredths (27.53) feet to a corner;

(8) North thirty (30) degrees five (05) minutes and eight (08) seconds East one hundred twenty-eight and eighteen hundredths (128.18) feet to a corner;

(9) North three (03) degrees fifty-five (55) minutes and three (03) seconds West fifty-eight and ninety-four hundredths (58.94) feet to a corner;

(10) North two (02) degrees twenty-six (26) minutes and fifty-three seconds West sixty-one and thirty hundredths (61.30) feet to a corner;

(11) North fifty (50) degrees fifty-one (51) minutes and twenty-four (24) seconds West thirty-five and ninety-seven hundredths (35.97) feet to a corner;

(12) North seventy-three (73) degrees thirty-seven (37) minutes and thirty-eight (38) seconds West forty and ninety-eight hundredths (40.98) feet to a corner;

(13) South eighty-four (84) degrees forty-three (43) minutes and fourteen (14) seconds West fifty-three and ninety-seven hundredths (53.97) feet to a corner; and

(14) North sixty-three (63) degrees fifty-four (54) minutes and fifty-seven (57) seconds West one hundred twenty-four and seventy-eight hundredths (124.78) feet to a corner;

Thence along the lands of Donald Nelson and others by four (4) courses and distances as follows:

(1) North fifty-seven (57) degrees twenty-four (24) minutes and eighteen (18) seconds East two hundred twenty-eight and forty-three hundredths (228.43) feet to a corner;

(2) North forty-one (41) degrees forty-two (42) minutes and seven (07) seconds West two hundred ninety-nine and five hundredths (299.05) feet to a corner;

(3) North forty-eight (48) degrees zero (00) minutes and forty-six (46) seconds East six hundred six and nineteen hundredths (606.19) feet to a corner; and

(4) North forty-one (41) degrees twenty-one (21) minutes and forty seconds West four hundred sixty and twenty-three hundredths (460.23) feet to the place of BEGINNING.

CONTAINING forty-six and thirty-two hundredths (46.32) acres of land, more or less, as surveyed by Harry F. Schoensgel, Registered Professional Surveyor, February 18, 1986, all bearings as of the magnetic meridian.

BEING part of Parcel VIII described in the Sheriff's Deed.

SUBJECT to all riparian rights, and other rights of common use of the waters of Kleinhans Creek (formerly called Giffords Creek) as set forth in prior deeds.

TRACT NO. 2

All that certain piece or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 2 on the survey map prepared by Harry F. Schoenagel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded, and more particularly bounded and described as follows:

BEGINNING at the Northwest corner of TRACT NO. 1, in the line of lands of Donald Nelson and others, being also the Southwest corner of Lot Number Ten (10) on the Plot of the Subdivision known as White Beauty View Estates, recorded in Pike County in Plat Book 8, at page 55;

Thence along the line of TRACT NO. 1 by eight (8) courses and distances as follows:

- (1) North thirty-seven (37) degrees fifty-five (55) minutes twenty-seven (27) seconds East, along Lot Number Ten (10), eighty-one and seventy hundredths (81.70) feet to a corner;
- (2) South fifty-three (53) degrees fifty-nine (59) minutes and twenty-three (23) seconds East, along Lot Number Fifteen (15), three hundred five (305.00) feet to a corner;
- (3) South eight-three (83) degrees forty-three (43) minutes thirty-six (36) seconds East, along Lot Number Sixteen (16), one hundred twenty-three and fifty-four hundredths (123.54) feet to a corner;
- (4) Along Lots Number Sixteen (16) and Seventeen (17) North thirty-seven (37) degrees fifty-five (55) minutes and twenty-seven (27) seconds East two hundred forty-three and forty-four hundredths (243.44) feet to a corner on the Westerly edge of the right-of-way of a forty (40.00) foot wide private road;
- (5) Continuing along Lot Number Seventeen (17) on the Westerly edge of the right-of-way of the forty (40.00) foot wide private road, following a curve to the left with a radius of two hundred thirty seven and sixty-nine hundredths (237.69) feet, an arc distance of one hundred two and one hundredth (102.01) feet to a point of tangency;
- (6) Crossing the said forty (40.00) foot wide private road North thirty-seven (37) degrees fifty-five (55) minutes twenty-seven (27) seconds East forty (40.00) feet to the most northerly corner of Lot Number Thirty-eight (38);

(7) Along Lot Number Thirty-eight (38), following a curve to the right with a radius of two hundred seventy-seven and sixty-nine hundredths (277.69) feet, an arc distance of two hundred five and fifty-nine hundredths (205.59) feet to a corner; and

(8) Continuing along Lot Number Thirty-eight (38) North seventy-five (75) degrees forty-five (45) minutes and nineteen (19) seconds East sixty-six and seventy-one hundredths (66.71) feet to a corner of lands now or formerly of Tanglewood Lakes, Inc.

Thence along the line of lands of Tanglewood Lakes, Inc. and the several lots in the subdivision of said lands, as shown on the Survey Map, North seven (07) degrees twenty (20) minutes and seven (07) seconds East one thousand thirty-two and seventy-four hundredths (1,032.74) feet to a corner;

Thence along TRACT NO. 6 South seventy-one (71) degrees forty-four (44) minutes and twenty-seven (27) seconds West one thousand forty-five and ninety-nine hundredths (1,045.99) feet to a corner on the Northeasterly edge of the right-of-way of a forty (40.00) foot private road;

Thence crossing the said private road South thirty-seven (37) degrees fifty-five (55) minutes and twenty-seven (27) seconds West forty (40.00) feet to a corner;

Thence along the Northwesterly edge of the right-of-way of the said private road and along Lot Number Two (2) North forty-nine (49) degrees West seventy-three and ninety-two hundredths (73.92) feet to a point;

Thence along Lots Numbers Two (2) and One (1) North forty-three (43) degrees seventeen (17) minutes and forty-three (43) seconds West one hundred eighty (180.00) feet to a point;

Thence continuing along Lot Number One (1) by three (3) courses and distances as follows:

(1) North fifty-eight (58) degrees ten (10) minutes and forty-three (43) seconds West one hundred forty-seven and sixty-six hundredths (147.66) feet to a corner;

(2) North forty-five (45) degrees thirty-nine (39) minutes and forty-three (43) seconds West forty and ten hundredths (40.10) feet to a corner; and

(3) South forty-nine (49) degrees twenty (20) minutes and seventeen (17) seconds West eight and forty-seven hundredths (8.47) feet to a corner;

Thence along the line of lands now or formerly of Howell and Anns, being also along Lots Numbers One (1), Three (3) and Four (4), South six (6) degrees forty-nine (49) minutes and fifty-six (56) seconds East four hundred twenty-three and twenty-nine hundredths (423.29) feet to a corner;

PART III - RULES AND REGULATIONS (continued)Section C - Discontinuance, Termination, and Restoration of Service (continued)

3. Turn-on Charge: Whenever service is discontinued or terminated pursuant to subsections C.1. or C.2. of this Part II, service shall be turned on by the Company only upon the payment by the customer of a charge of \$35.00 and the curing of the problem that gave rise to the termination if under subsection C.2.

Section D - Billing and Collections

1. Frequency: The Company will bill each customer within fifteen (15) days of the last day of each billing period.
2. Billing Due Date: The due date for payment of a bill for other than residential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment should fall on a Saturday, Sunday or bank holiday when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. For remittance of a bill for residential service by mail, the payment shall be deemed to have been made on the date of the postmark, or the Company may grant a five (5) day grace period for receipt after the due date.
3. Late Payment Charge: All amounts not paid when due shall accrue a late payment charge at the rate not to exceed one hundred and fifty-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in subsection E, Rule 2.
4. Change in Billing Address: Where the customer changes billing address and fails to notify the Company, the customer shall remain liable to remit payment by the payment date.
5. Separate Checks: Payment made by check to the Company shall not include any payments to other affiliated utilities or corporations. Failure to provide a separate check will result in the return of the check to the customer as if no payment had been made.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section D - Billing and Collections (continued)

6. Return Check Charges: The customer will be responsible for the payment of a charge of twenty dollars (\$20.00) per incident where a check which has been presented to the Company for payment of any bill is returned by the bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any and all charges assessed by the bank.
7. Disputed Bills: In the event of a dispute between the customer and the Company respecting any bill, the Company promptly will make such investigation as may be required by the particular case and report the result to the customer. When the Company has made such a report to the customer sustaining the bill as rendered, the customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the customer.

Section E - Deposits1. Residential Customers

- a) New Applicants - the Company will provide new service without requiring a deposit unless the Applicant was terminated for nonpayment in the last twelve (12) months or has an unpaid balance from prior service with the Company. The amount of the deposit will not be greater than an estimated average bill plus one month.
- b) Existing Customers - If a customer has paid late on two (2) consecutive occasions or three (3) times in a 12-month period, the Company may send a letter informing the customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing customer may be required to pay a deposit as a condition to having service restored after termination for non-payment or for failure to comply with a payment agreement. The amount of deposit will not be more than one average bill plus one month.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section F - Water Main Extensions

1. The following words and phrases, when used in the Main Extension provisions of this tariff, shall have the meanings assigned below unless the context clearly indicates otherwise:
  - a. Annual Line Extension Costs: The sum of the Company's additional annual operating and maintenance costs, debt costs and depreciation charges associated with the construction, operation and maintenance of the line extension.
  - b. Annual Revenue: The Company's expected additional annual revenue from the line extension based on the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the bona fide service applicant.
  - c. Bona Fide Service Applicant: A person or entity applying for water service to an existing or proposed structure within the Company's certificated service territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:
    - i. the applicant is requesting water service to a building lot, subdivision or a secondary residence;
    - ii. the request for service is part of a plan for the development of a residential dwelling or subdivision; or
    - iii. the applicant is requesting special utility service.
  - d. Debt Costs: The Company's additional annual cost of debt associated with financing the line extension investment based on the current debt ratio and weighted long-term debt cost rate for the Company or that of a comparable jurisdictional water utility.
  - e. Depreciation Charges: The Company's additional annual depreciation charges associated with the specific line extension investment to be made based on the current depreciation accrual rates for the Company or that of a comparable jurisdictional water utility.

PART III - RULES AND REGULATIONS (continued)

Section F - Water Main Extensions (continued)

- f. Line Extension: An addition to the Company's main line which is necessary to serve the premises of a customer.
- g. Operating and Maintenance Costs: The Company's average annual operating and maintenance costs associated with serving an additional customer, including customer accounting, billing, collections, water purchased, power purchased, chemicals, and other variable costs based on the current total Company level of such costs, as well as costs particular to the specific needs of that customer, such as line flushing.
- h. Public Utility: Persons or corporations owning or operating equipment or facilities in this Commonwealth for diverting, developing, pumping, impounding, distributing or furnishing water to or for the public for compensation.
- i. Short-Term Supply Shortage: An emergency which causes the total water supply of the Company to be inadequate to meet maximum system demand.
- j. Special Utility Service: Residential or business service which exceeds that required for ordinary residential purposes. See additional clarification in Rule 12.3.d. of this tariff.

2. Line Extensions:

Whenever a developer, owner or occupant of a property within the Company's service territory requests the Company to extend service to such property, the Company will extend service under the following conditions:

Requests by Bona Fide Service Applicant:

- a. The Company will extend existing distribution mains for any bona fide service applicant making application for water service from the Company for a period of one (1) year or more under these Rules and Regulations. Such extensions will be made subject to the provisions set forth below.

PART III - RULES AND REGULATIONS (continued)

Section F - Water Main Extensions (continued)

- b. Upon request by a bona fide service applicant, the Company shall construct line extensions within its franchised service territory consistent with the following directives.
  - i. Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.
  - ii. If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to the Company's cost of construction for the line extension. The Company's investment for the line extension shall be the portion of the total construction costs which generate annual line extension costs equal to annual revenue from the line extension. The customer advance amount shall be determined by subtracting the Company's investment for the line extension from the total construction costs.
  - iii. The Company's investment for the line extension shall be based on the following formula, where X equals the Company's investment attributed to each bona fide service applicant:

$$X = [AR - OM] \text{ divided by } [I + D]$$

$$AR = \text{the Company's annual revenue}$$

$$OM = \text{the Company's operating and maintenance costs}$$

$$I = \text{the Company's current debt ratio multiplied by the Company's weighted long-term debt cost rate}$$

$$D = \text{the Company's current depreciation accrual rate}$$

PART III - RULES AND REGULATIONS (continued)Section F - Water Main Extensions (continued)3. Customer Advance Financing, Refunds and Facilities on Private Property:

- a. When a customer advance is required of a bona fide service applicant and an additional customer or customers attach service lines to the line extension within ten (10) years, the Company shall refund a portion of the advance to the customer. Deposits made for additional facilities other than the line extension, such as booster pumps, storage tanks and the like, are contributions in aid of construction and need not be refunded.
- b. The Company will refund to the original bona fide service applicant, during a period of ten (10) years from the date of the extension deposit, a per-customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension, as distinguished from extensions or branches thereof. Provided, however, that the total amount refunded shall not exceed the original deposit, without interest, and provided that all or any part of the deposit not refunded within said ten (10) year period shall become the property of the Company and shall be treated as contributions in aid of construction for ratemaking purposes. The per customer refund amount shall equal the Company's investment attributed to each bona fide service applicant as calculated in the formula contained in Section F.2.b.iii. of this tariff.
- c. The Company shall require a customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.
- d. "Special Utility Service" shall mean residential or business service which exceeds that required for ordinary residential purposes. Section F.2. of this tariff does not apply to special utility service. By way of illustration and not limitation, special utility service shall include: the installation of facilities such as oversized mains, booster pumps and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria, or service to large water consuming commercial and industrial facilities. An otherwise bona fide service applicant requesting service which includes a "special utility service" component is entitled to bona fide applicant status, including the corresponding Company contribution toward the costs of the line extension which do not meet the special utility service criteria.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section F - Water Main Extensions (continued)4. Requirement for Extension Deposit Agreement:

Where extension of facilities is not fully funded by the Company pursuant to the provisions of this tariff, the execution by the applicant of an Extension Deposit Agreement for customer contribution or advance shall be a condition of extending the facilities. Upon notice that the Company is prepared and able to go forward with the work, the applicant will deposit with the Company the amount specified in the Extension Deposit Agreement.

5. Size of Line: The Company shall have the exclusive right to determine the type and size of lines to be installed and the other facilities required to render adequate service, and to promote the orderly expansion of its system based upon sound engineering principles, judgment, and planning. The Company shall reserve the right to require the installation of main no smaller than eight (8) inches in diameter, and any other facilities required to provide adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate. The minimum pipe size for main extensions will be six (6) inches, pursuant to Commission regulation at 52 Pa. Code §65.17(b).

6. Length of Extension: In determining the necessary length of and necessity for any extension required by this tariff, the terminal point of such extension shall, in all cases, be at that point in the curb line which is equidistant from the side property lines of the last lot for which water service is requested, except where it may be necessary to extend beyond the last lot and connect to an existing main to provide for more adequate and reliable water service. A Company service connection will be provided only for customer service lines from the curb to the premises to be served, and that extend at right angles from the curb line in a straight line to the premises to be served.

PART III - RULES AND REGULATIONS (continued)

Section F - Water Main Extensions (continued)

Should it be necessary, in the Company's sole opinion, to extend beyond the last lot in any street to connect to an existing main to provide more adequate and reasonable service, this additional extension shall be considered part of the total and orderly system development whenever the last lot in the street is not more than one hundred fifty (150) feet from that existing main, and may be included in the cost of the extension.

7. Cost True-Up: At the conclusion of the line extension project, there shall be a reconciliation of the actual costs incurred to the amount of the extension deposit that has been paid by the customer. If the actual cost exceeds the deposit, the applicant shall be responsible for payment to the Company of the difference. If the deposit exceeds the actual cost, the Company shall refund the difference.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section G - Fire Protection Service

1. Private Company Fire Service: Where private fire service connections are made to the Company's system, the Company shall have the right to approve the plans for such installation, prior to approval of the application. The Company shall make any connection to the distribution system that is required, and the customer shall pay the Company the actual cost for making such connections. The Company shall have the right to require a compound type meter for installation in the private fire line, if deemed necessary. Waiver of the requirement for installation of a meter at the time the connection is made shall not prohibit the Company from requiring a meter installation at a future date, if such installation is warranted in the opinion of the Company. Any meter required will be supplied and installed by the Company with the cost for the meter, together with labor and materials for installation, to be borne by the customer. Where a private fire connection is approved by the Company, no other connection, for domestic, commercial or industrial use, shall be made to the fire connection line, unless a compound type meter is installed between the Company's main and the connection for such line.
2. Public Fire Protection: Public fire protection will be available when hydrants are installed and when the political subdivision in which the service will be provided applies to the Company for that service.
3. Use of Fire Hydrants: All persons are forbidden to open any fire hydrant or to use any water therefrom for sprinkling streets, for building or any purpose without permission in writing from the Company, under the penalty prescribed by law, except in case of fire, and by fire companies to test hydrants. Such tests shall be made directly under the supervision of an authorized agent of the Company.
4. Installation of Fire Hydrants: The Company shall approve installation of fire hydrants. All fire hydrants shall be located by the Company, due consideration being given to local fire fighting authorities and requirements of insurance underwriters. Developers and prospective customers shall be responsible for all costs of purchase and installation of fire hydrants in the same manner as installation of water main extensions. The hydrants will be installed by the Company and shall be the property of the Company.
5. Conditions: Water from fire hydrants shall not be used for purposes other than fire fighting without the Company's permission in writing.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section H - Service Continuity

1. Regularity of Services: The Company may, at any time, shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for other reasons. The Company will, so far as circumstances permit, notify customers to be affected by any interruptions in the service.
  
2. Liability for Damages:
  - a) The Company's liability for any loss or damage from any excess or deficiency in the pressure, volume, or supply of water, due to any cause other than willful misconduct or negligence by the Company, its agents, or employees, shall be limited to an amount not more than the customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur.
  
  - b) The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its' agents, or employees.

Section I - Waivers

The Company may, in its sole discretion, waive any of the Rules or Regulations contained herein that operate for the benefit of the Company, provided that no such waiver will be valid unless in writing and signed by the Company, and provided that no violation of the Public Utility Code, the regulations of the Public Utility Commission, or any other applicable statute, law, or regulation.

Section J - Amendment of Tariff

Whenever Title 52 of the Pennsylvania Code is amended in such a way as would produce a difference between it and this tariff, this tariff is deemed to be amended to be consistent with the amendments to Title 52, except that, if application of the amendment of Title 52 is discretionary, this tariff will remain unchanged.

ISSUED:

EFFECTIVE:

PART IV: WATER CONSERVATION CONTINGENCY PLAN

1. If the Company is experiencing a short term supply storage, the Company may request general conservation of inside water uses and may impose mandatory conservation measures to reduce or eliminate nonessential uses of water.
2. A list of all nonessential uses of water includes, at a minimum, those contained in 52 Pa. Code §65.11, as listed below:
  - a) The use of hoses, sprinklers, or other means for sprinkling or watering shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or any other vegetation.
  - b) The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
  - c) The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
  - d) The operation of any ornamental fountain or other structures making a similar use of water.
  - e) The use of water for filling swimming or wading pools.
  - f) The operation of any water-cooled comfort air conditioning which does not have water conserving equipment.
  - g) The use of water from fire hydrants for construction purposes or fire drills.
  - h) The use of water to flush a sewer line or sewer manhole.
  - i) The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.
3. Notice of the implementation of the conservation plan shall be sent to all customers or be provided by local radio, television, or newspaper advertisement. The Company shall at first request voluntary customer cooperation.
4. If voluntary cooperation does not achieve satisfactory results, mandatory compliance will be imposed. If any customer refuses to comply with such mandatory measures, the Company may either adjust the outside water valve connection in a manner which will restrict water flow by up to one-half, or otherwise restrict flow such as by the insertion of a plug device.

ISSUED:

EFFECTIVE:

PART IV: WATER CONSERVATION CONTINGENCY PLAN (continued)

Note: Prior to such valve adjustment or other flow restriction being imposed, the Company must make a bona fide attempt to deliver notice of the valve adjustment or other flow restriction to a responsible person at the affected premises and fully explain the reason for the proposed flow restriction. Less restrictive means may be imposed to secure such compliance.

5. These conservation measures shall be terminated at such time as the supply shortage is eliminated.
6. Complete service termination may be imposed by an Administrative Law Judge or other presiding officer after an expedited hearing has been held to provide the affected customer with an opportunity to be heard.
7. In addition to the provisions as set forth above, the Pennsylvania Emergency Management Agency is authorized to promulgate, adopt and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa. C.S. §1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.
8. In the event of a drought emergency as defined by a Basin Commission and by a proclamation or executive order issued by the Governor, the Company is authorized to collect fines set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.

ISSUED:

EFFECTIVE:

# APPENDIX B

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Honorable Richard M. Lovenwirth  
Administrative Law Judge

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Application Of Lakeside Water Systems, Inc. For Approval To Continue To Supply Water Service In Pennsylvania	:	Docket No. A-210069
	:	
	:	
Application Of Edwin, Inc. For Approval To Continue To Supply Sewer Service In Pennsylvania	:	Docket No. A-230061
	:	
	:	
Pennsylvania Public Utility Commission v.	:	Docket No. M-00970896
Edwin, Inc., Lakeside Water Company, Lakeside Water Systems, Inc., Lakeside Watersedge, Inc., Gawron Enterprises, Lake Resort, L.P., Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron And Mark G. Gawron	:	
	:	
	:	
Law Bureau Prosecutory Staff v.	:	Docket No. C-00970189
Edwin, Inc., Lakeside Water Company, Lakeside Watersedge, Inc., Lakeside Water Systems, Inc., Gawron Enterprises And Lake Resort, L.P., Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron And Mark G. Gawron	:	
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	:	
Law Bureau Prosecutory Staff v.	:	Docket No. C-00970618
Edwin, Inc., Lakeside Water Company, Lakeside Watersedge, Inc., Lakeside Water Systems, Inc., Gawron Enterprises and Lake Resort, L.P., Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron, Mark G. Gawron, Louis DeNaples, Peter Sabia And Joseph Gentile	:	
	:	
	:	

Edwin, Inc.

Tariff Wastewater - Pa. P.U.C. No. 1

EDWIN, INC.  
RATES, RULES AND REGULATIONS GOVERNING  
THE PROVISION OF WASTEWATER SERVICE  
TO THE PUBLIC IN A PORTION OF  
PALMYRA TOWNSHIP, PIKE COUNTY

BY: Mark G. Gawron  
Edwin, Inc.  
PO Box 268  
Newfoundland, PA 18445

ISSUED:

EFFECTIVE:

LIST OF CHANGES

This is the Initial Tariff filed by the Company

ISSUED:

EFFECTIVE:

TABLE OF CONTENTS

	Page No.
Title Page	1
List of Changes	2
Table of Contents	3
<u>Part I</u>	
Rates	4
<u>Part II</u>	
Definitions	5-6
<u>Part III</u>	
Rules and Regulations	
Section A - Applications for Service	7
Section B - Construction and Maintenance of Facilities	8
Section C - Discontinuance, Termination, and Restoration of Service	9-10
Section D - Billing and Collections	10-11
Section E - Deposits	12
Section F - Wastewater Extensions	13-14
Section G -Service Continuity	15
Section H - Waivers	15
Section I - Amendment of Tariff	15

ISSUED:

EFFECTIVE:

PART I - RATES

SCHEDULE OF RATES AND CHARGES

Section A. Consumption Rates

The schedule of rates is as follows:

1. Residential Customers:

Applicability: This rate shall apply to each single-family residential dwelling that is not located within a mobile home park (as defined below in connection with "Mobile Home Park Customers").

Rate: Unmetered Flat Rate of \$20.00 per month.

2. Mobile Home Park Customers:

Applicability: This rate shall apply to multi-tenant, mobile home parks with more than six (6) buildings that are used as residential dwellings.

Rate: Unmetered Flat Rate of \$11.00 per unit connected to the wastewater collection system.

3. Commercial Customers:

Applicability: This rate shall apply to the Lakeside Hotel, Lakeside Resort Restaurant and Spirits, Lakeside Marina and Lakeside Timeshares, Inc.

Rate: Unmetered Flat Rate of \$550.00 per month.

Section B. Construction Rates

The flat rate charge for unmetered building construction purposes shall be \$99.00 per quarter annum for residential construction, per unit under construction, until construction is completed, unless metered.

ISSUED:

EFFECTIVE:

PART II - DEFINITIONS

Unless the context clearly indicates otherwise, the following words and phrases shall have the meaning assigned below whenever they are used throughout this tariff:

1. Applicant: a person who applies to become a customer of the Company in accordance with Part II, Section A of this tariff.
2. Nonresidential Service: utility service supplied to a commercial or industrial building, including a hotel or motel.
3. Company: Edwin, Inc.
4. Company Service Line: the connection from the collections facilities or pipeline extensions of the Company which connects any main with the inlet connection of the customer service line at the hypothetical or actual curb line or the actual property line, including the control valve and valve box. The control valve and valve box determine the terminal point for the Company's responsibility for the street service connection.
5. Cross-Connection: any pipe, valve, other physical connection, or other arrangement or device connecting the pipelines or facilities of the Company, to and with pipes and fixtures by which any contamination might be admitted or drawn into the collection system of the Company from lines other than the Company's.
6. Customer: a person who is an owner or occupant and who (a) contracts with the Company for wastewater service, or (b) takes or receives wastewater service without a contract.
7. Customer Service Line: the service line extending from the end of the Company service line or connection to the point of collection, or the customer's premise
8. Person: any natural or fictitious person, including, but not limited to, associations, partnerships, corporations, municipalities, authorities, counties, and the state or federal governments.

ISSUED:

EFFECTIVE:

PART II - DEFINITIONS (continued)

9. Property: a residence, commercial establishment, or other facility, or lot or other parcel of land to which wastewater service is provided or for which the Company has installed a Company service line.
10. Residential Service: utility service supplied to a residential dwelling. Utility service provided to a hotel or motel or a mobile home park, will not be considered to be residential service.
11. Tariff: the service rates, rules and regulations issued by the Company, and any supplements or revisions thereto approved by the Pennsylvania Public Utility Commission.

ISSUED:

EFFECTIVE:

PALMYRA TOWNSHIP'S  
STATEMENT IN SUPPORT OF SETTLEMENT PETITION

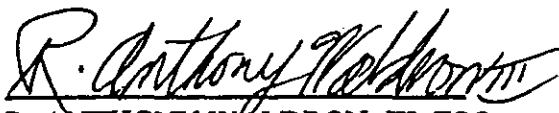
Palmyra Township, Pike County, PA ("Township") joins in this Settlement Petition and files this Statement in Support of the Petition for the following reasons:

- a) Palmyra Township, Pike County is the municipality where the service areas and facilities for both Lakeside and Edwin are located;
- b) Township filed a Petition to Intervene in the Spring of 1997 with the PUC with respect to both applications for two reasons:
  - i) due to numerous complaints it received from customers regarding the water service being provided by Lakeside; and
  - ii) concern for the operation of the STP operated by Edwin which discharges effluent into Lake Wallenpaupack and for which Township is responsible under the PA Sewage Facilities Act (35 P.S. Section 750.1 et seq.)
- c) Township was concerned that adequate water service would be provided to customers of Lakeside and that both the water distribution system and the sewage collection and treatment system would be properly operated and maintained.
- d) Township is satisfied that the Settlement set forth in this Petition adequately addresses its concerns, specifically:
  - i) the requirement of regular supervision by a certified operator or operators of both systems while Gawron's employees obtain their certifications.
  - ii) the provision for customer complaints being properly addressed.
  - iii) more information being provided to the Township as to operations.
  - iv) the upgrade of the water system which has recently been completed by Lakeside.
  - v) all parties having financial interests made reasonable compromises to settle their disputes and avoid further litigation and expense by all parties.

For these reasons, the Township is in support of this Petition for Settlement.

Respectfully submitted,

Date: 2/19/99

  
R. ANTHONY WALDRON, III, ESQ.  
Palmyra Township Solicitor

PART III - RULES AND REGULATIONSSection A - Application for Service

1. General Rule: All applications for service must be in the form provided by the Company and signed by the owner or owners of the property to which wastewater service can or will be provided; except that, where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, a lessee may make an application for service in his, her or its name. The Company may also, at its sole discretion, require that a separate contract for service be signed by the Applicant.
2. Change in Ownership or Tenancy: A new application must be made to the Company upon any change in ownership where the owner of the property is the customer, or upon any change in the identity of a lessee where a lessee of the property is the customer. The Company shall have the right to discontinue or otherwise interrupt wastewater service, upon three (3) days' notice, if a new application has not been made and approved for the new customer.
3. Acceptance of Application: An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the Applicant pending review and acceptance of the application.
4. Application Forms: Application forms can be obtained at the Company's home office, presently located at PO Box 268, Newfoundland, PA 18445.
5. Temporary Service: In the case of temporary service for short-term use, the Company may require the customer to pay all costs of making the service connection and removing the material after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. However, if the material is removed, the customer shall be credited with the reasonable salvage which the Company will receive on discontinuance of service.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section B - Construction and Maintenance of Facilities

1. Customer Service Line: The Company reserves the right to determine the size, kind, and depth of customer service lines. The customer service line shall be furnished, installed, maintained, an/or replaced, when necessary, by and at the sole expense of the customer.
2. Separate Trench: The customer service line shall not be laid in the same trench with a water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service, or within three (3) feet of any open excavation or walk, unless a written exception is granted by the Company.
3. Customer's Responsibilities: All service lines, connections, and fixtures furnished by the customer shall be maintained by the customer in good working order. All valves and appliances furnished by the Company and on the property owned or leased by the customer shall be protected properly by customer. All leaks in the customer service line or any pipe or fixture, in or upon the property supplied, must be repaired immediately by the customer.
4. Right to Reject: The Company may refuse to connect with any piping system or collect wastewater through a service already connected if such system/service is not properly installed or maintained.
5. Cross-Connections: No cross-connection shall be installed or continued except upon terms and conditions established in writing by the Company. A cross-connection may be considered to be eliminated if a method of backflow prevention is approved by the Company in writing.
6. Individual Service Lines for Residential Customers: Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company's collection main, and that service line shall not serve any other customer or premise. No additional attachment may be made to any customer's service line for any purpose without the express approval of the Company.

The Company will make all connections to its' mains and will furnish, install and maintain all service lines from the main to and including the curb stop and box. All such connections shall be property of the Company and shall be accessible to and under its control. No attachment shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section C - Discontinuance, Termination, and Restoration of Service

1. Discontinuance by Customer: Where a customer requests the Company to discontinue service, the following rules shall apply:
  - a) A Customer who wishes to have service discontinued shall give at least three (3) days' notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the customer's intent to discontinue service. The customer discontinuing service retains his status as a former customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.
  - b) Where a customer requests turn-on of service within six (6) months of disconnection, the customer shall be subject to monthly minimum billing for the period of disconnection.
  
2. Termination by Company: Service to the customer may be terminated for good cause, including but not limited to, the following:
  - a) for making an application for service that contains material misrepresentations;
  - b) for tampering with any service line or installing or maintaining cross-connections or any unauthorized connection;
  - c) for theft of service, which shall include taking service without having made a proper application for service under Part II, Section A;
  - d) for failure to pay, when due, any charges accruing under this tariff;
  - e) for receipt by the Company of an order or notice from the Department of Environmental Protection, health authorities, plumbing inspectors, or another similar agency to terminate service to the property on the grounds of violation of any federal, state or local law, or local ordinance, or upon notice to the Company from any such agency that it has ordered an existing violation on the property to be terminated and that such order has not been complied with; or
  - f) for violation of any of the provisions of this tariff not specified above.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)

Section C - Discontinuance, Termination, and Restoration of Service (continued)

3. Turn-on Charge: Whenever service is discontinued or terminated pursuant to subsections C.1. or C.2. of this Part II, service shall be turned on by the Company only upon the payment by the customer of a charge of \$35.00 and the curing of the problem that gave rise to the termination if under subsection C.2.

Section D - Billing and Collections

1. Frequency: The Company will bill each Customer within fifteen (15) days of the last day of each billing period.
2. Billing Due Date: The due date for payment of a bill for other than residential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment should fall on a Saturday, Sunday or bank holiday when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. For remittance of a bill for residential service by mail, the payment shall be deemed to have been made on the date of the postmark, or the Company may grant a five (5) day grace period for receipt after the due date.
3. Late Payment Charge: All amounts not paid when due shall accrue a late payment charge at the rate not to exceed one hundred and fifty-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in subsection E, Rule 2.
4. Chance in Billing Address: Where the customer changes billing address and fails to notify the Company, the customer shall remain liable to remit payment by the payment date.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section D - Billing and Collections (continued)

5. Separate Checks: Payment made by check to the Company shall not include any payments to other affiliated utilities or corporations. Failure to provide a separate check will result in the return of the check to the customer as if no payment had been made.
6. Return Check Charges: The customer will be responsible for the payment of a charge of twenty dollars (\$20.00) per incident where a check which has been presented to the Company for payment of any bill is returned by the bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any and all charges assessed by the bank.
7. Disputed Bills: In the event of a dispute between the customer and the Company respecting any bill, the Company promptly will make such investigation as may be required by the particular case and report the result to the customer. When the Company has made such a report to the customer sustaining the bill as rendered, the Customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the customer.

ISSUED:

EFFECTIVE:

PART III - RULES AND REGULATIONS (continued)Section E - Deposits1. Residential Customers

- a) New Applicants - The Company will provide new service without requiring a deposit unless the Applicant was terminated for nonpayment in the last twelve (12) months or has an unpaid balance from prior service with the Company. The amount of the deposit will not be greater than an estimated average bill plus one month.
- b) Existing Customers - If a Customer has paid late on two (2) consecutive occasions or three (3) times in a 12-month period, the Company may send a letter informing the Customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing Customer may be required to pay a deposit as a condition to having service restored after termination for non-payment or for failure to comply with a payment agreement. The amount of deposit will not be more than one average bill plus one month.
- c) Refunds and Interest - A deposit will be refunded if service is discontinued and the final bill is paid or if the Customer has paid the bills for the past year on time without having been late on more than two occasions or late two consecutive times and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one year Treasury Bills for September, October and November of the previous year payable annually without deductions for taxes thereon unless otherwise required by law. The interest rate shall become effective on the effective date of this tariff; and on January 1 of each year thereafter.

2. Nonresidential Customers

- a) New Customer - A deposit may be required from any new Applicant who does not have prior satisfactory credit history with the Company. The amount of deposit will not be more than one average bill plus one month.
- b) Refunds and Interest - A deposit will be refunded if the Customer pays all bills on time over a twelve month period or service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

ISSUED:

EFFECTIVE:

Thence along the lands of Donald Nelson and others (being also along Lots Numbers Four (4), Five (5), Nine (9) and Ten (10), South forty-one (41) degrees twenty-eight (28) minutes and two (02) seconds East seven hundred twenty-two and seventy-two hundredths (722.72) feet to the place of BEGINNING.

CONTAINING twenty-one and eighty-three hundredths (21.83) acres of land, more or less, as surveyed by Harry F. Schoengel, Registered Professional Surveyor, February 18, 1986; all bearings as of the magnetic meridian.

BEING part of Parcel VIII described in the Sheriff's Deed.

EXCLUDING from TRACT NO. 2 all lots on the Plot of the Subdivision known as White Beauty View Estates, by Harry F. Schoengel, Registered Surveyor, recorded in Pike County in Plat Book 8, at page 55, heretofore conveyed by White Beauty View, Inc. to various grantees, being designated and identified by Deed Book and page references as follows:

<u>Lot Number</u>	<u>Deed Book</u>	<u>Page</u>
2	453	257
4	642	247
5	556	5
6	835	324
7	835	319
9	528	342
10	542	23
11	573	243
12	568	197
13	561	274
15	545	197
16	528	269
17	702	166
20	581	118
21	528	252
22	573	254
23	598	87

EXCLUDING, also, from TRACT NO. 2 Lot Number 19 which SAMCO MANAGEMENT INC. conveyed to Joseph T. Ruffalo and Louise Ruffalo, his wife, by a Deed dated June 4, 1987 and recorded in Pike County in Deed Book 1136, at page 89.

#### TRACT NO. 3

All that certain place or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 3 on the survey map prepared by Harry F. Schoengel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded, and more particularly bounded and described as follows:

BEGINNING at Pennsylvania Power & Light Company monument Number 158, being also in the line of lands of Tanglewood Lakes, Inc.;

Thence along the lands of Tanglewood Lakes, Inc. South seven (07) degrees four (04) minutes and fifty-three (53) seconds West five hundred thirty-nine and forty-six hundredths (539.46) feet to the Northeasterly corner of Parcel 31 on the Survey Map;

Thence along Parcel 31 by two (2) courses and distances as follows:

(1) North eighty-two (82) degrees thirty-nine (39) minutes and fifty-three (53) seconds West two hundred (200.00) feet to a corner; and

(2) South seven (07) degrees twenty (20) minutes and seven (07) seconds West three hundred sixty-five (365.00) feet to a corner in the line of lands of Sky Top Heights, Inc.;

Thence along the line of lands of Sky Top Heights, Inc. by three (3) courses and distances as follows:

(1) North eight-two (82) degrees thirty-nine (39) minutes and fifty-three (53) seconds West twenty (20.00) feet to a corner;

(2) North seven (07) degrees twenty (20) minutes and seven (07) seconds East one hundred eight and four hundredths (108.04) feet to a corner; and

(3) North seventy-one (71) degrees fifty-six (56) minutes and fifty-three (53) seconds West twenty and thirty-five hundredths (20.35) feet to the Southeasterly corner of Parcel Thirty-two (32) on the Survey Map;

Thence along said Parcel Thirty-two (32) North seven (07) degrees twenty (20) minutes and thirteen (13) seconds East two hundred eighty-six and ten hundredths (286.10) feet to a corner in the center of Pennsylvania Traffic Route 507;

Thence along the centerline of Traffic Route 507, along Parcels 32, 33, and 34 on the Survey Map, and then along TRACT NO. 6, by two (2) courses and distances as follows:

(1) North eighty-two (82) degrees thirty-nine (39) minutes and fifty-three (53) seconds West three hundred ninety-eight and thirty-eight hundredths (398.38) feet to a point; and

(2) North eighty-three (83) degrees forty-six (46) minutes and forty-eight (48) seconds West three hundred forty-eight and seventy-nine hundredths (348.79) feet to a corner;

Thence still along TRACT NO. 6 North seventy-one (71) degrees fifty-three (53) minutes and twenty (20) seconds West forty and seventy-three hundredths (40.73) feet to a point in the right-of-way at the Southeasterly corner of Parcel 7-2 on the Survey Map;

Thence along Parcel 7-2 North five (05) degrees ten (10) minutes and twenty-three (23) seconds East seventy-five and seventy hundredths (75.70) feet to the Southeasterly corner of the lands of Emerson Neifert;

Thence along the lands of Emerson Neifert by three (3) courses and distances as follows:

(1) North eleven (11) degrees forty-two (42) minutes and forty-four (44) seconds East one hundred twenty-one and seventy hundredths (121.70) feet to a corner;

(2) South eighty-nine (89) degrees ten (10) minutes and forty (40) seconds West nineteen and eighty hundredths (19.80) feet to a corner; and

(3) North nine (09) degrees seventeen (17) minutes and five (05) seconds West nineteen and forty-one hundredths (19.41) feet to a corner in the line of lands of the Pennsylvania Power & Light Company (sometimes called the Project Line);

Thence along the said Pennsylvania Power & Light Company by four (4) courses and distances as follows:

(1) North sixty-four (64) degrees twenty-five (25) minutes and fifty-one (51) seconds East four hundred sixty-five and eighty hundredths (465.80) feet to Pennsylvania Power & Light Company Monument Number 161;

(2) South seven (07) degrees thirty-three (33) minutes and forty-seven (47) seconds West sixty-nine and twenty hundredths (69.20) feet to Pennsylvania Power & Light Company Monument Number 160;

(3) North seventy-eight (78) degrees forty-seven (47) minutes and fifty-one (51) seconds East three hundred fifty-two and ninety-three hundredths (352.93) feet to Pennsylvania Power & Light Company Monument Number 159; and

(4) South eighty-two (82) degrees six (06) minutes and eight (08) seconds East eight and sixty-eight hundredths (8.68) feet to the Northwesterly corner of Parcel 2 on the Survey Map;

Thence along Parcel 2 by three (3) courses and distances as follows:

(1) South six (06) degrees forty-nine (49) minutes and thirty-four (34) seconds West fifty-eight and seventy hundredths (58.70) feet to a corner;

(2) South eighty-three (83) degrees ten (10) minutes and twenty-six (26) seconds East fifty (50.00) feet to a corner; and

(3) North six (06) degrees forty-nine (49) minutes and thirty-eight (38) seconds East fifty-seven and seventy-six hundredths feet to a corner in the line of lands of the Pennsylvania Power & Light Company;

Thence along the lands of Pennsylvania Power & Light Company South eighty-two (82) degrees six (06) minutes and eight (08) seconds East ninety-nine and thirty-nine hundredths (99.39) feet to the Northwesterly corner of Parcel 1 on the Survey Map;

Thence along Parcel No. 1 by three (3) courses and distances as follows:

(1) South six (06) degrees forty-nine (49) minutes and thirty-four (34) seconds West fifty-five and ninety-seven hundredths (55.97) feet to a corner;

(2) South eighty-three (83) degrees ten (10) minutes and forty-five (45) seconds East fifty (50.00) feet to a corner; and

(3) North six (06) degrees forty-nine (49) minutes and thirty-four (34) seconds East fifty-five and three hundredths (55.03) feet to a corner in the line of lands of the Pennsylvania Power & Light Company; and

Thence along the lands of Pennsylvania Power & Light Company South eighty-two (82) degrees six (06) minutes and eight (08) seconds East one hundred nine and ninety-five hundredths (109.95) feet to the place of BEGINNING.

CONTAINING ten and fifty-four hundredths (10.54) acres of land, more or less, as surveyed by Harry F. Schoenagel, Registered Professional Surveyor, February 18, 1986, all bearings as of the magnetic meridian.

COMPRISING parts of Parcel V, Parcel VII, and Parcel VIII as described in the Sheriff's Deed.

EXCLUDING from the foregoing TRACT NO. 3 the parcel of land which Guccini, Inc. conveyed to Otto Uguccioni and Christine Uguccioni, his wife, by a Deed dated December 1, 1956 and recorded in Pike County in Deed Book 135, at page 134, being ninety (90.00) feet in width along the centerline of Pennsylvania Traffic Route 507 and extending Northerly of that width a depth of one hundred ten (110.00) feet, being designated as Parcel 4 on the Survey Map.

SUBJECT to the flowage easement granted by Baldo Guccini and Edith Guccini, his wife (former owners) to Pennsylvania Power & Light Company by an Agreement dated February 2, 1954 and recorded in Pike County in Deed Book 122, at page 109.

#### TRACT NO. 4

All that certain piece or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 4 on the survey map prepared by Harry F. Schoenagel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded; and more particularly bounded and described as follows:

BEGINNING at Pennsylvania Power & Light Company Monument Number

Thence along the lands of the Pennsylvania Power & Light Company by two (2) courses and distances as follows:

(1) North seven (07) degrees twenty-seven (27) minutes and thirty-eight (38) seconds East one hundred forty and five hundredths (140.05) feet to Pennsylvania Power & Light Company Monument Number 162; and

(2) North sixty-four (64) degrees twenty-five (25) minutes and fifty-one (51) seconds East two hundred eighty-seven and fifty hundredths (287.50) feet to a corner;

Thence along a twenty-five (25) foot wide right-of-way established by the Scranton Lackawanna Trust Company South eight (08) degrees and three (03) seconds West two hundred seventy-four and forty-three hundredths (274.43) feet to a corner in the center of Pennsylvania Traffic Route 507;

Thence along the centerline of Traffic Route 507 by two (2) courses and distances as follows:

(1) North thirty-five (35) degrees fifty-eight (58) minutes and fifty (50) seconds East forty-four and forty-five hundredths (44.45) feet to a corner; and

(2) North fifty-three (53) degrees twenty-nine (29) minutes and fifty (50) seconds East sixty and eighty-seven hundredths (60.87) feet to a corner;

Thence along Parcel 10 on the Survey Map South eight (08) degrees three (03) minutes and three (03) seconds West seventy-five and four hundredths (75.04) feet to a corner;

Thence along Parcel 36 on the Survey Map by three (3) courses and distances as follows:

(1) South eight (08) degrees three (03) minutes and twenty-seven (27) seconds West two hundred sixteen and twelve hundredths (216.12) feet to a corner;

(2) South sixty-four (64) zero (00) minutes and twenty-seven (27) seconds West one hundred eight (108.00) feet to a corner; and

(3) South thirty-six (36) degrees eleven (11) minutes and one (01) second West one hundred twenty-three and fifteen hundredths (123.15) feet to a corner;

Thence along Parcel 37 on the Survey Map by four (4) courses and distances as follows:

(1) North fifty-three (53) degrees thirty-three (33) minutes and fifty-nine (59) seconds West sixty-six (66.00) feet to a corner;

(2) South sixty-four (64) degrees thirty-six (36) minutes and one (01) second West thirteen (13.00) feet to a corner;

(3) North fifty-three (53) degrees thirty-three (33) minutes and fifty-nine (59) seconds West thirty-four and seventy hundredths (34.70) feet to a corner; and

(4) South thirty-eight (38) degrees fifty-nine (59) minutes and twenty-two (22) seconds West sixty-three and sixty hundredths (63.60) feet to a corner;

Thence along Parcel 37 and Parcel 38 on the Survey Map South thirty-six (36) degrees eleven (11) minutes and one (01) second West fifty-six and five hundredths (56.05) feet to a corner;

Thence crossing Pennsylvania Route Number 507 North fifty-three (53) degrees forty-eight (48) minutes and fifty-nine (59) seconds West twenty-one and forty-eight hundredths (21.48) feet to a corner of lands formerly of John Seckary;

Thence along the line of land formerly of John Seckary by two courses and distances as follows:

(1) North eight (08) degrees one (01) minute East forty-six and seventy hundredths (46.70) feet to a point; and

(2) North twenty-eight (28) degrees thirty (30) minutes West four hundred sixty-nine and eighty hundredths (469.80) feet to a corner in the line of lands of the Pennsylvania Power and Light Company;

Thence along the lands of the Pennsylvania Power and Light Company South seventy-eight (78) degrees thirty-eight (38) minutes and twenty-four (24) seconds East three-hundred three and twenty-five hundredths (303.25) feet to the place of BEGINNING.

CONTAINING four and seventy-four hundredths (4.74) acres of land, more or less, as surveyed by Harry. F. Schoenagel, Registered Professional Surveyor, February 18, 1986, all bearings as of one magnetic meridian.

COMPRISING Parcels I, II, III, and IV as described in the Sheriff's Deed.

EXCLUDING a small parcel of land conveyed by Joseph Benci and others (former owners) to Condy Boyle by a Deed dated November 18, 1939 and recorded in Pike County in Deed Book 97, at page 7, the major portion of which is now located within the right-of-way of Traffic Route 507, as shown on the Survey Map.

SUBJECT to the provisions of the original Deed for Parcel I relative to restrictions on use of the front portion on the former line of Traffic Route 507 for roadway purposes only, as set forth in a Deed from Scranton Lackawanna Trust Company to Josephine Benci and Ralph Iori dated March 27, 1940 and recorded in Pike County in Deed Book 95, at page 220, which strip of land is now almost entirely within the right-of-way of Traffic Route 507.

TRACT NO. 5

All that certain piece or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 5 on the survey map prepared by Harry F. Schoenagel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded, and more particularly bounded and described as follows:

BEGINNING at the Northwesterly corner of the lands of Emerson Neifert, said corner being located on the Project Line of the lands of Pennsylvania Power & Light Company;

Thence along the lands of Pennsylvania Power & Light Company South sixty-four (64) degrees twenty-five (25) minutes and fifty-one (51) seconds West sixty-six and forty-six hundredths (66.46) feet to a corner of Parcel 7-1 on the Survey Map;

Thence along Parcel 7-1 South seven (07) degrees thirty-four (34) minutes and nine (09) seconds East one hundred fifteen (115.00) feet to a corner of Parcel 7-2 on the Survey Map;

Thence along Parcel 7-2 North seventy-three (73) degrees forty-eight (48) minutes and fifty-one (51) seconds East sixty-four and sixty hundredths (64.60) feet to a corner of lands of Emerson Neifert; and

Thence along the lands of Emerson Neifert North seven (07) degrees fifty-two (52) minutes and twenty-two (22) seconds West one hundred twenty-five and eighty-six hundredths feet to the place of BEGINNING.

CONTAINING eighteen hundredths (0.18) of an acre of land, more or less, as surveyed by Harry F. Schoenagel, Registered Professional Surveyor, February 18, 1986, all bearings as of the magnetic meridian.

BEING part of Parcel V and Parcel VI described in the Sheriff's Deed.

TRACT NO. 6

All that certain piece or parcel of land situate in Palmyra Township, Pike County, Pennsylvania, designated as TRACT NO. 6 on the survey map prepared by Harry F. Schoenagel, Professional Land Surveyor, dated February 18, 1986 and entitled White Beauty View Resort (the "Survey Map"), intended to be recorded, and more particularly bounded and described as follows:

BEGINNING at the most Northerly corner of Lot Number One (1) on the Plot of the Subdivision known as White Beauty View Estates, recorded in Pike County in Plat Book 8, at page 55, said corner being located on the Southwesterly edge of the right-of-way of a forty foot (40.00) wide private road leading from Pennsylvania Traffic Route 507 to White Beauty View Estates;

Thence partially crossing the said private road North forty-nine (49) degrees twenty (20) minutes and seventeen (17) seconds East twenty (20.00) feet to a corner in its centerline;

Thence along the centerline of the said private road North thirty-nine (39) degrees twenty-one (21) minutes and two (02) seconds West forty-four and ninety-four hundredths (44.94) feet to a corner;

Thence continuing along the centerline of the said private road North thirty-nine (39) degrees twenty (20) minutes and fifty-five (55) seconds West eighty-nine hundredths (0.89) of a foot to a corner;

Thence along Parcel 46-2 on the Survey Map North six (06) degrees fifty-one (51) minutes and twenty (20) seconds West five hundred thirteen and seventy-seven hundredths (513.77) feet to a corner of lands of Bell Telephone Company;

Thence along the line of lands of Bell Telephone Company by three (3) courses and distances as follows:

(1) North seventy-three (73) degrees fifty-nine (59) minutes and twenty-seven (27) seconds East one and eighteen hundredths (1.18) feet to a corner;

(2) North eight (08) degrees five (05) minutes and three (03) seconds West fifty-four and seventy hundredths (54.70) feet to a point; and

(3) North six (06) degrees fifty-one (51) minutes and twenty (20) seconds West one hundred forty-eight and ninety-two hundredths (148.92) feet to a corner in the line of lands of Parcel 36;

Thence along Parcel 36 on the Survey Map by two courses and distances as follows:

(1) North eighty-three (83) degrees one (01) minute and twenty-six (26) seconds East two hundred eighty-six (286.00) feet to a corner; and

(2) North seven (07) degrees thirty-three (33) minutes and fifty-seven (57) seconds East five hundred eighty-three and thirty-five hundredths (583.35) hundredths feet to the Southeasterly corner of Parcel 10;

Thence along Parcel 10 North eight (08) degrees three (03) minutes and three (03) seconds East two hundred forty-four and thirty-seven hundredths (244.37) feet to the Southwest corner of Parcel 8 on the Survey Map;

Thence along Parcel 8 North seventy-one (71) degrees fifty-seven (57) minutes and thirty-eight (38) seconds East seventy-seven and ninety-six hundredths (77.96) hundredths feet to a corner of Parcel 7-1 on the Survey Map;

Thence along Parcel 7-1 North eighty-one (81) degrees fifty-six (56) minutes and twenty-nine (29) seconds East seventy-seven and twenty-four hundredths (77.24) hundredths feet to a corner of Parcel 7-2 on the Survey Map;

Thence along Parcel 7-2 South eighty-eight (88) degrees thirty-one (31) minutes and fifty-one (51) seconds East seventy-one and twenty hundredths (71.20) feet to a corner of TRACT NO. 3;

Thence along TRACT NO. 3 South seventy-one (71) degrees fifty-three (53) minutes and twenty (20) seconds East forty and seventy-three hundredths (40.73) feet to a corner in the center of Pennsylvania Traffic Route 507;

Thence along the centerline of Traffic Route 507 South eighty-three (83) degrees forty-six (46) minutes and forty-eight (48) seconds East three hundred forty-eight and seventy-nine hundredths (348.79) feet to a corner of Parcel 34 on the Survey Map;

Thence along Parcel 34 South eight (08) degrees twenty-two (22) minutes and seven (07) seconds West two hundred twenty-one and forty-five hundredths (221.45) feet to a corner in the line of Parcel 35 on the Survey Map, now or formerly of Sky Top Heights, Inc.,

Thence along Parcel 35, or the lands now or formerly of Sky Top Heights, Inc., by five (5) courses and distances as follows:

(1) North seventy-four (74) degrees fourteen (14) minutes and eighteen (18) seconds West two hundred forty-nine and twenty-four hundredths (229.24) feet to a corner;

(2) South seventy-two (72) degrees fifteen (15) minutes and seven (07) seconds West two hundred sixty (260.00) feet to a corner;

(3) South thirteen (13) degrees fifty-four (54) minutes and thirty (30) seconds West five hundred eighty-seven and ninety hundredths (587.90) feet to a corner;

(4) South eighty-nine (89) degrees four (04) minutes and fifty-three (53) seconds East three hundred thirty (330.00) feet to a corner; and

(5) South seventy-nine (79) degrees nine (09) minutes and fifty-three (53) seconds East eight hundred sixty-five and thirty-seven hundredths (865.37) feet to a corner in the line of lands of Tanglewood Lakes, Inc.

Thence along the line of lands of Tanglewood Lakes, Inc. South seven (07) degrees twenty (20) minutes and seven (07) seconds West five hundred fifty-eight and fifty-nine hundredths (558.59) feet to a corner of TRACT NO. 2;

Thence along TRACT No. 2 by six (6) courses and distances as follows:

(1) South seventy-one (71) degrees forty-four (44) minutes and twenty-seven (27) seconds West one thousand forty-five and ninety-nine hundredths (1,045.99) feet to a corner on the Northeasterly edge of the right-of-way of a forty (40.00) foot wide private road;

(2) Crossing the said private road South thirty-seven (37) degrees fifty-five (55) minutes and twenty-seven (27) seconds West forty (40.00) feet to a corner;

(3) Along the Northwesterly edge of the right-of-way of the said private road and along Lot Number Two (2) of White Beauty View Estates North forty-nine (49) degrees West seventy-three and ninety-two hundredths (73.92) feet to a corner;

(4) Along Lots Numbers Two (2) and One (1) of White Beauty View Estates North forty-three (43) degrees seventeen (17) minutes and forty-three (43) seconds West one hundred eighty (180.00) feet to a corner;

(5) Continuing along Lot Number One (1) North fifty-eight (58) degrees ten (10) minutes and forty-three (43) seconds West one hundred forty-seven and sixty-six hundredths (147.66) feet to a corner; and

(6) Continuing along Lot One (1) North forty-five (45) degrees thirty-nine (39) minutes and forty-three (43) seconds West forty and ten hundredths (40.10) feet to the place of BEGINNING.

CONTAINING thirty-two and fifteen hundredths (32.15) acres of land, more or less, as surveyed by Harry F. Schoenagel, Registered Professional Surveyor, February 18, 1986, all bearings as of the magnetic meridian.

BEING part of Parcel V, Parcel VI, and Parcel VIII described in the Sheriff's Deed.

**TRACT 7:**

**ALL THAT CERTAIN** piece, parcel and tract of land lying, situate and being in the Township of Palmyra, County of Pike and Commonwealth of Pennsylvania, as more particularly bounded and described on a certain map "White Beauty View Resort, Part of Lands of Guccini, Inc. & others, Palmyra Township, Pike County, Pa., revised to show Parcel "B" on 12 February 1981, Harry F. Schoenagel, Prof. Land Surveyor, Greentown, Pennsylvania, 18426, Scale 1" = 50', said map recorded in the Pike County Courthouse, Milford, Pennsylvania, in Plat Book 20, Page 18, a description of the premises being as follows:

**BEGINNING** at the southeasterly corner of the lands of Richard E. Guccini, said point also being the southwesterly corner of the lands of Leroy B. Guccini, thence along the lands of Richard E. Guccini and through the lands of White Beauty View, Inc. and/or guccini, Inc., North 7 3 degrees 49 minutes 25 seconds West 368.00 feet to a corner in the center of Recreation Drive; thence along the centerline of Recreation Drive and through the lands of the Grantor herein South 72 degrees 40 minutes 00 seconds West 260.00 feet to a corner; thence continuing through the lands of the Grantor herein the following three courses and distances: (1) South 14 degrees 19 minutes 23 seconds West 587.90 feet to a corner, (2) South 88 degrees 40 minutes 00 seconds East 330.00 feet to a corner; and (3) South 78 degrees 45 minutes 00 seconds East 865.37 feet to a corner in the line of lands of Tanglwood Lakes Incorporated; thence along the said lands North 07 degrees 45 minutes 00 seconds East 497.18 feet to a corner; thence through the lands of the Grantor herein the following two courses and distances: (1) North 82 degrees 15 minutes 00 seconds West 220.00 feet to a corner and (2) North 07 degrees 45 minutes 00 seconds East 108.04 feet to a corner; thence continuing through the lands of the Grantor herein and along the lands of Leonard D. Guccini, North 71 degrees 32 minutes 00 seconds West 157.38 feet to a corner; thence along the lands of Leroy B. Guccini North 73 degrees 59 minutes 40 seconds West 151.82 feet to the point and place of **BEGINNING**. **COMPRISING** within said boundaries Parcels "B" as shown on a certain plan of lots on the lands of the Grantor herein.

**BEARINGS** of the magnetic meridian and **CONTAINING** fifteen and eighty-eight one-hundredths (15.88) acres of land to be the same more or less.

TRACT 8:

ALL that certain piece, parcel and lot of land situate in the Township of Palmyra; County of Pike and State of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point for a corner, said point of beginning being located in the center of Pennsylvania Legislative Rout 507, and being a common corner of lands now or formerly of John Seckary and Victoria Bevan; thence North 82 degrees 28 minutes East 298 feet to a point for a corner, said point being located in the boundary line of lands now or formerly of Maldo Guccini and Victoria Bevan; thence along the common boundary line between lands now or formerly of Maldo Guccini and Victoria Bevan South 7 degrees 32 minutes East 773 feet to a point for a corner, said point being a common corner of the lands now or formerly of Victoria Bevan, George Anns and Maldo Guccini; thence along the common boundary line of lands now or formerly of Victoria Bevan and lands now or formerly of George Anns south 82 degrees 28 minutes West 871.2 feet to a point for a corner located in the center of Legislative Route 507; thence along the said Legislative Route; the following six (6) courses and distances: North 00 degrees 27 minutes West 168.4 feet; North 5 degrees 28 minutes East 200 feet; North 10 degrees 17 minutes East 200 feet; North 14 degrees 03 minutes East 78.5 feet; North 18 degrees 26 minutes East 101.2 feet, and North 24 degrees 08 minutes East 133.7 feet to the point and place of beginning.

The third element of the above description recites a distance of "871.2 feet" and is erroneous; the correct distance as established on the Survey Map is 558.78 feet. The aforesaid portion of the above description does, however, also call "to a point for a corner located in the center of Legislative Route 507" which call to a monument on the ground, under applicable Pennsylvania law, prevails over the distance set forth in the above description.

EXCEPTING from the above described Parcel B / Entrance Parcel a portion thereof more fully described as follows:

ALL THAT CERTAIN lot or tract of ground situate in Palmyra Township, Pike County, Commonwealth of Pennsylvania, bounded and described according to a Map made by Harry F. Schoenagel, Registered Surveyor, dated September, 1970, to wit:

BEGINNING at the northeast corner of the premises hereby conveyed, said point being located South 7 degrees 56 minutes 40 seconds West 51.18 feet from the southeast corner of lot number 12 as shown on a plan of lots on the lands of White Beauty View, Inc., thence through the lands now or formerly of White Beauty View, Inc. the following four courses and distances: (1) South 9 degrees 54 minutes 00 seconds East 200.00 feet to an iron pin for a corner, (2) South 72 degrees 10 minutes 30

seconds West 100 feet to an iron pin for a corner and (3) North 9 degrees 54 minutes 00 seconds West 200.00 feet to a corner; (4) North 72 degrees 10 minutes 30 seconds East 100.00 feet to the point and place of BEGINNING.

BEARINGS of the magnetic meridian and CONTAINING forty-five one-hundredths (0.45) of an acre of land, be the same more or less.

BEING the same premises conveyed by White Beauty View, Inc. to The Bell Telephone Company of Pennsylvania by Deed dated December 29, 1970 and recorded in Pike County Deed Book 244, at page 119.

The above described Parcel B / Entrance Parcel contains within the boundaries thereof a portion referred to herein as the "Dotter Parcel" as to which G. P. Management, Inc. makes no warranty of title, said Dotter Parcel being more fully described as follows:

ALL THAT CERTAIN piece, parcel and tract of land situate, lying and being in the Township of Palmyra, County of Pike, and Commonwealth of Pennsylvania, as more particularly laid out upon a certain "Map showing part of lands of White Beauty View, Inc., Palmyra Twp., Pike Co., Pa., Scale 1" = 100', Date: June, 1978, Harry F. Schoenagel, R. S.," and being known as Parcel "B" shown on said map and consisting of 1.34 acres more or less, (said map having been apparently inadvertently omitted from prior recorded deeds in the chain of title).

BEING the same premises described in a Deed from Guccini, Inc. to Albert L. Dotter dated August 25, 1978 and recorded in Pike County Deed Book 639, at page 342.

BEING substantially the same premises identified on the Survey Map as Parcel 47.

BEING substantially the same premises assessed under Pike County Assessment Map No. 10-0-070.04-01-47.

TRACT 9:

ALL those certain pieces, parcels of land, lying, being and situate in the Township of Palmyra, County of Pike and Commonwealth of Pennsylvania, bounded and described as follows:

**FIRST PARCEL:** BEGINNING at the southeast corner of the lands of the Grantors said corner in the line of lands of John Duffy; thence along the line of lands of John Duffy south seven (07) degrees forty-five (45) minutes West two hundred forty (240) feet to a corner; thence through the lands of the prior Grantors North eighty-two (82) degrees fifteen (15) minutes West two hundred (200) feet to a corner; thence North seven (07) degrees forty-five (45) minutes East two hundred forty (240) feet to the corner of lands of the prior Grantors; thence along the line of lands of the prior Grantors South eighty-two (82) degrees fifteen (15) minutes East two hundred (200) feet to the place of BEGINNING.

BEARINGS from the magnetic meridian of the year 1951 and CONTAINING 1.104 acres of land to be the same more or less.

Also granting and conveying to the above named grantees, the right to park cars along the public road in common with others and also the right to use the private road on the Easterly side of the premises herein conveyed.

SUBJECT to the conditions, restrictions and easements and with such additional rights as set forth in full in Pike County Deed Book 226, at page 276.

**PARCEL TWO:** BEGINNING at the common corner of PARCELS B1 and B2, said corner being in the line of lands of Gilpin; thence along the lands of Gilpin South 07 degrees 45 minutes 00 seconds West 28.37 feet to a corner; thence through the lands of the Grantor herein the following two courses and distances: (1) North 80 degrees 26 minutes 32 seconds West 200.10 feet to a corner and (2) North 07 degrees 45 minutes 00 seconds East 22.06 feet to the southwest corner of Parcel B2; thence along the common boundary line of PARCELS B1 and B2 South 82 degrees 15 minutes 00 seconds East 200.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries PARCEL B1 as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the magnetic meridian and CONTAINING twelve one-hundred (0.12) of an acre of land to be the same more or less.

The above conveyance being all of the lands conveyed by Lake View Land & Cattle, Inc., by deed dated April 28, 1994, and to be recorded simultaneously herewith in Pike County Record Book \_\_\_\_\_ and also being all the property being conveyed by Steven A. Guccini, by deed dated April 29, 1994, and to be recorded simultaneously herewith, in Pike County Record Book \_\_\_\_\_ at page \_\_\_\_\_ to Joseph T. Roethel and Lynne G. Roethel, his wife, the Mortgagees herein.

For future conveyances and/or building purposes Parcels B1 and B2 must be combined to form one parcel which shall be known as Parcel B1R. Henceforth, neither Parcel B1 nor B2 may be conveyed separately, unless further approvals are granted by the Palmyra Township Board of Supervisors.

**PARCEL THREE:** BEGINNING at a point, said point being South seven (7) degrees forty-five (45) minutes West thirty-five (35) feet from a point in the center of the public road known as Route 507, said point also being on the common boundary line of the lands of the prior grantors (Guccini) and the lands now or formerly of John Duffy; thence through the lands of the prior grantors herein parallel with the center of the said public road and thirty-five (35) feet therefrom, North eighty-two (82) degrees fifteen (15) minutes West two hundred (200) feet to a corner in the East margin of a private road; thence along said East margin of the said private road, South seven (7) degrees forty-five (45) minutes West three hundred eighty-seven and six hundredths (387.06) feet to a corner; thence South eighty-two degrees fifteen (15) minutes East two hundred (200) feet to a corner of the line of lands now or formerly of John Duffy; thence along the line of lands now or formerly of John Duffy, North seven (7) degrees forty-five (45) minutes East one hundred twenty-five (125) feet to the place of BEGINNING.

Bearings from the magnetic meridian of the year 1948, and CONTAINING 0.57 of an acre of land be the same more or less.

The prior Grantors have had conveyed to them the right to use all that piece or parcel of land directly in front of the premises herein described and lying between the right-of-way of the public road and the premises herein described being two hundred (200) feet in width and fifteen (15) feet in depth. It is understood and agreed that this parcel of land is to be used exclusively for parking automobiles and will be used in common by the Grantors, the Grantees, and their licensees. It is further understood and agreed that neither party shall have the right to build on this strip of land and it is to remain open at all times for the purposes herein set forth.

**SUBJECT** to such conditions, restrictions and easements and with such additional rights as are set forth in full in Pike County Deed Book 113, at page 17.

TRACT 10:

ALL that certain piece, parcel, and lot of land lying and being situate in the Township of Palmyra, County of Pike, Commonwealth of Pennsylvania, more particularly described as follows, to wit:

BEGINNING at the Northeast corner of the Stewart Lot, said corner being in the common line of lands of the Grantors and of the Pennsylvania Power and Light Company; thence along the line of lands of the said Power Company North Sixty-four degrees Ten minutes East (N-64°-10'-E) Forty-six (46.00') feet to a corner; thence through the lands of the Grantors South Ten degrees Five minutes East (S-10°-05'-E) Eighteen and seven tenths (18.7) feet to a corner; thence North Eighty-eight degrees Forty-five minutes East (N-88°-45'-E) Twenty and fifty-one hundredths (20.51') feet to a corner; thence South Eleven degrees Twenty-five minutes West (S-11°-25'-W) One Hundred Twenty-one and eight tenths (121.8) feet to a corner; thence South Seventy-three degrees Forty minutes West (S-73°-40'-W) Twenty-three and four tenths (23.4) feet to a corner of lands of the said Stewart Lot; thence along the line of lands of the said Stewart Lot North Eight degrees Thirteen minutes West (N-08°-13'-W) One Hundred Twenty-five and seven tenths (125.7) feet to the place of beginning.

BEARINGS from the magnetic meridian of the year of 1928.

BEING the same premises conveyed to the Grantor herein by deed of Lois Irene Abromitis, Executrix of the Last Will and Testament of Emerson C. Neifert, dated January 11, 1991 and recorded in the Office of the Recorder of Deeds in and for Pike County in Deed Book 368 at Page 72.

SUBJECT to all rights, restrictions, conditions, and covenants as may be contained in the chain of title.

TRACT 11:

Parcel 7-2

BEGINNING at a point in the Easterly line of Parcel 7-1 on the Survey Map, being the Southwesterly corner of TRACT NO. 8 on the Survey Map;

Thence North seventy-three (73) degrees forty-eight (48) minutes and fifty-one (51) seconds East, along the Southerly line of TRACT NO. 8, sixty-four and sixty hundredths (64.60) feet to a corner of lands of Emerson Helfert (Parcel 6);

Thence North seventy-three (73) degrees fifty-three (53) minutes and fifty-four (54) seconds East, along the Southerly line of lands of Emerson Helfert (Parcel 6), twenty-three and forty hundredths (23.40) feet to a corner in the Westerly line of TRACT NO. 3 on the Survey Map;

Thence along the Westerly line of TRACT NO. 3 on the Survey Map, South five (05) degrees ten (10) minutes and twenty-three (23) seconds West seventy-five and seventy hundredths (76.70) feet to a corner in the right-of-way of Traffic Route 807;

Thence North eighty-eight (88) degrees thirty-one (31) minutes and fifty-one (51) seconds West, through the right-of-way of Traffic Route 807, seventy-one and twenty hundredths (71.20) feet to the Southeastery corner of Parcel 7-1; and

Thence North seven (07) degrees thirty-four (34) minutes and nine (09) seconds West, along the Easterly line of Parcel 7-1, forty-nine and fifty hundredths (49.50) feet to the place of Beginning.

CONTAINING one hundred eleven thousandths (0.111) of an acre of land, more or less, as surveyed by Harry F. Schoenagel, Professional Land Surveyor, November 9, 1988.

TRACT 12:

ALL THAT CERTAIN TRACT OR PARCEL of land situated in the Township of Palmyra, Pike County, Commonwealth of Pennsylvania, more particularly described as follows, to wit:

BEGINNING at the southeast corner, said corner being located in the center of the Public Road and being the southeast corner of the lands of which the following lot is a part; thence North 7 degrees 50 minutes West partly along the line of lands of Harold Stewart 164.5 feet to a corner in the line of lands of the Pennsylvania Power and Light Company, said corner being the Northwest corner of the lands of Harold Stewart, thence along the line of lands of the said power company South 64 degrees 10 minutes West 60 feet to a corner, thence due South 148 feet to the center of

the said Public Road, thence in an easterly direction along the center of the Public Road 75.7 feet more or less to the place of BEGINNING.

CONTAINING two-tenths of an acre, be the same more or less, as surveyed by Fred Schoenagel, R.S., on June 10, 1953, and being a part of Parcel I conveyed by Naldo Cuocini and Edith Guccini, his wife, by deed dated August 31, 1953, recorded in the office for the recording of deeds in and for Pike County in Deed Book Volume 119 at Page 433, unto Betty Scarpa and Jean Alfano, they being one and the same persons as Betty Scarpa and Jean Alfano hereinbefore referred to as Grantee and Grantor.

TRACT 13:

ALL THAT CERTAIN piece, parcel and tract of land lying and being situate in the Township of Palmerton, County of Pike and State of Pennsylvania, more particularly described as follows, to wit:

BEGINNING at the southwest corner, said corner being in the line of lands of Walter Welker and located in the center of the Public Road; thence along the lands of Walker Walker North 7 degrees 35 minutes East 147.7 feet to a corner in line of lands of the Pennsylvania Power and Light Company; thence along the said Power Company North 64 degrees 10 minutes East 60 feet to a corner; thence through the lands of the Grantors due south 148 feet to the center of the Public Road; thence along the center

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PIKE COUNTY, PA.

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of the Public Road in a westerly direction about 75.7 feet more or less to the place of beginning. CONTAINING two-tenths of an acre of land, be the same more or less, as surveyed by Fred C. Shoenagel, R.S., on June 10, 1953, and being a part of Parcel I conveyed by Naldo Guccini and Edith Guccini, his wife, by deed dated August 31, 1953, and recorded in the office for recording of deeds in and for Pike County in Deed Book Volume 119, page 433, unto Betty Scarpa and Jean Alfano, they being one and the same persons as Betty Scarpa and Jean Alfano hereinbefore referred to as a Grantor and a Grantee.

TRACT 14:

All that certain piece, parcel and tract of land, situate in the Township of Palmyra, County of Pike and Commonwealth of Pennsylvania, more particularly described as follows:

BEGINNING at the Northeast corner, said corner being in the line of lands of Guccini and of the Pennsylvania Power and Light Company and being also North eighty-six (86) degrees seventeen (17) minutes West one hundred and seven and five-tenths (107.5) feet from the Northeast corner of the lands of the Grantors herein; thence along the line of lands of the Pennsylvania Power & Light Company, North eighty-six (86) degrees seventeen (17) minutes West fifty and two-tenths (50.2) feet to a corner; thence South seven (7) degrees forty-five (45) minutes West seventy and six one-hundredths (70.06) feet to a corner; thence South eighty-two (82) degrees fifteen (15) minutes East fifty (50) feet to a corner; thence North seven (7) degrees forty-five (45) minutes East seventy-three and six-tenths (73.6) feet to the place of BEGINNING. Bearings from the Magnetic meridian of the year of 1948 and containing eight one-hundredths (0.08) of an acre of land be the same more or less.

TRACT 15:

ALL THAT CERTAIN piece, parcel and tract of land lying and being situate in the Township of Palmyra, County of Pike and State of Pennsylvania and more particularly bounded and described as follows, to wit:

BEGINNING at the northwest corner, said corner being in the common boundary line of the lands of the Grantors and of the Pennsylvania Power and Light Company and being South 86 degrees 17 minutes East 8.7 feet from a common corner of the lands of the Grantors and of the Pennsylvania Power and Light Company; thence through the lands of the Grantors South 7 degrees 45 minutes West 63 feet to a corner; thence South 82 degrees 15 minutes East 50 feet to a corner; thence North 7 degrees 45 minutes East 66.53 feet to a corner in the line of lands of the Pennsylvania Power and Light Company; thence along the line of the said Power Company North 86 degrees 17 minutes West 50.2 feet to the place of beginning. Bearings from the magnetic meridian of the year of 1948 and containing seven-hundredths of an acre of land be the same more or less. And being Lot No. 5 on a map or plan of lots as laid out on a survey made by Fred C. Schoenagel, R.S. in April, 1948, bearings of 1948.

TRACT 16:

ALL THAT CERTAIN LOT

piece or parcel of land situate in the Township of Palmyra, County of Pike, State of Pennsylvania bounded and described as follows; to wit: BEGINNING at the Northwest corner of the lands of Maldo Guocinni, said corner being in the line of lands of the Pennsylvania Power and Light Company; thence along the line of lands of Maldo Guocinni and through the lands of the Grantors herein South seven (7°) degrees thirty-five (35') minutes West nine hundred seventy-six (976) feet to a corner; thence through the lands of the Grantors and along the line of lands of William Bevan South eighty-two (82°) degrees twenty-eight (28') minutes West five

hundred eighty-five and five-tenths (585.5) feet to the center of the Public Road leading from Greentown to Hawley; thence along the center of the Public Road North twenty-nine (29°) degrees, fifteen (15') minutes East, one hundred sixty-five (165) feet and North thirty-five (35°) degrees, forty-five (45') minutes East, two hundred eight (208) feet to a corner in the line of lands of the Island View Lot; thence along the same North sixty-four (64°) degrees, ten (10') minutes East, two hundred fifty-nine (259) feet to a corner; thence along the same Lot North seven (7°) degrees, thirty-five (35') minutes East, two hundred twenty-five (225) feet to a corner in the aforesaid Public Road; thence in the said Road North sixty-four (64°) degrees, ten (10') minutes East, twenty-five (25) feet to a corner; thence along a Private Road North seven (7°) degrees, thirty-five (35') minutes East, two hundred seventy-five (275) feet to the line of lands aforesaid Power Company; thence along the Power Company North sixty-four (64°) degrees, ten (10) minutes East, two hundred (200) feet to the Place of BEGINNING. Bearings from the Magnetic Meridian of the Year of 1928 and containing five and seventy-five hundredths (5.75) Acres of land be the same more or less.

TRACT 17:

ALL THAT CERTAIN lot, piece, or parcel of land lying, situate, and being in the Township of Palmyra, County of Pike, and Commonwealth of Pennsylvania, more particularly bounded and described as follows:

BEGINNING at a point on the westerly edge of the right-of-way of a forty foot wide private road, said point being located the following three courses and distances from the southwest corner of the lands formerly of Ferranti: (1) north 82 degrees 15 minutes west 20.00 feet to a point, (2) north 7 degrees 45 minutes west 108.04 feet to a corner and (3) north 71 degrees 32 minutes west 20.35 feet to the point and place of BEGINNING; thence along the edge of the said forty foot wide private road north 7 degrees 45 minutes east 286.10 feet to a corner in the center of Pennsylvania Route Number 507; thence along the centerline of the said public highway north 82 degrees 15 minutes west 140.71 feet to a corner; thence along the lands of Leroy Guccini south 6 degrees 25 minutes west 260.69 feet to a corner on the northerly edge of the right-of-way of a private road; thence along the edge of the right-of-way of the said private road south 71 degrees 32 minutes east 137.03 feet to the point and place of BEGINNING.

BEARINGS of the magnetic meridian and CONTAINING eighty-eight one-hundredths (0.88) of an acre of land to be the same more or less.

EXCEPTING AND RESERVING subject to public highway purposes that portion of the right-of-way of Pennsylvania Route Number 507 along the northerly side of the above-described premises.

EXCEPTING AND RESERVING a strip of land twenty (20.00) feet wide through the above-described premises for a common driveway as shown on a certain plan of lots on the lands of the Grantor herein.

TRACT 18:

ALL THAT CERTAIN lot, piece, or parcel of land lying, situate, and being in the Township of Palmyra, County of Pike, and Commonwealth of Pennsylvania, more particularly bounded and described as follows:

BEGINNING at the northwest corner of the lands of Leonard Guccini, said point being located in the center of Pennsylvania Route Number 507; thence along the centerline of the said public highway north 82 degrees 15 minutes west 135.01 feet to a corner; thence along the lands of Richard Guccini south 9 degrees 57 minutes west 239.00 feet to a corner on the northerly edge of the right-of-way of a private road; thence along the edge of the right-of-way of the said private road south 73 degrees 59 minutes 40 seconds east 151.82 feet to the southwest corner of the lands of Leonard Guccini; thence along the said lands north 6 degrees 25 minutes east 260.69 feet to the point and place of BEGINNING.

BEARINGS of the magnetic meridian and CONTAINING eighty-two one-hundredths (0.82) of an acre of land to be the same more or less.

EXCEPTING AND RESERVING subject to public highway purposes that portion of the right-of-way of Pennsylvania Route Number 507 along the northerly side of the above-described premises.

EXCEPTING AND RESERVING a strip of land twenty feet wide through the above-described premises for a common driveway as shown on a certain plan of lots on the lands of the Grantor herein.

TRACT 19:

ALL THAT CERTAIN lot, piece or parcel of land lying, situate, and being in the Township of Palmyra, County of Pike, and Commonwealth of Pennsylvania, more particularly bounded and described as follows:

BEGINNING at the northwest corner of the lands of Leroy Guccini, said point being located in the center of Pennsylvania Route Number 507; thence along the centerline of the said public highway north 82 degrees 15 minutes west 122.66 feet to a corner; thence through the lands of the Grantor herein south 8 degrees 47 minutes 00 seconds west 221.45 feet to a corner located on the northerly edge of the right-of-way of a private road; thence along the edge of the right-of-way of the said private road south 73 degrees 49 minutes 25 seconds east 118.76 feet to the southwest corner of the lands of Leroy Guccini; thence along the said lands north 9 degrees 57 minutes east 239.00 feet to the point and place of BEGINNING.

BEARINGS of the magnetic meridian and CONTAINING sixty-three one-hundredths (0.63) of an acre of land to be the same more or less.

EXCEPTING AND RESERVING subject to public highway purposes that portion of the right-of-way of Pennsylvania Route Number 507 along the northerly side of the above-described premises.

EXCEPTING AND RESERVING a strip of land twenty feet wide through the above-described premises for a common driveway as shown on a certain plan of lots on the lands of the Grantor herein.

# APPENDIX E



Application For Approval to Transfer Stock : A-210069F5000  
of Lakeside Water Systems, Inc. From Louis :  
DeNaples, Peter Sabia, and Joseph Gentile :  
to Gerald G. Gawron, Jerome E. Gawron, :  
Marcella A. Gawron, and Mark G. Gawron :

Application of For Approval to Transfer : A-00230061F5000  
the Stock of Edwin, Inc. from Louis DeNaples, :  
Peter Sabia, and Joseph Gentile to Gerald :  
G. Gawron, Jerome E. Gawron, Marcella :  
A. Gawron, and Mark G. Gawron :

Sky Top Heights Mobile Home Park : C-00970721  
v. :  
Lakeside Water Systems, Inc. :

Sky Top Heights Mobile Home Park : C-00970722  
v. :  
Edwin, Inc. :

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LAW BUREAU PROSECUTORY STAFF  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT

---

TO THE HONORABLE RICHARD M. LOVENWIRTH:

The Law Bureau Prosecutory Staff of the Pennsylvania Public Utility Commission (LBPS), respectfully requests that the terms and conditions of the foregoing Joint Petition for Settlement (Joint Petition or Settlement) be approved by the Administrative Law Judge and the Commission. This request is based upon LBPS' conclusion that the

proposed Settlement is in the public interest as stated in the Joint Petition and as supported by consideration of the factors which LBPS avers as follows:

1. On January 9, 1997, the Commission issued an Emergency Order at Docket No. M-00970896 in response to customer complaints received by the Commission and the Pennsylvania Department of Environmental Protection (DEP). That Emergency Order directed Edwin, Inc. (Edwin or Company), Lakeside Water Company, Lakeside Water Systems, Inc. (Lakeside or Company), Gawron Enterprises, Lake Resort, L.P., Louis DeNaples, Peter Sabia, Joseph Gentile (these three men are collectively referred to as the DeNaples Group), Gerald G. Gawron, Marcella A. Gawron, and Mark G. Gawron, (collectively referred to as the Gawron Group) to correct certain service violations. On January 14, 1997, the Commission issued an Amended Emergency Order which was substantively the same as the January 9, 1997 Emergency Order, but omitted the DeNaples Group as party respondents.

2. On March 7, 1997, the LBPS filed a Formal Complaint with the Commission at Docket No. C-00970189 against Lakeside, Edwin, the Gawron Group and others. This Complaint sought to enforce the provisions of the January 14, 1997 Amended Emergency Order.

3. On August 4, 1997, the LBPS filed a second Formal Complaint with the Commission at Docket No. C-00970618. This Complaint was substantively the same as the March 7, 1997 Formal Complaint, but added the DeNaples Group as a party respondent to the Formal Complaint.

4. On August 29, 1997, Sky Top Heights Mobile Home Park (Sky Top) filed a Formal Complaint with the Commission against Lakeside at Docket No. C-00970721 and Edwin at Docket No. C-00970722 alleging various violations of the Public Utility Code and the Commission's rules and regulations. The DeNaples Group were granted leave to intervene by Administrative Law Judge (ALJ) Lovenwirth.

5. Prehearing Conferences were held on April 8, 1997 and August 20, 1997 before ALJ Lovenwirth. Evidentiary hearings were held before ALJ Lovenwirth on August 29, 1997, November 17-19, 1997, and November 10, 1998. All parties appeared and were represented by counsel at the hearings.

6. Following the November 19, 1997 hearings, the parties engaged in formal mediation sessions using the ADR process. Although these mediation sessions were unsuccessful, the parties continued informal settlement negotiations following the November 10, 1998 hearing.

7. In accordance with the Commission's policy favoring settlements over costly litigation and time-consuming litigation, the Joint Petitioners arrived at a mutually acceptable settlement which is embodied in the Settlement Petition. The terms and conditions in the Settlement Petition represent a comprehensive, global settlement of all claims and issues between the parties, including but not limited to, the claims and issues raised in each of the consolidated proceedings. In addition, the Joint Petitioners agree that the Settlement Petition is in the public interest and will result in just and reasonable rates.

8. First of all, the Settlement provides that Lakeside and Edwin shall make payments to Sky Top to settle all claims related to Edwin and Sky Top in accordance with Appendix C, which is attached to and made a part of this Settlement Petition.

9. The Settlement also provides for considerable service and operational improvements which will benefit the customers of Lakeside and Edwin. These include the hiring of a certified operator(s) to monitor and maintain the water and wastewater systems. The benefits also include improved handling of customer contacts and complaints, timely repairs and maintaining water quality and pressure consistent with Commission and DEP standards.

10. In addition, the Settlement also provides for approval of the transfer of stock of Lakeside and Edwin from the DeNaples Group to the Gawron Group. The Joint Petitioners agree that the Certificates of Public Convenience shall be issued by the Commission to allow Lakeside and Edwin to continue to provide water and wastewater service, respectively, within the portions of Palmyra Township, Pike County, Pennsylvania that are described in Appendix D, attached to and made a part of this Settlement Petition.

*Stock transfer*

11. LBPS' position in support of this Joint Petition was developed after a thorough analysis of Lakeside and Edwin's filings, answers to data requests, the evidence adduced at the hearings, and discussions with the parties.

## CONCLUSION

12. Based on the LBPS' analysis, acceptance of this proposed Settlement is in the public interest for the following reasons:

a. The proposed Settlement, which includes an agreement for approval of the transfer of Lakeside and Edwin stock from the DeNaples Group to the Gawron Group, will resolve any confusion over the identity of the current owners and operators of Lakeside and Edwin.

b. Their proposed Settlement provides Lakeside and Edwin with the required authority to continue to operate their respective water and wastewater systems in order to provide customers with water and wastewater service.

c. The proposed Settlement will put into effect tariffs that will allow Lakeside and Edwin to charge lawful and Commission approved rates for services rendered.

d. The proposed Settlement resolves the Commission's investigation at Docket No. C-00970001.

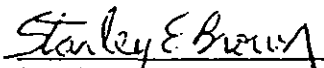
e. The proposed Settlement resolves all claims and issues among the Joint Petitioners, including, but not limited to, the claims and issues raised in the Formal Complaints filed by the LBPS at Docket Nos. C-00970189, C-00970618, and Sky Top at Docket Nos. C-00970721, and C-00970722.

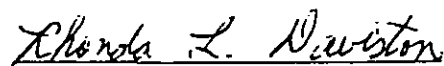
13. The Law Bureau Prosecutory Staff supports the Joint Petition for Settlement because fulfillment of the terms will improve the provision of service to the customers of Lakeside and Edwin. The proposed Settlement is just and reasonable,

achieves a fair resolution of the issues and avoids the expense associated with continued protracted litigation.

WHEREFORE, for the reasons set forth above and embodied in the Joint Petition for Settlement, the Law Bureau Prosecutory Staff respectfully requests that the Administrative Law Judge and the Commission approve this Joint Petition for Settlement at Docket No. A-00210069 et al., because its terms and conditions are in the best interests of Lakeside, Edwin, its ratepayers and the public.

Respectfully submitted,

  
\_\_\_\_\_  
Stanley E. Brown  
Law Bureau Prosecutory Staff

  
\_\_\_\_\_  
Rhonda L. Daviston  
Law Bureau Prosecutory Staff

Pennsylvania Public  
Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Dated: February 18, 1999

# APPENDIX F

# APPENDIX G



Application For Approval To : Docket No. A-210069F5000  
Transfer The Stock Of Lakeside :  
Water Systems, Inc. From Louis :  
DeNaples, Peter Sabia, And Joseph :  
Gentile To Gerald G. Gawron, :  
Jerome E. Gawron, Marcella A. :  
Gawron and Mark G. Gawron :

Application For Approval To : Docket No. A-230061F5000  
Transfer The Stock Of Edwin, Inc. :  
From Louis DeNaples, Peter Sabia, :  
and Joseph Gentile To Gerald G. :  
Gawron, Jerome E. Gawron, :  
Marcella A. Gawron and Mark G. :  
Gawron :

Sky Top Heights Mobile Park : Docket No. C-0097021  
v. :  
Lakeside Water Systems, Inc. :

Sky Top Heights Mobil Home Park : Docket No. C-0097022  
v. :  
Edwin, Inc. :

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SKY TOP HEIGHTS MOBILE HOME PARK  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT  
OF ALL PROCEEDINGS

---

AND NOW COMES, Skytop Heights Mobile Home Park, ("Sky Top"), and files this Statement in Support of Joint Petition for Settlement of All Proceedings, and avers the following:

Sky Top supports the Joint Petition for Settlement of All Proceedings, ("Joint Petition"), in its entirety. The Joint Petition is a culmination of numerous settlement discussions between and among the various parties. Sky Top is appreciative

that Presiding Administrative Law Judge Lovenwirth was patient enough to allow the discussions to reach their current fruition.

As the largest customer on the water and wastewater systems Sky Top supports the Joint Petition for the following reasons. First, it clarifies the current status of the ownership of Lakeside Water Systems, Inc. and Edwin, Inc.'s (individually referred to as "Lakeside" and "Edwin", respectively, and collectively as the "Companies"), waste and wastewater systems, respectively. There no longer will be any doubt as to the status of the operators of the systems.

Second, the negotiations leading to the Joint Petition have resulted in substantial improvements to Lakeside's water system. Such improvements have been reviewed and approved by the Pennsylvania Department of Environmental Protection. These improvements should lead to improved water quality and pressure to Sky Top's mobile home park residents.

Third, the provisions of the Joint Petition ensure that the Lakeside and Edwin will employ or contract with a certified operator for both systems. This will ensure appropriate regulatory oversight of the operations of both Lakeside and Edwin. Customers can have confidence that the systems will have qualified individuals overseeing system operations.

Fourth, the Joint Petition establishes certain standards of conduct that Lakeside and Edwin must adhere to in their operation of the systems. The standards include office

hours, advance notice of outages related to repairs, customer contact procedures in the event of any type of outage, protections for residents of Sky Top if water outages last longer than a specified time period.

Fifth, the Joint Petition establishes rates which allow the Companies to recover their operating expenses and earn a return on the improvements made to the system. This will allow the Companies to continue operations in an efficient manner.

Sixth, the Joint Petition provides for a partial return of the rates collected by the Companies from the Mobile Home customer class which class only includes Sky Top. Sky Top believes that this partial refund outweighs the risks and costs of continued protracted litigation.

Finally, the settlement includes a provision encouraging Lakeside and Sky Top to discuss future service problems before resulting to redress before an administrative agency. It is hoped that this will lead to improved communications between Lakeside and Sky Top, something that had not occurred in the past.

For all of the above reasons, Sky Top supports the Joint Petition. Its adoption ends the need and expense of additional litigation. It globally resolves all issues related to the above related and consolidated proceedings. It ensures certain protections regarding quality of service for customers. It provides for prospective alternative dispute resolution

procedures that do not entail use of Commission resources until such procedures are first exhausted. The Joint Petition represents a fair and equitable resolution of these matters.

WHEREFORE, Complainant, Skytop Heights Mobile Home Park, respectfully requests Your Honor and this Commission adopt the Joint Petition for Settlement of All Proceedings without modifications.

Kenneth Zielonis  
Attorney I.D. No. 41691  
STEVENS & LEE  
Suite 310  
208 North Third Street  
Harrisburg, PA 17108-2090  
(717) 234-1250

Dated: February 18, 1999

Attorneys for the Skytop Heights  
Mobile Home Park

# APPENDIX H

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Honorable Richard M. Lovenwirth

APPLICATION OF EDWIN, INC.	:	DOCKET NO.:	A-230061
APPLICATION OF LAKESIDE WATER SYSTEMS, INC.	:	DOCKET NO.:	A-210069
PENNSYLVANIA PUBLIC UTILITY COMMISSION	:		
v.	:		
EDWIN, INC., ET AL.	:	DOCKET NO.:	M-00970896
PENNSYLVANIA PUBLIC UTILITY COMMISSION LAW BUREAU PROSECUTORY STAFF, Complainant	:		
v.	:		
EDWIN, INC., ET AL. Respondents	:	DOCKET NO.:	C-00970189
PENNSYLVANIA PUBLIC UTILITY COMMISSION LAW BUREAU PROSECUTORY STAFF, Complainant	:		
v.	:		
EDWIN, INC., ET AL. Respondents	:	DOCKET NO.:	C-00970618
APPLICATION FOR APPROVAL OF STOCK TRANSFER (EDWIN, INC.)	:	DOCKET NO.:	A-230061, F5000
APPLICATION FOR APPROVAL OF STOCK TRANSFER (LAKESIDE WATER SYSTEMS, INC.)	:	DOCKET NO.:	A-210069, F5000



2. Said negotiations commenced following the November 19, 1997 hearings before the within Administrative Law Judge ("ALJ") as part of the formal mediation sessions conducted before COMMISSION Mediator Herbert Nurick.

3. Said negotiations continued up to and following the reconvened November 10, 1998 hearing before the within ALJ.

4. The terms and conditions embodied in the SETTLEMENT represent a comprehensive, global settlement of all claims and issues between the parties, including, but not limited to, all claims and issues raised in each of the CONSOLIDATED PROCEEDINGS in accordance with the COMMISSION's policy favoring settlements over costly and time-consuming litigation pursuant to 52 Pa. Code § 5.231.

5. The SETTLEMENT in this case is in the public interest. It fully and fairly resolves the balancing of service and rate interests and concerns of all parties to the CONSOLIDATED PROCEEDINGS, including, the COMMISSION, LAW BUREAU, SKY TOP, TOWNSHIP, DeNAPLES GROUP, GAWRON GROUP and the COMPANIES, as well as all customers in the COMPANIES' service territory, by providing for:

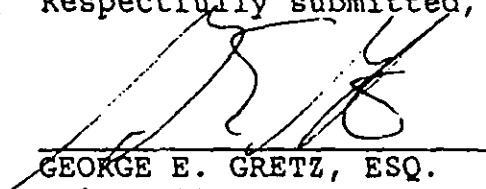
- (a) the issuance of Certificates of Public Convenience authorizing the transfer of stock of the COMPANIES from the DeNAPLES GROUP to the GAWRON GROUP which clarifies the ownership of the COMPANIES;
- (b) the issuance of Certificates of Public Convenience to allow the COMPANIES to continue to provide water and wastewater service to residents in portions of Palmyra Township, Pike County, Commonwealth of Pennsylvania;

- (c) the filing of initial tariffs by the COMPANIES which will permit them to lawfully charge COMMISSION approved rates to customers within their approved service territories;
- (d) the satisfaction of all terms and conditions of the Amended Emergency Order issued by the COMMISSION;
- (e) the satisfaction of the issues raised in formal complaints filed by the LAW BUREAU;
- (f) the satisfaction of the issues raised in the formal complaints filed by SKY TOP.
- (g) the complete resolution of all of the economic and adequacy of service issues alleged in the CONSOLIDATED PROCEEDINGS;
- (h) procedures to ensure customers of the COMPANIES, including, but not limited to, SKY TOP, will receive safe, adequate and reasonably continuous water and wastewater service;
- (i) checks to protect the quality of the water and wastewater service furnished by the COMPANIES in the future;
- (j) a fair resolution of the issues, while, at the same time, avoiding the time and expense associated with continued protracted litigation, including possible appeals; and,
- (g) prospective alternative dispute resolution procedures that do not entail use of COMMISSION resources until such procedures are first exhausted as a deterrent to further litigation before the COMMISSION in the future.

6. The SETTLEMENT further establishes rates which allow the COMPANIES to recover their operating expenses and earn a return on the substantial and costly improvements to the water system, initiated, completed and funded by the COMPANIES, during the pendency of the CONSOLIDATED PROCEEDINGS pursuant to Pennsylvania Department of Environmental Protection Guidelines.

WHEREFORE, EDWIN, INC. and LAKESIDE WATER SYSTEMS, INC. respectfully request Your Honor and this Commission adopt the Joint Petition for Settlement of All Proceedings in its entirety without modification.

Respectfully submitted,



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GEORGE E. GRETZ, ESQ.  
Suite 712  
Connell Building  
129 N. Washington Ave.  
Scranton, PA 18503  
(570) 343-8111  
PA BAR NO.: 70268

Attorney for:

EDWIN, INC.  
LAKESIDE WATER SYSTEMS, INC.

Dated:

02/18/99

# APPENDIX I

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Honorable Richard M. Lovenwirth

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Application Of Lakeside Water Systems, : Docket No. A-210069  
Inc. For Approval To Continue To Supply :  
Water Service In Pennsylvania :

Application Of Edwin, Inc. For Approval To : Docket No. A-230061  
Continue To Supply Sewer Service In :  
Pennsylvania :

Pennsylvania Public Utility Commission : Docket No. M-00970896

v. :  
Edwin, Inc., Lakeside Water Company, :  
Lakeside Water Systems, Inc., Lakeside :  
Watersedge, Inc., Gawron Enterprises, Lake :  
Resort, L.P., Gerald G. Gawron, Jerome E. :  
Gawron, Marcella A. Gawron And Mark G. :  
Gawron :

Law Bureau Prosecutory Staff : Docket No. C-00970189

v. :  
Edwin, Inc., Lakeside Water Company, :  
Lakeside Watersedge, Inc., Lakeside Water :  
Systems, Inc., Gawron Enterprises And :  
Lake Resort, L.P., Gerald G. Gawron, :  
Jerome E. Gawron, Marcella A. Gawron :  
And Mark G. Gawron :

Law Bureau Prosecutory Staff : Docket No. C-00970618

v. :  
Edwin, Inc., Lakeside Water Company, :  
Lakeside Watersedge, Inc., Lakeside Water :  
Systems, Inc., Gawron Enterprises And :  
Lake Resort, L.P., Gerald G. Gawron, :  
Jerome E. Gawron, Marcella A. Gawron, :  
Mark G. Gawron, Louis DeNaples, Peter :  
Sabia And Joseph Gentile :

Application For Approval To Transfer The : Docket No. A-210069F5000  
Stock Of Lakeside Water Systems, Inc. :  
From Louis DeNaples, Peter Sabia, And :  
Joseph Gentile To Gerald G. Gawron, :  
Jerome E. Gawron, Marcella A. Gawron :  
And Mark G. Gawron :

Application For Approval To Transfer The : Docket No. A-230061F5000  
Stock Of Edwin, Inc. From Louis DeNaples, :  
Peter Sabia, And Joseph Gentile To :  
Gerald G. Gawron, Jerome E. Gawron, :  
Marcella A. Gawron And Mark G. Gawron :

Sky Top Heights Mobile Park : Docket No. C-00970721  
v. :  
Lakeside Water Systems, Inc. :

Sky Top Heights Mobile Home Park : Docket No. C-00970722  
v. :  
Edwin, Inc. :

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**STATEMENT OF THE DENAPLES GROUP  
IN SUPPORT OF SETTLEMENT**

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Louis DeNaples, Peter Sabia and Joseph Gentile (the "DeNaples Group") hereby submit this Statement in Support of the settlement reached in connection with each of the above-captioned matters (collectively, the "Consolidated Proceedings"). The DeNaples Group urges Your Honor and the Pennsylvania Public Utility Commission ("Commission") to expeditiously consider and approve the "Joint Petition for Settlement of All Proceedings" ("Settlement Petition") and allow the terms and conditions contained in the Settlement Petition to

become effective at the earliest possible date. In support of the Settlement Petition, the DeNaples Group states as follows:

1. The parties involved in settlement of the Consolidated Proceedings include the Pennsylvania Public Utility Commission's Law Bureau Prosecutory Staff ("Prosecutory Staff"); Palmyra Township, Pike County, Pennsylvania ("Township"); Sky Top Heights Mobile Home Park ("Sky Top"); Lakeside Water Systems, Inc. ("Lakeside"); Edwin, Inc. ("Edwin")<sup>1</sup>; and the DeNaples Group (collectively, the "Joint Petitioners"). The Settlement Petition is the result of lengthy and extensive negotiations and represents a compromise by each of the Joint Petitioners.

2. The DeNaples Group purchased the water system assets currently owned by Lakeside in May of 1991. The DeNaples Group continued to operate the water system under the same rates, terms and conditions as the prior owners. On February 20, 1996, in compliance with an Order entered by the Commission, the DeNaples Group filed separate Applications with the Commission (Docket Nos. A-210069 and A-230061) requesting that Certificates of Public Convenience be issued to Lakeside and Edwin for authority to continue to provide water and wastewater service to the public in Palmyra Township, Pike County, Pennsylvania. The Township and Sky Top intervened and protested the issuance of these Certificates of Public Convenience. On March 8, 1996, the DeNaples Group transferred all of the common stock of Lakeside and Edwin to Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron and Mark G.

---

<sup>1</sup> Lakeside and Edwin may be referred to collectively in this Statement as the "Companies."

Gawron (collectively, the "Gawron Group"). The Gawron Group has continued to and is presently operating Lakeside and Edwin so as to provide water and wastewater service to customers in Palmyra Township, Pike County, Pennsylvania. An Application for Commission approval of the transfer of the Lakeside and Edwin stock from the DeNaples Group to the Gawron Group, nunc pro tunc, was filed on August 18, 1997 (Docket Nos. A-210069F5000 and A-230061F5000). On January 16, 1997, the Commission ratified an Amended Emergency Order issued by Vice Chairman Lisa Crutchfield (Docket No. C-00970896) which directed the Companies to correct certain identified service deficiencies. On March 7, 1997 and August 4, 1997, the Prosecutory Staff filed formal complaints (Docket Nos. C-00970189 and C-00970618) seeking to enforce the provisions of the Amended Emergency Order. On August 29, 1997, Sky Top filed formal complaints against Lakeside and Edwin (Docket Nos. C-00970721 and C-00970722) alleging certain deficiencies with water service and seeking a refund of all amounts paid for water and wastewater service in the absence of Commission-approved tariffs.

3. The Settlement Petition provides for (a) the issuance of Certificates of Public Convenience authorizing the transfer of stock of Lakeside and Edwin from the DeNaples Group to the Gawron Group; (b) the issuance of Certificates of Public Convenience to allow Lakeside and Edwin to continue to provide water and wastewater service to residents in portions of Palmyra Township, Pike County, Pennsylvania; (c) the filing of initial tariffs by Lakeside and Edwin which will permit them to lawfully charge Commission approved rates to customers within their approved service territories; (d) the satisfaction of all terms and conditions of the Amended Emergency Order; (e) the satisfaction of the issues raised in the formal complaints filed by the Prosecutory Staff; and, (f) the satisfaction of the issues raised in the formal complaints filed by Sky Top.

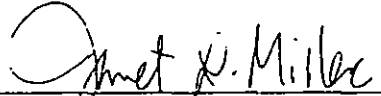
4. The Commission has an established policy to encourage settlements and has memorialized that policy at 52 Pa. Code §5.231. The approval of this settlement in its entirety by Your Honor and the Commission will avoid the necessity of further administrative proceedings and litigation (including possible appeals) and the attendant costs to the Commission and all of the parties.

5. The DeNaples Group submits that it is desirable to all parties, and to the public, that the various Consolidated Proceedings be fully resolved. The Settlement Petition (a) fully and adequately addresses all of the economic and adequacy of service issues presented in the Consolidated Proceedings; (b) establishes procedures so that customers of the Companies, and in particular tenants of the Sky Top Heights Mobile Home Park, will receive safe, adequate, and reasonably continuous water and wastewater service; and, (c) establishes checks to protect the quality of the water and wastewater service furnished by the Companies in the future. In addition, the terms of the settlement fairly compromise the opposing interests of each of the Joint Petitioners. The DeNaples Group believes that the terms and conditions set forth in the Settlement Petition are in the interest of each of the Joint Petitioners, the customers of Lakeside and Edwin, and the general public. Therefore, the settlement is in the public interest.

WHEREFORE, for all of the foregoing reasons, and for the reasons outlined in the Settlement Petition, the DeNaples Group submits that the terms and conditions reached by the Joint Petitioners in resolution and satisfaction of the Consolidated Proceedings are in the interest of all parties, as well as in the public interest, and requests that Your Honor and the Commission

approve the Joint Petition for Settlement of All Proceedings in its entirety, and without modification, as being in the public interest.

Respectfully submitted,



Janet L. Miller  
Malatesta Hawke & McKeon LLP  
Harrisburg Energy Center  
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Peter Sabia and Joseph Gentile

DATED: February 18, 1999

LAKESIDE WATER SYSTEMS INC.

RATES, RULES AND REGULATIONS GOVERNING

THE PROVISION OF WATER SERVICE

TO THE PUBLIC IN A PORTION OF

PALMYRA TOWNSHIP, PIKE COUNTY

ISSUED:

EFFECTIVE:

BY: Mark G. Gawron  
Lakeside Water Systems, Inc.  
PO Box 268  
Newfoundland, PA 18445

ISSUED:

EFFECTIVE:

LIST OF CHANGES

This is the Initial Tariff filed by the Company

ISSUED:

EFFECTIVE:

Application For Approval To Transfer The : Docket No. A-210069F5000  
Stock Of Lakeside Water Systems, Inc. :  
From Louis DeNaples, Peter Sabia, And :  
Joseph Gentile To Gerald G. Gawron, :  
Jerome E. Gawron, Marcella A. Gawron :  
And Mark G. Gawron :

Application For Approval To Transfer The : Docket No. A-230061F5000  
Stock Of Edwin, Inc. From Louis DeNaples, :  
Peter Sabia, And Joseph Gentile To :  
Gerald G. Gawron, Jerome E. Gawron, :  
Marcella A. Gawron And Mark G. Gawron :

Sky Top Heights Mobile Park : Docket No. C-00970721  
v. :  
Lakeside Water Systems, Inc. :

Sky Top Heights Mobile Home Park : Docket No. C-00970722  
v. :  
Edwin, Inc. :

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**JOINT PETITION FOR SETTLEMENT  
OF ALL PROCEEDINGS**

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The Pennsylvania Public Utility Commission's Law Bureau Prosecutory Staff ("Prosecutory Staff"); Palmyra Township, Pike County, Pennsylvania ("Township" or "Palmyra Township"); Sky Top Heights Mobile Home Park ("Sky Top"); Lakeside Water Systems, Inc. ("Lakeside" or "Company"); Edwin, Inc. ("Edwin" or "Company")<sup>1</sup>; and Louis DeNaples, Peter Sabia and Joseph Gentile (collectively, the "DeNaples Group"), all of whom may be referred to in this "Joint Petition for Settlement of All Proceedings" ("Settlement Petition") either in their

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<sup>1</sup> Lakeside and Edwin may be referred to collectively in this Settlement Petition as the "Companies."

individual capacities or collectively as the "Joint Petitioners," join in this Settlement Petition and respectfully request that Administrative Law Judge Richard M. Lovenwirth ("ALJ") and the Pennsylvania Public Utility Commission ("Commission"): (a) consolidate the above-captioned proceedings filed at Docket Nos. A-210069, A-230061, M-00970896, A-210069F5000, A-230061F5000, C-00970189, C-00970618, C-00970721 and C-00970722 (collectively, the "Consolidated Proceedings") for purposes of issuance of a Recommended Decision and Commission Order; (b) approve the substantive terms of this Settlement Petition as set forth herein, without modification; (c) issue Certificates of Public Convenience authorizing the transfer of stock of Lakeside and Edwin from the DeNaples Group to Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron and Mark G. Gawron (collectively, the "Gawron Group") (Docket Nos. A-210069F5000 and A-230061F5000); (d) issue Certificates of Public Convenience to Lakeside and Edwin to allow them to continue to provide water and wastewater service to residents in portions of Palmyra Township, Pike County, Pennsylvania (the "Application Territories") (Docket Nos. A-210069 and A-230061); (e) permit Lakeside and Edwin to file initial tariffs, to become effective on one day's notice, incorporating the schedule of rates and the rules and regulations attached hereto as **Appendix A** (Lakeside) and **Appendix B** (Edwin); (f) deem withdrawn, with prejudice, the intervention of Palmyra Township and the protests and complaints of Sky Top filed at Docket Nos. A-210069 and A-230061; (g) deem satisfied all terms and conditions of the Commission's January 14, 1997 Amended Emergency Order issued at Docket No. M-00970896; (h) deem withdrawn, with prejudice, the complaints filed by the Prosecutory Staff at Docket Nos. C-00970189 and C-00970618; (i) deem withdrawn, with prejudice, the complaints filed by Sky Top and the intervention filed by the DeNaples Group at Docket Nos. C-00970721 and

C-00970722; and, (j) mark the record in these Consolidated Proceedings closed. The Joint Petitioners recommend the adoption of the provisions of the settlement contained in this Settlement Petition on the grounds that it is in the best interests of all the parties, as well as in the public interest. Statements in Support of this Settlement Petition by each of the Joint Petitioners are attached hereto as Appendices E through I.

The terms and conditions contained in this Settlement Petition represent a comprehensive, global settlement of all claims and issues between the parties, including but not limited to, the claims and issues raised in each of the Consolidated Proceedings.

In support of this Settlement Petition, the Joint Petitioners represent the following:

## **I. BACKGROUND**

1. Lakeside Water Systems, Inc. is a Pennsylvania corporation organized on July 2, 1992 under the Business Corporation Law of 1988, as amended. Lakeside currently provides water service to the public in Palmyra Township, Pike County, Pennsylvania.

2. In May of 1991, the DeNaples Group purchased the water system assets currently owned by Lakeside from PNC Bank. These assets had been obtained by PNC Bank through

foreclosure of property owned by parties other than the DeNaples Group. The DeNaples Group continued to operate the water system under the same rates, terms and conditions as the prior owners.

3. On February 20, 1996, in compliance with an Order entered by the Commission in connection with complaint proceedings brought by several Lakeside customers at Docket Nos. C-00946344, C-00946345 and C-00946346, the DeNaples Group filed an Application with the Commission requesting that a Certificate of Public Convenience be issued to Lakeside. This Application, filed at Docket No. A-210069, requested Commission authority for Lakeside to continue to provide water service to the public in Palmyra Township, Pike County, Pennsylvania. Subsequent to the filing of this Application, Sky Top filed a Protest and Formal Complaint objecting to the issuance of the Certificate of Public Convenience requested in the Application. The conditions of this Settlement Petition provide for (a) the satisfaction and withdrawal of Sky Top's Protest and Formal Complaint, with prejudice; (b) the approval of the Application for service; and (c) the issuance of a Certificate of Public Convenience to allow Lakeside to continue to provide water service to the public.

4. On March 8, 1996, the DeNaples Group transferred to the Gawron Group, and the Gawron Group acquired, all outstanding shares of common stock of Lakeside Water Systems, Inc. The Gawron Group has continued to and is presently operating Lakeside so as to provide water service to Lakeside customers in portions of Palmyra Township, Pike County, Pennsylvania. An Application for approval to transfer the Lakeside stock from the DeNaples

Group to the Gawron Group, nunc pro tunc, was filed on August 18, 1997. This Application was filed at Docket No. A-210069F5000. The conditions of this Settlement Petition provide for approval of this Application and for the issuance of a Certificate of Public Convenience authorizing the transfer of the Lakeside stock.

5. Edwin, Inc. is a Pennsylvania corporation organized on May 29, 1991 under the Business Corporation Law of 1988, as amended. Edwin currently provides wastewater service to the public in Palmyra Township, Pike County, Pennsylvania.

6. In May of 1991, the DeNaples Group purchased the wastewater system assets currently owned by Edwin from PNC Bank. These assets had been obtained by PNC Bank through foreclosure of property owned by parties other than the DeNaples Group. The DeNaples Group continued to operate the wastewater system under the same rates, terms and conditions as the prior owners.

7. On February 20, 1996, in compliance with an Order entered by the Commission in connection with complaint proceedings brought by several Edwin customers at Docket Nos. C-00946344, C-00946345 and C-00946346, Edwin filed an Application with the Commission requesting that a Certificate of Public Convenience be issued to Edwin. This Application, filed at Docket No. A-230061, requested Commission authority for Edwin to continue to provide wastewater service to the public in Palmyra Township, Pike County, Pennsylvania. Subsequent to the filing of this Application, Palmyra Township filed a Petition to

Intervene and Sky Top filed a Protest and Formal Complaint. These filings objected to the issuance of the Certificate of Public Convenience requested in the Application. The Township's Petition to Intervene was granted by Order of the ALJ. The conditions of this Settlement Petition provide for (a) the satisfaction and withdrawal of the Township's Petition to Intervene and Sky Top's Protest and Formal Complaint, with prejudice; (b) the approval of the Application for service; and (c) the issuance of a Certificate of Public Convenience to allow Edwin to continue to provide wastewater service to the public.

8. On March 8, 1996, the DeNaples Group transferred to the Gawron Group, and the Gawron Group acquired, all outstanding shares of common stock of Edwin, Inc. The Gawron Group has continued to and is presently operating Edwin so as to provide wastewater service to Edwin customers in portions of Palmyra Township, Pike County, Pennsylvania. An Application for approval to transfer the Edwin stock from the DeNaples Group to the Gawron Group, nunc pro tunc, was filed on August 18, 1997. This Application was filed at Docket No. A-230061F5000. The conditions of this Settlement Petition provide for approval of this Application and for the issuance of a Certificate of Public Convenience authorizing the transfer of the Edwin stock.

9. On January 9, 1997, in response to customer complaints received by the Commission and the Pennsylvania Department of Environmental Protection, Vice Chairman Lisa

Crutchfield issued an Emergency Order<sup>2</sup> directing the Companies to correct certain service violations. On January 14, 1997, Vice Chairman Crutchfield issued an Amended Emergency Order<sup>3</sup>. The Amended Emergency Order was substantively the same as the January 9, 1997 Emergency Order but omitted the DeNaples Group as party respondents to the Emergency Order. On January 16, 1997, the Commission ratified the Amended Emergency Order pursuant to its authority at 66 Pa. C.S. §5601 and 52 Pa. Code §3.1 to §3.5. The conditions of this Settlement Petition provide for the satisfaction of the issues raised in the January 14, 1997 Amended Emergency Order.

10. On March 7, 1997, the Prosecutory Staff filed a Formal Complaint with the Commission against Lakeside, Edwin, the Gawron Group and others. This Formal Complaint, filed at Docket No. C-00970189, sought to enforce the provisions of the January 14, 1997 Amended Emergency Order. The conditions of this Settlement Petition provide for satisfaction of the issues raised in this Formal Complaint and for the withdrawal of the Formal Complaint, with prejudice.

11. On August 4, 1997, the Prosecutory Staff filed a second Formal Complaint with the Commission against Lakeside, Edwin, the Gawron Group, the DeNaples Group and others. This Formal Complaint, filed at Docket No. C-00970618, was substantively the same as the

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<sup>2</sup> Pennsylvania Public Utility Commission v. Edwin, Inc., Lakeside Water Company, Lakeside Watersystems, Inc., Gawron Enterprises, Lake Resort, L.P., Louis DeNaples, Peter Sabia, Joseph Gentile, Gerald G. Gawron, Marcella A. Gawron, and Mark G. Gawron (Docket No. M-00970896).

<sup>3</sup> Pennsylvania Public Utility Commission v. Edwin, Inc., Lakeside Water Company, Lakeside Water Systems, Inc., Lakeside Watersedge, Inc., Gawron Enterprises, Lake Resort, L.P., Gerald G. Gawron, Jerome E. Gawron, Marcella A. Gawron, and Mark G. Gawron (Docket No. M-00970896).

March 7, 1997 Formal Complaint but added the DeNaples Group as a party respondent to the Formal Complaint. The August 4, 1997 Formal Complaint also sought to enforce the provisions of the January 14, 1997 Amended Emergency Order. The conditions of this Settlement Petition provide for satisfaction of the issues raised in this Formal Complaint and for the withdrawal of the Formal Complaint, with prejudice.

12. On August 29, 1997, Sky Top filed Formal Complaints with the Commission against Lakeside and Edwin alleging that (a) neither Lakeside nor Edwin possessed Certificates of Public Convenience authorizing them to provide public utility service; (b) Sky Top had been billed for and had paid for water and wastewater service in the absence of Commission-approved tariffs; and (c) various service problems and interruptions in water service had occurred since 1996. These Formal Complaints were filed at Docket Nos. C-00970721 (Lakeside) and C-00970722 (Edwin). Both Formal Complaints requested that all monies paid by Sky Top to Lakeside and Edwin from December 1993 to April 1997 be refunded and that a fine be imposed. On February 2, 1998, the DeNaples Group filed a Petition to Intervene in the proceedings at Docket Nos. C-00970721 and C-00970722. This Petition to Intervene was granted by Order of the ALJ. The conditions of this Settlement Petition provide for satisfaction of the issues raised in these Formal Complaints and for the withdrawal of the Formal Complaints and the DeNaples Group's Petition to Intervene, with prejudice.

13. Pursuant to Commission notices, Prehearing Conferences were held on April 8, 1997 and on August 20, 1997 before ALJ Lovenwirth. Evidentiary Hearings were held before ALJ

Lovenwirth on August 29, 1997, on November 17-19, 1997 and on November 10, 1998. The Prosecutory Staff, the Township, Sky Top, the Companies and the DeNaples Group appeared at all hearings.

14. Following the November 19, 1997 hearings, the parties engaged in formal mediation sessions before Commission Mediator Herbert Nurick. Although these mediation sessions were unsuccessful, the parties continued settlement negotiations following the November 10, 1998 hearing. The Joint Petitioners arrived at a mutually acceptable settlement which is embodied in this Settlement Petition. The terms and conditions contained in this Settlement Petition represent a comprehensive, global settlement of all claims and issues between the parties, including but not limited to the claims and issues raised in each of the Consolidated Proceedings. All parties to these Consolidated Proceedings have entered into this settlement and have executed this Settlement Petition.

## II. SUMMARY OF SETTLEMENT

15. The settlement set forth in this Settlement Petition (a) resolves all issues raised in the Petition to Intervene filed by the Township and in the Protests and Formal Complaints filed by Sky Top against the Applications for Certificates of Public Convenience (Docket Nos. A-210069 and A-230061); (b) resolves all issues raised in the Commission's January 14, 1997 Amended Emergency Order (Docket No. M-00970896); (c) resolves all issues raised in the Formal Complaints filed by the Prosecutory Staff at Docket Nos. C-00970189 and C-00970618;

(d) resolves all issues raised in the Formal Complaints filed by Sky Top and in the Petition to Intervene filed by the DeNaples Group at Docket Nos. C-00970721 and C-00970722 (requesting refund of utility fees paid); (e) provides for the issuance of Certificates of Public Convenience authorizing the transfer of stock of Lakeside and Edwin, nunc pro tunc, from the DeNaples Group to the Gawron Group (Docket Nos. A-210069F5000 and A-230061F5000); (f) provides for the issuance of Certificates of Public Convenience authorizing Lakeside and Edwin to continue to provide water and wastewater service to the public in portions of Palmyra Township, Pike County, Pennsylvania (Docket Nos. A-210069 and A-230061); and, (g) provides for the approval of initial tariffs under which Lakeside and Edwin may charge lawful and Commission-approved rates for the services they provide.

16. The settlement contained in this Settlement Petition is the product of extensive and lengthy negotiations, represents a compromise by all parties to these Consolidated Proceedings, and is entered into with the expectation that all of these Consolidated Proceedings will be resolved as a result of this Settlement Petition. “[I]t is the policy of the Commission to encourage settlements.” 52 Pa. Code §5.231. The Joint Petitioners agree that the public interest is best served by entering into a settlement that accommodates the interests of all parties, as well as the public interest, and they believe that the settlement achieved in these Consolidated Proceedings has accommodated those interests. Furthermore, it is the intent of the Joint Petitioners to resolve amicably all of the above-captioned proceedings in a reasonable and comprehensive fashion through this settlement.

III. TERMS AND CONDITIONS OF SETTLEMENT AGREEMENT

17. In settlement of each and every of the Consolidated Proceedings, the Joint Petitioners agree to the following operative terms and conditions:

(a). Lakeside and Edwin shall make payments to Sky Top in accordance with the schedule set forth on Appendix C, attached to and made a part of this Settlement Petition. These payments shall be in full settlement of all claims of Sky Top related to Lakeside and Edwin, including but not limited to those issues raised by Sky Top in the Formal Complaints filed at Docket Nos. C-00970721 and C-00970722. The Joint Petitioners agree that the specific terms contained on Appendix C shall be confidential and shall not be disclosed to any party other than the Joint Petitioners, their legal counsel, the Commission or a member of the Commission staff. The Joint Petitioners request that the ALJ and the Commission seal Appendix C in a confidentially marked envelope in the Commission's files.

(b). Within thirty (30) days of the entry of a Commission Order approving this Settlement Petition, Lakeside and Edwin shall hire a certified operator(s) who will operate the Lakeside water system and the Edwin wastewater system for a period of one (1) year. The certified operator(s) shall hold all applicable licenses and certifications, including a valid license(s) issued by the Pennsylvania Department of Environmental Protection pursuant to the Sewage Treatment Plant and Waterworks

Janet Miller  
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before  
she knows  
my side  
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Operator Certification Act. Lakeside and Edwin's choice of certified operator(s) shall be approved by the Township, the Prosecutory Staff and Sky Top; however, such approval shall not be unreasonably withheld. A copy of the operator's license(s) shall be provided to the Township, the Prosecutory Staff and Sky Top. The certified operator(s) shall be an employee of Lakeside and Edwin or shall be hired as an independent contractor of Lakeside and Edwin. For six (6) months following the date of employment, the certified operator(s) shall be on site five (5) days per week, for at least one (1) hour per day or such other amount of time as is reasonably necessary, for the purpose of monitoring and maintaining the water and wastewater systems. The certified operator(s) shall be available at all other times by telephone or pager. Following the initial six-month period referred to in the previous sentence, the employment of the certified operator(s) can be reduced to less than five (5) days per week, if agreed to in writing by the Joint Petitioners. If the conditions of Paragraph 17.(c)., below, are met, continued employment of the certified operator(s) hired pursuant to this Paragraph 17.(b). following the end of the one-year period shall be at the discretion of the Companies, so long as the Companies comply after that date with all regulations of the Commission and the Pennsylvania Department of Environmental Protection with respect to the employment of a certified operator(s) for water and wastewater systems.

(c). Within one (1) year of the entry of a Commission Order approving this Settlement Petition, Mark Gawron and Gregory Gretz each shall obtain all licenses and certifications required to operate both water and wastewater systems in Pennsylvania, including but not limited to all licenses and certifications required by the Pennsylvania Department of Environmental Protection pursuant to the Sewage Treatment Plant and Waterworks Operator Certification Act. If the provisions of this Paragraph 17.(c). are not satisfied within the one (1) year period set forth in the previous sentence, the Companies shall continue to employ the certified operator(s) hired pursuant to Paragraph 17.(b)., above, until such licenses and certifications have been obtained. Upon receipt, Mark Gawron and Gregory Gretz will furnish a copy of all licenses and certifications to the Township, Sky Top and the Prosecutory Staff.

(d). Lakeside shall continue to own and maintain the "Upper Trailer Park Facilities"<sup>4</sup>. All repairs and maintenance required to be made to the Upper Trailer Park Facilities shall be made by Lakeside, at its own cost and expense. Any building in which the Upper Trailer Park Facilities are housed shall be secured at all times. Access to the Upper Trailer Park Facilities shall be limited to Lakeside employees, the Company's certified operator(s) or other persons under the direction and control of the Company.

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<sup>4</sup> The Upper Trailer Park Facilities shall include the Upper Trailer Park well and pump house, the underground storage tank, two (2) hydro-pneumatic pressure tanks, two (2) booster pumps, an in-line chlorinator and the water distribution system used to serve customers from the Upper Trailer Park well, with the exception of the Sky Top Heights Mobile Home Park.

(e). Sky Top shall maintain the water distribution system located within the boundaries of the Sky Top Heights Mobile Home Park<sup>5</sup>. All repairs and maintenance required to be made to this water distribution system shall be made by Sky Top, at its own cost and expense. Access to this water distribution system shall be limited to Sky Top employees or other persons under the direction and control of Sky Top, or Sky Top's owners. Sky Top shall provide Lakeside with forty-eight (48) hours' prior notice of routine repairs to the Sky Top water distribution system. Reasonable notice of shorter duration for non-routine repairs, i.e., emergencies, shall be provided to Lakeside as the circumstances permit.

(f). Sky Top shall not disconnect the mobile home park from the Upper Trailer Park Facilities in order to construct a separate well to serve only the Sky Top Heights Mobile Home Park, so long as reasonable and adequate service is being provided to Sky Top by Lakeside. For purposes of this Paragraph 17.(f), reasonable and adequate service shall mean:

i. All customer contacts and complaints shall be handled in accordance with the provisions of Paragraph 17.(n), below.

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<sup>5</sup> The Joint Petitioners make no stipulations or agreements as part of this settlement with respect to the current ownership of the water distribution system located within the boundaries of the Sky Top Heights Mobile Home Park.

- ii. At least three (3) days' prior notice shall be given to Sky Top by Lakeside in the event of a scheduled water outage that will affect residents of the Sky Top Heights Mobile Home Park. If a water outage results from an emergency or equipment failure of the Upper Trailer Park Facilities, notice shall be given to Sky Top as soon as the circumstances permit, but at least within one-half (1/2) hour of Lakeside's becoming aware that an outage exists. Lakeside's obligation to notify Sky Top of water outages shall be satisfied by making contact with a specific list of individuals that will be supplied to the Company by Sky Top. The notice provided by Lakeside pursuant to this paragraph shall be provided to Sky Top's park residents. To effectuate this obligation, Sky Top shall post the notice provided by Lakeside in its office, in the mobile home park's common areas and in any other location that Sky Top deems will advance the notification purposes of this paragraph.
  
- iii. Lakeside will complete all repairs necessary to restore water service as expeditiously as possible; however, if a water outage lasts beyond sixteen (16) hours, Lakeside shall, at its own cost, provide bulk water for use by Sky Top residents until such time as repairs have been completed and water service is restored. The provisions of this paragraph shall not apply if the water outage is caused by failure of

the water distribution system within the Sky Top Heights Mobile Home Park.

- iv. A written log shall be kept by the Companies of all contacts received by Lakeside from customers or from tenants of the Sky Top Mobile Home Park. This log shall include the date and time the call or contact was received, the name of the individual placing the call, a brief description of the nature of the contact, a brief description of the action(s) taken by Lakeside to address the individual's concern, and the date and time that action(s) was taken.
  
- v. Sky Top shall not experience more than six (6) emergency cessations of water service, of any duration, during any calendar quarter of any calendar year. Any nonscheduled service interruption of any duration shall constitute an emergency cessation of water service for purposes of this paragraph.
  
- v. Water quality and pressure shall be consistent with the standards imposed by the regulatory agencies having competent jurisdiction over Lakeside and consistent with the standards generally utilized by the water industry.

- vi. Any violation of any of the provisions of subparagraphs 17.(f).(i) through 17.(f).(v) may be considered as grounds for a determination of unreasonable and inadequate service for purposes of this settlement and Sky Top's right to terminate water service provided by Lakeside in accordance with Paragraphs 17.(f). and 17.(g). of this Settlement Petition.
- (g). Before Sky Top shall begin construction of a separate well in order to disconnect the Sky Top Heights Mobile Home Park from the Lakeside water system in the event of unreasonable and inadequate service, Lakeside and Sky Top shall first attempt to resolve the service problems in the following manner:
- i. Sky Top shall provide Lakeside with written notice of the specific incidents of unreasonable and inadequate service that have occurred within the previous three (3) months. Lakeside shall have ten (10) days within which to "cure" the cause of the identified incidents of unreasonable and inadequate service. Sky Top and Lakeside can agree to extend the ten-day cure period. If a cure is completed by Lakeside within the ten-day period (or such other time as agreed to by Sky Top and Lakeside), the provisions of Paragraph 17.(f). shall remain in effect.

well in order to disconnect the Sky Top Heights Mobile Home Park from the Upper Trailer Park Facilities in accordance with Paragraphs 17.(f). and 17.(g). of this Settlement Petition.

- (i). The initial tariff (Lakeside Tariff Water - Pa. P.U.C. No. 1), filed as part of Lakeside's February 20, 1996 Application for issuance of a Certificate of Public Convenience, shall be amended to add a customer class for "Mobile Home Park Customers" and to revise the main extension provisions in order to comply with current Commission Regulations. Rates charged to "Mobile Home Park Customers" shall be based on the number of units located within the mobile home park which are connected to the Lakeside water system. A copy of the proposed amended tariff is attached to and made a part of this Settlement Petition as **Appendix A**. The Joint Petitioners agree that the rates contained in **Appendix A** are reasonable and that they shall be considered to be Commission-approved rates for purposes of future Commission proceedings. Within five (5) days of the entry of a Commission Order approving this Settlement Petition, Lakeside shall file the tariff contained at **Appendix A**, which tariff shall become effective on one (1) day's notice.
  
- (j). The initial tariff (Edwin Tariff Wastewater - Pa. P.U.C. No. 1), filed as part of Edwin's February 20, 1996 Application for issuance of a Certificate of Public Convenience, shall be amended to add customer classes for "Mobile Home Park

Customers” and “Commercial Customers” and to revise the main extension provisions to comply with current tax laws. Rates charged to “Mobile Home Park Customers” shall be based on the number of units located within the mobile home park which are connected to the Edwin wastewater system. A copy of the proposed amended tariff is attached to and made a part of this Settlement Petition as Appendix B. The Joint Petitioners agree that the rates contained in Appendix B are reasonable and that they shall be considered to be Commission-approved rates for purposes of future Commission proceedings. Within five (5) days of the entry of a Commission Order approving this Settlement Petition, Edwin shall file the tariff contained at Appendix B, which tariff shall become effective on one (1) day's notice.

- (k). Sky Top shall provide a written report to Lakeside and Edwin on June 1 and September 30 of each year which identifies the number of units within the mobile home park that are connected to the Lakeside water system and to the Edwin wastewater system. Water and wastewater rates charged to Sky Top from June 1 through September 30 of each year shall be based on the number of units identified in the June 1 report. Water and wastewater rates charged to Sky Top from October 1 through May 31 of each year shall be based on the number of units identified in the September 30 report. If the number of connected units located within Sky Top varies from the reported number by more than five units between June 1 and September 30, Sky Top shall notify the Companies in writing within

thirty (30) days of the change. Such notice shall identify the revised number of connected units located within the mobile home park. Effective with the next bill issued after Sky Top's notification of such a change, water and wastewater rates will be adjusted to reflect the actual number of connected units located within the Sky Top Heights Mobile Home Park. A copy of all reports submitted by Sky Top on June 1 shall be furnished to the Township.

- (l). The Companies will maintain an office within their service territory. At least one employee shall be available at the Companies' office for at least two (2) consecutive hours on two (2) weekdays to handle customers contacts. Appointments can be made by customers to meet with an employee of Lakeside or Edwin at other times. Office hours shall be clearly posted at the Companies' office and shall not be changed more than one time during a calendar year. The address of the Companies' office and the office hours shall be printed clearly on each customer's billing statement. Within ten (10) days of the entry of a Commission Order approving this Settlement Petition, the Companies shall send a letter to all customers indicating what the Companies' office hours will be and including directions to the office location. All customers of Lakeside and Edwin shall be notified, either by letter or bill insert, of any future change in posted office hours.

(m). A designated Company employee shall be available at all times through the use of a telephone number which shall be listed in the Honesdale telephone directory under the name of "Lakeside Water Systems, Inc." and under the name of "Edwin, Inc." The telephone number listed shall provide personal contact with a Lakeside or Edwin employee or with an "answering service" (not a machine) that can reach an employee through the use of a paging system. The telephone number will be answered 24-hours per day. The telephone number shall be clearly posted at the Companies' office and shall be printed clearly on each customer's billing statement. All customers of Lakeside and Edwin shall be notified, either by letter or bill insert, of any change in the Companies' telephone number.

(n). All contacts from customers of Lakeside or Edwin, or from tenants living within the Sky Top Heights Mobile Home Park, that involve a service outage or service problem shall be responded to by a Company employee within one (1) hour of the time the contact is received. Contacts that are not service related shall be responded to by a Company employee within three (3) hours of the time the contact is received, or within three (3) hours on the next business day if the contact is received after 4:00 P.M. Monday through Friday or on a Saturday, Sunday or holiday. A written log shall be kept by the Companies of all contacts received. This log shall include the date and time the call or contact was received, the name of the individual placing the call, whether the contact involved water or wastewater service, a brief description of the nature of the contact, a brief description of the action(s) taken by

Lakeside or Edwin to address the individual's concern, and the date and time that action(s) was taken. A copy of this log shall be kept in the Companies' records for a period of five (5) years and shall be provided to the Commission upon request.

- (o). Both Lakeside and Edwin shall keep a file of all informal and formal complaints received from the Commission. This file shall include the complaint, any written response made by Lakeside or Edwin, and any other material relevant to the customer's dispute. Documents shall be kept in this file for a period of five (5) years.
  
- (p). Neither Lakeside nor Edwin shall make any attempt to collect any unpaid balances billed to customers for water or wastewater service provided prior to the date on which the tariffs attached hereto as **Appendix A** and **Appendix B** become effective.
  
- (q). The Joint Petitioners agree that the ALJ and the Commission can make the following findings based upon the substantial evidence of record:
  - i. A public need exists in the Application Territories for the water and wastewater services of the Companies.
  - ii. The Companies possess the technical fitness to render water and wastewater service in the Application Territories.
  - iii. The Companies possess the financial fitness to render water and wastewater service in the Application Territories.

iv. Issuance of Certificates of Public Convenience to the Companies are necessary and proper for the convenience, accommodation and safety of the public in the Application Territories.

(r). The Applications for approval of the transfer of stock of Lakeside and Edwin from the DeNaples Group to the Gawron Group shall be approved as part of the terms and conditions of this Settlement Petition.

(s). The Joint Petitioners agree that Certificates of Public Convenience shall be issued by the Commission to allow Lakeside and Edwin to continue to provide water and wastewater service, respectively, within the portions of Palmyra Township, Pike County, Pennsylvania that are described on **Appendix D**, attached to and made a part of this Settlement Petition.

(t). The terms and conditions of the Commission's January 14, 1997 Amended Emergency Order shall be deemed to have been satisfied by the Companies and the Commission's investigation at Docket No. M-00970896 shall be closed.

(u). Under the terms and conditions of this Settlement Petition, each of the following proceedings shall be deemed closed, satisfied or withdrawn, with prejudice:

i. The Township's Petition to Intervene and objection to the Edwin Application for Certificate of Public Convenience (A-230061).

- ii. Sky Top's Protests and Formal Complaints to the Lakeside and Edwin Applications for Certificates of Public Convenience (A-210069 and A-230061).
- iii. The Commission's January 14, 1997 Amended Emergency Order (Docket No. M-00970896).
- iv. The Prosecutory Staff's Formal Complaints filed at Docket Nos. C-00970189 and C-00970618.
- v. Sky Top's Formal Complaints and the DeNaples Group's Petition to Intervene filed at Docket Nos. C-00970721 and C-00970722.

(v). This Settlement Petition, and the Appendices reference herein, contain and represent the entire and exclusive agreement and understanding of the Joint Petitioners. There are no covenants, promises, agreements or understandings, either oral or written, between any or all of the Joint Petitioners other than as expressly set forth or referenced in this Settlement Petition. No subsequent alteration, amendment, change or addition to this Settlement Petition will be binding on any party unless reduced to writing and signed by all of the Joint Petitioners. \*

- (w). This Settlement Petition is subject to all applicable administrative and common law treatments of settlements, settlement offers and/or settlement negotiations.
- (x). This Settlement Petition is contingent upon the ALJ recommending and the Commission adopting and entering an Order accepting this settlement in its entirety and without modification, unless otherwise agreed to by the Joint Petitioners. The

Joint Petitioners agree to waive the filing of exceptions to a Recommended Decision of the ALJ that recommends that the Commission adopt this Settlement Petition without modification. Likewise, if the Commission ultimately enters an Order approving the Settlement Petition, issuing Certificates of Public Convenience authorizing the stock transfers and the right of Lakeside and Edwin to continue to provide public utility service, and deeming all interventions, protests and complaints withdrawn, then the Joint Petitioners agree not to appeal said Commission Order.

- (y). If the ALJ recommends modifications to the terms of this Settlement Petition in his Recommended Decision, the Joint Petitioners reserve the right to file exceptions and replies to exceptions with the Commission. The Joint Petitioners also reserve the right to file replies that contest any exceptions which may be filed by any entity or individual who is not a Joint Petitioner. If the Commission withholds approval or alters any term of this Settlement Petition, any Joint Petitioner may, within ten (10) days of the entry of a Commission Order modifying or withholding approval, withdraw from this Settlement Petition. Any such notice of withdrawal shall be filed with the Commission and shall be served upon the other Joint Petitioners. In the event of such a withdrawal, the remaining Joint Petitioners shall be released from all of the terms and conditions of this Settlement Petition and shall not be limited in any way in the litigation of their respective positions to a final resolution before the Commission.

- (z). This settlement, resulting from and reflecting compromises by all Joint Petitioners, is presented and made without any admission against, or prejudice to, any positions that any Joint Petitioner may have previously adopted during hearings held in these Consolidated Proceedings, any positions that any Joint Petitioner may adopt during subsequent litigation of any of these Consolidated Proceedings before the Commission in the event this Settlement Petition is not approved by the Commission, or any positions that any Joint Petitioner might adopt during litigation in other or subsequent proceedings.
- (aa). The terms and conditions of this Settlement Petition shall be binding on the parties hereto, their owners, employees, managers, directors, officers, agents, successors, heirs and assigns.
- (bb). Nothing contained in this Settlement Petition shall supercede the obligations imposed on the Companies by the Public Utility Code or the Commission's Regulations.
- (cc). Within sixty (60) days of the entry of a Commission Order approving this Settlement Petition, Lakeside shall file with the Commission a metering plan indicating a schedule for the placement of customer meters and the implementation of metered rates for the Lakeside water system. For good cause, Lakeside may seek an extension of the sixty-day time period from the Commission.

(dd). At the time of the filing of any future request for a general rate increase, Lakeside and Edwin each shall submit to the Commission, along with all other requirements of the Public Utility Code and the Commission's Regulations, an original cost study that includes an itemization of all contributions made to the Companies by customers or developers.

(ee). The Joint Petitioners agree that this Settlement Petition shall be executed in counterparts and that, when all signatures are appended, shall be deemed to have been signed by all parties as if in a single document.

#### IV. REASONS IN SUPPORT OF SETTLEMENT AGREEMENT

13. The Joint Petitioners agree that the proposed settlement contained in this Settlement Petition is in the public interest for the following reasons:

- (a). The proposed settlement, which includes an agreement for approval of the transfer of Lakeside and Edwin stock from the DeNaples Group to the Gawron Group, will resolve any confusion over the identity of the current owners and operators of Lakeside Water Systems, Inc. and Edwin, Inc.



- (b). The proposed settlement provides Lakeside and Edwin with the required authority to continue to operate their respective water and wastewater systems in order to provide customers with water and wastewater service.
- (c). The proposed settlement will put into effect tariffs that will allow Lakeside and Edwin to charge lawful and Commission-approved rates for services rendered.
- (d). The proposed settlement resolves the Commission's investigation at Docket No. M-00970896.
- (e). The proposed settlement resolves all claims and issues among the Joint Petitioners, including but not limited to the claims and issues raised in the Formal Complaints filed by the Prosecutory Staff and Sky Top at Docket Nos. C-00970189, C-00970618, C-00970721 and C-00970722.

WHEREFORE, the Law Bureau Prosecutory Staff of the Pennsylvania Public Utility Commission; Palmyra Township, Pike County, Pennsylvania; Sky Top Heights Mobile Home Park; Lakeside Water Systems, Inc.; Edwin, Inc.; and Louis DeNaples, Peter Sabia and Joseph Gentile request as follows:

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission approve, as in the public interest, the settlement embodied in this Joint Petition for Settlement of

All Proceedings, including all of the terms and conditions hereof, in its entirety and without modification, including the tariff pages containing the schedule of rates, rules, and regulations set forth as **Appendix A** and **Appendix B** to this Settlement Petition; and

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission approve, as in the public interest, the issuance of a Certificate of Public Convenience authorizing the transfer of stock of Lakeside Water Systems, Inc., nunc pro tunc, from the DeNaples Group to the Gawron Group; and



That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission approve, as in the public interest, the issuance of a Certificate of Public Convenience authorizing the transfer of stock of Edwin, Inc., nunc pro tunc, from the DeNaples Group to the Gawron Group; and

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission approve, as in the public interest, the issuance of a Certificate of Public Convenience authorizing Lakeside Water Systems, Inc. to continue to provide water service to the public in those portions of Palmyra Township, Pike County, Pennsylvania that are described on **Appendix D**, attached hereto; and

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission approve, as in the public interest, the issuance of a Certificate of Public Convenience authorizing

Edwin, Inc. to continue to provide wastewater service to the public in those portions of Palmyra Township, Pike County, Pennsylvania that are described on Appendix D, attached hereto; and

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission authorize Lakeside Water Systems, Inc. to file a tariff supplement, in the same substance and form as that attached as Appendix A hereto, to become effective upon one day's notice, permitting the rates, rules, and regulations contained therein to become effective for service rendered after the day the Commission approves this Settlement Petition; and

That Administrative Law Judge Richard M. Lovenwirth recommend and the Commission authorize Edwin, Inc. to file a tariff supplement, in the same substance and form as that attached as Appendix B hereto, to become effective upon one day's notice, permitting the rates, rules, and regulations contained therein to become effective for service rendered after the day the Commission approves this Settlement Petition; and

That, if the Commission approves this Joint Petition for Settlement of All Proceedings without modification and/or amendment, the Commission terminate its investigation and proceedings at Docket Nos. A-210069, A-230061, M-00970896, A-210069F5000 and A-230061F5000; deem withdrawn, with prejudice, the interventions, protests and complaints filed at Docket Nos. A-210069, A-230061, C-00970189, C-00970618, C-00970721 and C-00970722; and mark closed the record in these Consolidated Proceedings.

Respectfully submitted,

ON BEHALF OF THE LAW BUREAU PROSECUTORY STAFF  
OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Stanley E. Brown  
Rhonda L. Daviston  
Law Bureau  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Stanley E. Brown

Dated: February 18, 1999

Rhonda L. Daviston

Dated: February 18, 1999

Respectfully submitted,

ON BEHALF OF PALMYRA TOWNSHIP

R. Anthony Waldron, III  
HCR 6, Box 6030  
Hawley, PA 18428

R. Anthony Waldron

Dated: 02/18/99

Respectfully submitted,

ON BEHALF OF SKY TOP HEIGHTS MOBILE HOME PARK

Kenneth Zielonis  
Stevens & Lee  
208 North Third Street  
Suite 310  
PO Box 12090  
Harrisburg, PA 17108-2090

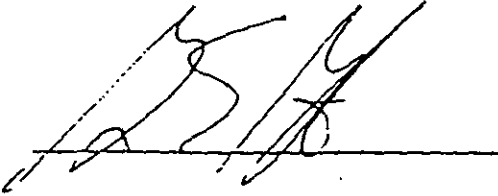
Kenneth Zielonis

Dated: 2/18/99

Respectfully submitted,

**ON BEHALF OF LAKESIDE WATER SYSTEMS, INC.**

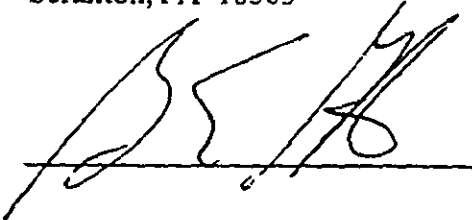
George E. Gretz  
Suite 712, Connell Building  
129 North Washington Avenue  
Scranton, PA 18503

A handwritten signature in black ink, appearing to be 'G. Gretz', written over a horizontal line.

Dated: 02/18/99

**ON BEHALF OF EDWIN, INC.**

George E. Gretz  
Suite 712, Connell Building  
129 North Washington Avenue  
Scranton, PA 18503

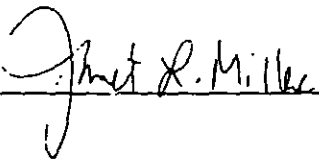
A handwritten signature in black ink, appearing to be 'G. Gretz', written over a horizontal line.

Dated: 02/18/99

Respectfully submitted,

ON BEHALF OF LOUIS DENAPLES, JOSEPH GENTILE AND PETER SABIA

Janet L. Miller  
Malatesta Hawke & McKeon LLP  
Harrisburg Energy Center  
100 North Tenth Street  
PO Box 1778  
Harrisburg, PA 17105

  
\_\_\_\_\_

Dated: February 18, 1999

LIST OF APPENDICES ATTACHED TO  
JOINT PETITION FOR SETTLEMENT  
OF ALL PROCEEDINGS

- Appendix A Proposed Lakeside Tariff -- Tariff Water - Pa. P.U.C. No. 1
- Appendix B Proposed Edwin Tariff -- Tariff Wastewater - Pa. P.U.C. No. 1
- Appendix C Terms of Settlement of Sky Top Formal Complaints against Lakeside Water Systems, Inc. (Docket No. C-00970721) and against Edwin, Inc. (Docket No. C-00970722)
- Appendix D Legal Description of Application Territories
- Appendix E Statement in Support of Pennsylvania Public Utility Commission Law Bureau Prosecutory Staff
- Appendix F Statement in Support of Palmyra Township, Pike County, Pennsylvania
- Appendix G Statement in Support of Sky Top Heights Mobile Home Park
- Appendix H Statement in Support of Lakeside Water Systems, Inc. and Edwin, Inc.
- Appendix I Statement in Support of Louis DeNaples, Peter Sabia and Joseph Gentile

**Exhibit “B”**

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

-----  
Application of Deer Haven, LLC

v.  
The Gawrons, Lakeside Water Systems, Incorporated, Edwin, Incorporated

|  
|  
Docket No.: A-210069F2000,  
A-210124 (water) and  
A-230061F2000,  
A-230106 (wastewater)

Initial Pre-hearing Conference  
-----

Pages: 1-22

State Office Building  
Room 318  
100 Lackawanna Avenue  
Scranton, Pennsylvania

Friday, June 2, 2006  
Commencing at 10:00 a.m.

BEFORE:

EMBER JANDEBEUR, Administrative Law Judge

APPEARANCES:

JANET L. MILLER, Esquire  
Hawke, Mckeon, Sniscak & Kennard, LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105  
For the Complainant

KIERAN M. CASEY, Esquire  
Borland & Borland, LLP  
69 Public Square, Suite 1100  
Wilkes-Barre, PA 18701  
For the Respondent

COPY

REPORTER: MICHAEL MAZZEI

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INDEX TO WITNESSES

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
None				



P R O C E E D I N G S

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4  
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JUDGE EMBER JANDEBEUR:

We're on the record. This is the time and place for the in-person, pre-hearing conference regarding two applications made by Deer Haven, Limited Liability Corporation. The dockets are A-210069F2000 and A-230061F2000. One, the first one is for application to provide water services, the second is an application to provide wastewater collection and treatment services. Now, I have in the courtroom Janet Miller representing Deer Haven. And I have Kieran Casey representing three entities, the Gawron family, Lakeside and Edwin, Inc. I don't have it right in front of me, is it Lakeside, Inc., Limited Liability, what is Lakeside?

ATTORNEY CASEY:

I think it's a corporation.

JUDGE JANDEBEUR:

Okay. So, Lakeside Corporation. And Edwin is, also, Edwin, Incorporation? Okay. Very good. Now, I think both Counselors are aware of what we typically go through in a pre-hearing conference, so I won't bother to enumerate all of that. I think the most important thing that we can do, today, or at

1 least from my standpoint, is, I would like an  
2 explanation from you, Ms. Miller, first, and of course  
3 you, Mr. Casey, on exactly the status of this  
4 application relative to, what I understand is, not  
5 really a parallel proceeding, but rather a different  
6 proceeding in Federal Court. I need to be brought up  
7 to speed with whether this is premature. It appears  
8 to me to be premature. So before we go forward and  
9 bother to do what we normally do in a pre-hearing  
10 conference with regard to setting schedules, et  
11 cetera, I think it's more important that we figure  
12 out, do we need all that, at this point in time. And  
13 if we do, then, obviously, that's the next step. So  
14 if you wouldn't mind, get me up to speed on where this  
15 is.

16 ATTORNEY MILLER:

17 There currently is a complaint proceeding  
18 filed in the United States District Court, Middle  
19 District, Pennsylvania. That ends up --- the  
20 complaint and the answering been filed, case  
21 management conferences have been scheduled, and a case  
22 management conference is being held before the Judge  
23 on the 30th of this month, June 30th, 2006. The joint  
24 memorandum, the joint case, management memorandum is  
25 being prepared between myself and another Attorney

1 that's representing the Gawrons and their entities at  
2 the moment. My understanding is that there were other  
3 Federal Court proceedings that were brought by either  
4 the Gawrons or Lakeside and Edwin, but our firm was  
5 not involved in those proceedings and I don't have any  
6 information as to the status of those.

7 JUDGE JANDEBEUR:

8 Okay. The complaint that was filed in  
9 Middle District is a complaint about what, filed by  
10 whom?

11 ATTORNEY MILLER:

12 It's a complaint filed by the Gawrons, as  
13 well as Lakeside and Edwin. It alleges that they are  
14 the holders of the certificates of satisfaction for  
15 Lakeside and Edwin, and as such, they are entitled to  
16 all the monies that have been collected by Deer Haven  
17 for water and sewer services.

18 JUDGE JANDEBEUR:

19 Certificate of public convenience or  
20 certificate of satisfaction?

21 ATTORNEY MILLER:

22 I'm sorry, a certificate of convenience.

23 JUDGE JANDEBEUR:

24 Okay, okay.

25 ATTORNEY MILLER:

1 And it asks for monetary damages.

2 JUDGE JANDEBEUR:

3 Okay. And your Answer? Or, I assume you  
4 filed the Answer?

5 ATTORNEY MILLER:

6 One of our partners did that.

7 JUDGE JANDEBEUR:

8 Okay. And it says what?

9 ATTORNEY MILLER:

10 It says, essentially, that Deer Haven and  
11 Mr. Shahar have been operating the water and the sewer  
12 companies, that they have made significant  
13 improvements to the facilities, and that, therefore,  
14 they are entitled to revenues that were collected from  
15 customers to whom --- excuse me --- services were  
16 provided. And that there is an underlying agreement  
17 between the Gawrons and Mr. Shahar and Deer Haven that  
18 provided for certain things to be accomplished, that  
19 included the transfer of stock of the two companies.  
20 And there is a dispute as to what has been done and  
21 what has not been done.

22 JUDGE JANDEBEUR:

23 Okay. That underlying agreement, is that  
24 what I have it as, an exhibit to your application that  
25 was not consummated? The May 4th, 2004?

1                   ATTORNEY MILLER:

2                   It was consummated, but the copy that is  
3 in exhibit is not a signed copy.

4                   JUDGE JANDEBEUR:

5                   Okay. When was it consummated?

6                   ATTORNEY MILLER:

7                   I'll find you that in a moment, Your  
8 Honor. Mr. Shahar indicated it was executed in May of  
9 2004 and that he does have signed copies that were  
10 provided to Your Honor.

11                   JUDGE JANDEBEUR:

12                   Now, I just need to know that it was. I  
13 mean, I was under the impression as I was reading  
14 through this that it was not. Okay. So it was, and  
15 your Client's contention is that he --- who owns the  
16 treatment plant?

17                   ATTORNEY MILLER:

18                   Edwin, Inc.

19                   JUDGE JANDEBEUR:

20                   So your Client is applying for an  
21 application --- it is applying for a certificate of  
22 public convenience for a facility that he does not  
23 own?

24                   ATTORNEY MILLER:

25                   That's correct. As well as a transfer of

1 the stock of the company which would give Mr. Shahar  
2 ownership of the treatment plant.

3 JUDGE JANDEBEUR:

4 Okay. And that transfer is challenged?

5 ATTORNEY MILLER:

6 Yes.

7 JUDGE JANDEBEUR:

8 In Middle District? Because, obviously,  
9 I have no authority over that, so. Well, that takes  
10 me back to what I originally said. It certainly  
11 appears to me that the application proceeding is  
12 premature. Now, how do you disagree with that? I  
13 don't know how the P.U.C. would be able to approve an  
14 application for which the applicant does not own the  
15 underlying facility. That's a new one for me, I don't  
16 think it can, it --- I don't think you can get there  
17 from here. But you tell me how I'm wrong.

18 ATTORNEY MILLER:

19 Well, the application it was filed  
20 nunc pro tunc, after the fact, although the stock  
21 never got transferred. The circumstances that were  
22 understood to occur when the applications were filed  
23 had changed since then.

24 JUDGE JANDEBEUR:

25 Gotten ugly, in other words?

1                   ATTORNEY MILLER:

2                   Yes, gotten ugly. You are correct, Your  
3 Honor, unless we have the stock of the two companies  
4 as was part of the original agreement between parties.  
5 Mr. Shahar and Deer Haven do not own, technically,  
6 from a legal standpoint, either Lakeside or Edwin, but  
7 they are operating, making improvements to both water  
8 facilities and the sewage facilities so that the  
9 customers of those two companies continue to receive  
10 service.

11                   JUDGE JANDEBEUR:

12                   So they ---?

13                   ATTORNEY MILLER:

14                   They're doing that without a certificate  
15 of public convenience.

16                   JUDGE JANDEBEUR:

17                   And they're making changes to a facility  
18 that they don't have title to?

19                   ATTORNEY MILLER:

20                   That's correct.

21                   JUDGE JANDEBEUR:

22                   And your contention is that the P.U.C.  
23 has authority to grant him a certificate as an  
24 operator?

25                   ATTORNEY MILLER:

1           Given the circumstances, Your Honor, I  
2 would argue that they may be necessary, or maybe Your  
3 Honor is correct, maybe this is premature and all the  
4 rest of it has to get sorted out, first. The stock of  
5 these two companies was supposed to be transferred as  
6 part of the May, 2004 agreement. That did not occur.

7           JUDGE JANDEBEUR:

8           Now, this is a curiosity question,  
9 obviously, I have no need, nor no right, nor a right  
10 to know, but, what happened? Where did it turn south?

11          ATTORNEY MILLER:

12          You'll have to ask the parties.

13          JUDGE JANDEBEUR:

14          Okay.

15          ATTORNEY MILLER:

16          I wasn't involved in that.

17          JUDGE JANDEBEUR:

18          Okay. Mr. Shahar, I mean, you don't have  
19 to answer unless you choose to. I'm just curious.  
20 What happened here?

21          MR. SHAHAR:

22          Crookedness. In May of 2004, I bought  
23 from Mr. DeNaples. I bought the mortgage, the note  
24 from the bank, foreclosure. That was including a  
25 piece of land and the sewer company and the water

1 company. Instead of foreclosure, I went to the Gawron  
2 family and I said for what to fight --- what do you  
3 need from me to transfer the rights to me instead of  
4 going to fight in the foreclosure, can we live  
5 together? So, we had an agreement. And this  
6 agreement is supposed to --- I supposed to do some  
7 things, they supposed to do some things. And part of  
8 this agreement is supposed to transfer to us the  
9 license of the --- they supposed to transfer of the  
10 stock of the two companies. So I'm in the middle, it  
11 became a lawsuit. In the meantime, I took over the  
12 sewer and the water companies, and the P.U.C. --- the  
13 lawyer for P.U.C., and the lady attorney, Robin ---.

14 JUDGE JANDEBEUR:

15 Katzman?

16 MR. SHAHAR:

17 Yes, Robin Katzman, assured me, right,  
18 and she wants me to do certain things. And the  
19 engineer of P.U.C., man with the name, Larry ---.

20 ATTORNEY MILLER:

21 Larry Lash.

22 MR. SHAHAR:

23 Larry Lash, in order of P.U.C., they were  
24 there and they want me to do this and this. And I  
25 just --- they recognized me, like that, when I took

1 over it was falling apart, it was no lights, no water,  
2 the sewer panel was going to the lake --- it was a  
3 disaster. I invested a few hundred thousand dollars.  
4 I just finished a new water line \$100,000 a few days  
5 ago. It's under connection now.

6                   So they are dealing with me for all these  
7 years, I mean, I just almost done with everything what  
8 has to be done. I have to put in another three and a  
9 half million dollars to fix the sewer plant and to  
10 order new ones. I didn't think I'd have any problems.  
11 I'm in the middle of --- has become a disagreement and  
12 we went to --- became ten lawsuits. I won most of  
13 them like a judgment. And the next one that is up is  
14 the P.U.C. that is to stop me to transfer the future  
15 license. I cannot operate without the license. In  
16 the meantime I'm investing hundreds of thousands of  
17 dollars. We have proof. We are going to invest  
18 another three and a half million dollars for new  
19 facilities. And I collect in this period of time, I  
20 invest --- the best of my knowledge around \$300,000 to  
21 \$400,000 dollars and I collect \$30,000. It's not a  
22 money market, it losing. But I'm good for it, I'm a  
23 developer. What they tried to do was stop my  
24 development to blackmail me. They say you give us so  
25 much money, it not they are going to stop your

1 development. They try different ways to stop my  
2 development. They say you give us so much money, if  
3 not, we're going to stop your development.

4 JUDGE JANDEBEUR:

5 Okay.

6 MR. SHAHAR:

7 So, they try to find ways to stop my  
8 development. So far, and the magistrate and so far  
9 they lost all their cases, they lost. And this is the  
10 last.

11 JUDGE JANDEBEUR:

12 Okay.

13 MR. SHAHAR:

14 About a year, it's a very simple. It's  
15 a blackmail.

16 JUDGE JANDEBEUR:

17 Okay. Well, I think that clarifies where  
18 your Client is at. Let me hear from Mr. Casey?

19 ATTORNEY CASEY:

20 Well, Your Honor, it seems to me that ---  
21 I mean, for the record, we indicated that Mark Gawron  
22 was here, Gerald Gawron is, also, here, right behind  
23 Mark. It seems to us that this is really a contract  
24 dispute, and a dark contention that certain of the  
25 contract provisions haven't been met. And Mr. Gawron

1 is here and he can certainly address the Court in a  
2 similar fashion and indicate his side of where it got  
3 turned around here, after this contract. The one  
4 thing I do want to point out, though, is that, in  
5 working at the contract, it's Mark's contention that  
6 there is no signed copy of the contract as to the  
7 Lakeside entities on the second page or by --- well,  
8 I'm not --- yeah, it doesn't look like there's any ---  
9 he says the second page of that agreement was never  
10 signed.

11 JUDGE JANDEBEUR:

12 Okay. Well, then actually, as I  
13 mentioned, my questions were mere curiosity. I don't  
14 have any authority over a contract dispute. I mean,  
15 you're in the right forum already, elsewhere.

16 ATTORNEY CASEY:

17 Right.

18 JUDGE JANDEBEUR:

19 My question, my real question, that I do  
20 have authority over, is whether or not there's  
21 anything that can be done by the P.U.C. slash me, at  
22 this point in time, under this group's circumstances.

23 ATTORNEY CASEY:

24 Judge, I don't think there is. I think  
25 we're dealing with a contract dispute. I believe

1 there may actually be more than one action going on  
2 here. I believe there --- and none of the --- excuse  
3 me ---. Yes, I think there are three actions that we  
4 listed in our petition, and none of them have been  
5 resolved. And as Counsel just indicated, the latest  
6 one we have the initial pleadings filed, but it  
7 doesn't even sound like discovery's begun in that  
8 case.

9 JUDGE JANDEBEUR:

10 Are they also Middle District?

11 ATTORNEY CASEY:

12 I believe that --- yes, there's two in  
13 the Middle District and there's one in the Court of  
14 Common Pleas of Pike County. And those cases, their  
15 captions and docket numbers are all in our order ---  
16 our protest.

17 JUDGE JANDEBEUR:

18 I have, actually, a protest and a  
19 petition from you. They appear to be the same thing.

20 ATTORNEY CASEY:

21 They do, Your Honor. When we read the  
22 rules as far as what we needed to do for the  
23 intervene, it appeared to us that there was some  
24 overlap, so we ---.

25 JUDGE JANDEBEUR:

1 The protest does it.

2 ATTORNEY CASEY:

3 Okay.

4 JUDGE JANDEBEUR:

5 But they are mirror images.

6 ATTORNEY CASEY

7 Yes.

8 JUDGE JANDEBEUR:

9 Okay. Who's got the certificate of  
10 public convenience that's in place, now, that's under  
11 which name?

12 ATTORNEY CASEY:

13 I believe Lakeside Water Systems in  
14 Edwin.

15 JUDGE JANDEBEUR:

16 It's under both names?

17 ATTORNEY CASEY:

18 There's one for Lakeside Water Systems,  
19 Incorporated, and one for Edwin, Incorporated.

20 JUDGE JANDEBEUR:

21 And is one water and one wastewater?

22 ATTORNEY CASEY:

23 Yes.

24 JUDGE JANDEBEUR:

25 And how is that?

1                   ATTORNEY CASEY:

2                   Edwin, Incorporated is the wastewater,  
3 Lakeside is the water supply.

4                   JUDGE JANDEBEUR:

5                   And it's your Client's contention that  
6 the contract that's in place, Lakeside has not signed  
7 onto it?

8                   ATTORNEY CASEY:

9                   That's correct to date, correct. And,  
10 again, it's also our contention that the terms haven't  
11 been satisfied.

12                   JUDGE JANDEBEUR:

13                   Okay. Now, there's absolutely no reason  
14 to go forward in trying and do a pre-hearing and  
15 set-up discovery in this matter, and set up a hearing  
16 schedule. That is clear to me. What is a little bit  
17 less clear, is exactly what point in time can you  
18 actually come back, you, Deer Haven, come back to the  
19 P.U.C. Well, actually, obviously, Lakeside has a  
20 right to say somebody else is operating under their  
21 certificate, but that's not really --- I haven't read  
22 that. Did you say that in your protest, that somebody  
23 else is operating under your certificate?

24                   ATTORNEY CASEY:

25                   But what I believe we've --- I don't know

1 if we've said it in those words, but we did indicate  
2 that we have the certificate, there's nothing in the  
3 contract that precluded us --- excuse me, that  
4 requires the transfer of the certificate, and that  
5 they've essentially just taken over the operation.

6 JUDGE JANDEBEUR:

7 Now, I think that's what I read. I  
8 vaguely recall at the top of one of the pages there's  
9 an allegation that you didn't stop --- your argument  
10 is they stop operating, and your argument is that  
11 nobody forced you out.

12 ATTORNEY CASEY:

13 Yep.

14 JUDGE JANDEBEUR:

15 I think that's how I read the two of  
16 them. Now, I don't know if there's a timeline on this  
17 Ms. Miller, but it seems to me that your Client has  
18 filed the application fees on both of them. I don't  
19 know if there's a deadline window by which an  
20 applicant has to get something accomplished or it  
21 simply goes away and they have to re-file, but I will,  
22 certainly, do whatever I can do to let it be known  
23 that we're going to continue this. You won't have to  
24 file \$350 per application again. We'll try to table  
25 it in such a way that you can finish the contract

1 dispute claims and then jump right back into seeking  
2 this approval. Would you both agree that that's the  
3 way to proceed?

4 ATTORNEY CASEY:

5 From our side, yes. I certainly have no  
6 objections to anything you --- what they will do is  
7 simply hold it in abeyance.

8 JUDGE JANDEBEUR:

9 Yeah, I'm not sure. I mean, I suspect if  
10 you're in Middle District, the timelines are worse  
11 than mine, and mine are bad. But I'll do whatever I  
12 can do on my end. I honestly don't know if there's a  
13 deadline with the P.U.C., anyway. You know, how long  
14 does an application just stay in limbo land before  
15 somebody says get it off the dockets because nobody's  
16 doing anything with it. That happens in taxicab  
17 cases. This isn't a taxicab. Taxicab, we simply  
18 dismiss it, do the paperwork and off it goes, you know  
19 in that category, nor do you want to get bumped off.  
20 So, I will --- at this point, I guess, we'll continue  
21 it for 60 days. I suspect we're going to have push  
22 that out yet, again. And if in that time block  
23 something changes, and either one of you want to  
24 reconvene and move this along, then make that  
25 argument, and appropriate motion, let it be scheduled.

1 And we'll do that. I don't think there is anything I  
2 can do for either one of you until your contract  
3 issues are resolved. Okay?

4 ATTORNEY MILLER:

5 Thank you, Your Honor.

6 JUDGE JANDEBEUR:

7 Thank you, all.

8

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10 \* \* \* \* \*

11 HEARING CONCLUDED AT 10:30 P.M.

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C E R T I F I C A T E

I hereby certify, as the  
stenographic reporter, that the foregoing  
proceedings were taken stenographically by  
me, and thereafter reduced to typewriting  
by me or under my direction; and that this  
transcript is a true and accurate record  
to the best of my ability.

  
\_\_\_\_\_  
Court Reporter



# Exhibit “C”

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Deer Haven, LLC : A-210069F2000 A-210124  
: A-230061F2000 A-230106

INTERIM ORDER

Before  
Ember S. Jandebour  
Administrative Law Judge

HISTORY OF THE PROCEEDINGS

On or about March 8, 2006, Deer Haven, LLC filed two applications (Application (s)) for certificates of public convenience. Docket A-210124 relates to providing water services, and Docket A-230106 relates to providing wastewater services.

On or about April 10, 2006, Lakeside Water Systems, Inc. and Gerald, Marcella, Jerome and Mark Gawron filed a protest<sup>1</sup> (Protest) against the two Applications.

---

<sup>1</sup> Counsel for the Protestants filed a Protest and a Petition. They mirror one another. The Protest is the correct form. The Petition will be ignored as redundant and the incorrect format. See

§ 3.502 Protests to applications for certificate of public convenience as a water supplier or wastewater collection, treatment and disposal supplier.

(a) *Protests generally.* A person objecting to the application shall file with the Prothonotary and serve upon the applicant or applicant's attorney, if any, a written protest which shall contain the following:

(1) The applicant's name and the docket number of the application. (2) The name, business address and telephone number of the protestant. (3) The name, business address and telephone number of the protestant's attorney or other representative. (4) A statement of the nature of the protestant's interest in the application.

[ ]

Cont.

On May 3, 2006, the matters were assigned to me. A Notice, dated May 3, 2006, advised the parties that an initial Pre-hearing Conference would be held on June 2, 2006, at 10:00 a.m., in the Scranton Hearing Room of the Public Utility Commission (PUC or Commission).

On June 2, 2006, the Pre-Hearing Conference was held. Both parties appeared and both were represented by counsel. During the Pre-Hearing Conference, the Parties explained to the undersigned Administrative Law Judge (ALJ) that there were two related cases proceeding in the U.S. District Court, Middle District of Pennsylvania and one related case proceeding in Pike County Court of Common Pleas. The Parties further explained that the Applicant, Deer Haven, LLC does not own title to the facilities for which it seeks a certificate of public convenience. Both parties agreed that a hearing on the merits of the Applications could not proceed fruitfully until resolution of the title(s), (which is, in part, the subject of the pending litigation in other forums).

In consideration of the foregoing, it is necessary to continue this matter for a sufficient period to allow the parties to resolve the related and pending civil litigation. The Applications and Protests will be continued for sixty days (60) or until August 2, 2006, in the ordering paragraphs below.

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(c) *Motions* A protest will be treated as a pleading; and the applicant may, within 20 days after the closing date for the filing of protests, file motions to strike, to dismiss, or for amplification as provided in §5.101 (relating to preliminary motion).

(d) *Protests: time of filing* A protest shall be filed within the time specified in the notice appearing in the *Pennsylvania Bulletin*, which shall be no less than 60 days from the date of publication thereof except where the need for the proposed service or other exigent circumstances supports a request for a shorter protest period. Failure to file the protest in accordance with this subsection shall be a bar to subsequent participation in the proceeding, except if permitted by the Commission for good cause shown or as provided in §5.71 (relating to initiation of intervention).

ORDER

THEREFORE,

IT IS ORDERED:

1. Docket Numbers A-210124 and A-230106 are continued for sixty (60) days (August 2, 2006); and
2. The Parties shall advise the undersigned ALJ if the litigation proceedings (2) in the U.S.D.C. Middle District or the litigation proceeding in Pike County Court of Common Pleas is resolved prior to August 2, 2006; and
3. This matter will be scheduled for hearing upon notice that the litigation in other forums has been resolved or the sixty-day continuance has expired.

Date: June 5, 2006

---

Ember S. Jandebaur  
Administrative Law Judge

A-210069F2000; A-210124 - Application of Deer Haven, LLC, for approval to:  
1) acquire all of the common stock, assets and customers of Lakeside Water Systems, Inc. 2) the right of Deer Haven to begin to supply water service to the public in portions of Palmyra Township, Pike County, PA; Docketed at A-210124; and 3) the right of Lakeside Water Systems, Inc., to abandon its Certificate of Public Convenience as a water provider to the public in the Commonwealth of Pennsylvania

A-230061F2000; A-230106 - Application of Deer Haven, LLC, for approval to:  
1) acquire all of the common stock, assets and customers of Edwin, Inc., 2) for Deer Haven, LLC to begin to supply wastewater collection and treatment services to the public in portions of Palmyra Township, Pike County, PA; Docketed at A-230106, and 3) for Edwin Inc. to abandon its Certificate of Public Convenience as a wastewater facility in Pennsylvania

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KIERAN M CASEY ESQUIRE  
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PIKE COUNTY OFFICE OF COMMUNITY  
PLANNING  
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LAKESIDE WATER SYSTEMS INC  
PO BOX 268  
NEWFOUNDLAND PA 18445

GERALD GAWRON MARCELLA GAWRON  
JEROME GAWRON MARK GAWRON  
818 GRIFFIN POND ROAD  
CLARKS SUMMIT PA 18411

LAKESIDE MARINA  
RR 2 BOX 288C  
GREENTOWN PA 18426

# Exhibit "D"





1 no claims against the plaintiff surrounding the  
2 forbearance agreement nor any rights in the  
3 forbearance agreement except for damages as  
4 requested in their Counterclaim in the  
5 pleadings that are filed in this particular  
6 action before the Court, which the Court will  
7 consider along with the plaintiff's claim for  
8 damages either in the motions for summary  
9 judgment or in the trial which is now scheduled  
10 for January.

11 The plaintiff may proceed to develop  
12 the subject real estate as it has planned  
13 without any claims by the defendants to the  
14 real estate or under the forbearance agreement.  
15 I believe that that's the stipulation that we  
16 can place on the record now which would limit  
17 the Court then in the issue either of the  
18 summary judgment motions or the trial as to who  
19 gets how much regarding damages; is that  
20 correct, Mr. Vinsko?

21 MR. VINSKO: Your Honor, we don't want  
22 to limit any rights we have under the  
23 forbearance agreement. I think that the whole  
24 crux of our stipulation is the issue that we  
25 agree that the possession of the real estate as

1 to the deeds titled in Deer Haven for purposes  
2 of their future development are not at issue  
3 here, but I think that the rights under the  
4 forbearance agreement to my client are  
5 definitely at issue here.

6 I think that the only way to compensate  
7 either side is through financial damages, so I  
8 believe that that's the intent behind what the  
9 stipulation is. Of course, discovery has not  
10 taken place yet as well and I would say that we  
11 can't say that the agreement is not in effect,  
12 the agreement does remain in effect for  
13 purposes of trying to settle out these claims,  
14 but we are not intending to try to stop Deer  
15 Haven's Development and we understand that they  
16 have a need to move forward with that.

17 MR. BUGAJ: I don't know how we can  
18 proceed, Your Honor, if there are claims or  
19 attempted claims under the forbearance  
20 agreement it includes lease provisions and  
21 things like that relating to the real property  
22 and I can't agree to what Mr. Vinsko said  
23 regarding what is out there as to the  
24 defendants.

25 MR. VINSKO: Your Honor, if I can just

1           briefly respond, if there is a lease out there,  
2           I think that my clients conceded that they  
3           would not be able to operate a marina on that  
4           property, but the damages that would be  
5           sustained for their failure to do so are what  
6           is at issue, so we're not going to try to force  
7           Deer Haven to let us on the property to operate  
8           the marina, I think that should be said, no pun  
9           intended, but the issue of whether or not they  
10          should be compensated for the failure of Deer  
11          Haven to permit us to, I think, is definitely  
12          at issue for this Court.

13                   THE COURT: I think you are both saying  
14                   the same things, but you are coming at it from  
15                   very different perspectives and when you first  
16                   both spoke I thought maybe you are not  
17                   agreeing, but the simplest way that I can put  
18                   this and I will put it to both of you is do  
19                   both parties agree that all claims in  
20                   litigation between the plaintiff and the  
21                   defendant at this point are reduced to claims  
22                   for monetary damages and that the Court in  
23                   awarding any relief to either party shall award  
24                   that relief in the form of monetary damages?  
25                   The case is reduced to money.

1 MR. VINSKO: I believe that that's our  
2 position, Your Honor.

3 MR. BUGAJ: I would agree with that  
4 too, but I would seem like as part and parcel  
5 with that there must be some finding or  
6 agreement that there are no claims outside of  
7 the money claims which would include claims in  
8 the forbearance agreement.

9 THE COURT: Well, the forbearance  
10 agreement and the terms of the forbearance  
11 agreement appear to me to be one of the things  
12 that may ultimately generate a monetary award.  
13 If there's a breach of a lease agreement, the  
14 position of the Court, the Court has two  
15 alternatives, it can enter some type of direct  
16 injunctive relief or tell somebody to obey a  
17 lease agreement and give somebody possession or  
18 give somebody a title claim or a lease claim on  
19 property or the Court can reduce that to a  
20 monetary amount and say there's a breach of  
21 this lease agreement and therefore, somebody is  
22 entitled to money.

23 My position is to handle this  
24 expeditiously. Do both of you agree that all  
25 such claims, regardless of where they arise in

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pleadings if they have been raised by the parties, will be reduced to a monetary award?

MR. BUGAJ: I would agree with that.

MR. VINSKO: I would agree with that, Your Honor.

THE COURT: As long as I have an agreement to that, I am going to put it on record as a stipulation so that everybody knows that's where we are. If this matter proceeds to trial, everything will be reviewed with respect to that understanding.

MR. BUGAJ: Yes, Your Honor.

MR. VINSKO: That's our understanding, Your Honor.


ORDER

AND NOW, this 18th Day of December,  
upon agreement of the parties, the

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aforementioned stipulation is hereby adopted  
and made an Order of Court.

BY THE COURT:



HON. JOSEPH F. KAMEEN, P.J.

cc: Ronald Bugaj, Esq.  
William Vinsko, Esq.  
Ct. Administrator  
Ct. Reporter, R. Pavlovsky

OFFICE OF  
PROTHONOTARY  
CLERK OF COURTS  
2006 DEC 19 AM 9:55  
ENTERED FOR RECORD  
PIKE COUNTY, PA

**Exhibit “E”**

IN THE COURT OF COMMON PLEAS OF  
PIKE COUNTY, PENNSYLVANIA  
CIVIL DIVISION

DEER HAVEN, L.L.C.  
Plaintiff,

No. 70030-2005 Civil

vs.

GERALD G. GAWRON, MARCELLA A.  
GAWRON, JEROME E. GAWRON, AND  
MARK GAWRON  
Defendants,

OFFICE OF  
PROTHONOTARY  
CLERK OF COURTS  
2007 FEB 15 AM 10:27  
ENTERED FOR RECORD  
PIKE COUNTY, PA

ORDER

AND NOW, this 13<sup>th</sup> day of February, 2007 upon consideration of the Plaintiff's Motion for Summary Judgment, the Defendant's Answer to the Plaintiff's Motion for Summary Judgment and Cross-motion for Summary Judgment, the Defendant's Motion for Leave to Amend Answer to Request for Admissions, briefs in support of said motions, and oral arguments heard thereon, the Plaintiff's Motion for Summary Judgment is hereby DENIED and the Defendant's Motion for Leave to Amend Answer to Request for Admissions is hereby GRANTED.

The Plaintiff seeks summary judgment on the basis of Requests for Admissions that were not answered by the Plaintiff's former attorney. The Plaintiff argues that because the Request for Admissions were not answered within 30 days of service, the Requests were deemed admitted by action of law. As the requests for admissions are lengthy and cover virtually every issue to be addressed in the case, the Plaintiff's argue that summary judgment is appropriate.

First, the Court notes that the Plaintiff did not file Proof of Service of the Request for Admissions. The Plaintiff did file an Affidavit accompanying the Motion for

Summary Judgment. Nevertheless, there remains a fact issue as to whether the Defendants ever received the Requests for Admissions at the time of their original service while the Defendants were represented by their previous Attorney.

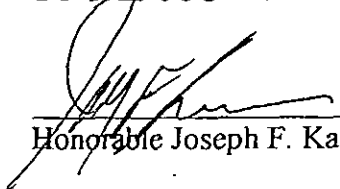
Further, the Court finds that the Plaintiff has failed to prove that they would be prejudiced by a decision on the merits. The Court is not persuaded by the Plaintiff's argument that they will be prejudiced because they did not engage in discovery based upon the deemed admissions. The matters in this case that prompted the Plaintiff to seek a speedy resolution have since been resolved. The Court finds that there is no reason why the Plaintiff could not seek whatever discovery it deems necessary for the effective trial of this case. As the Commonwealth Court has noted:

[W]ithdrawal of admissions should be granted when upholding them would practically eliminate any presentation of the merits, when withdrawal would prevent manifest injustice and when the party who obtained the admissions failed to prove that withdrawal would result in prejudice, meaning that the party would be less able to obtain evidence to prove the matters admitted. Fed. R. Civ. P. 36(b) expressly provides that a court on motion may permit withdrawal or amendment of admissions where presentation of the merits will be subserved and the party who obtained the admission fails to convince the court that it will suffer prejudice. This provision emphasizes the importance of resolving an action on the merits and permits withdrawal where it promotes a decision on the merits while not prejudicing the party who obtained the admission. *Hysong v. Lewicki*, 811 A.2d 46 (Pa. Commw. 2002).

The Defendants' Cross-Motion for Summary Judgment is also DENIED. The Defendant seeks summary judgment arguing that the equitable remedies sought by the Plaintiff have been remedied since the time of the filing of the Complaint. The Court also notes that the parties agreed via stipulation on December 18, 2006 to limit the remedy for any claims the parties shall raise at the time of trial to a monetary reward. The Defendant argues that because all equitable issues have been resolved, the Plaintiff

has no basis for seeking monetary damages. The Court is not persuaded by this argument. While the equitable issues between the parties may have been resolved outside of Court, the Plaintiff may still seek monetary damages suffered as a result of any alleged breach of the Forbearance Agreement and purported lease agreement between the parties.

BY THE COURT:

  
\_\_\_\_\_  
Honorable Joseph F. Kameen, P.J.

cc: Ronald Bugaj, Esq.  
William E. Vinsko Jr., Esq. ✓

sm

**Exhibit "F"**

## FORBEARANCE/SETTLEMENT AGREEMENT

This Agreement is dated as of May \_\_\_\_\_, 2004 and is by and among Deer Haven, LLC ("Deer Haven"), and Lakeside Resort Enterprises, L.P. ("Lakeside, L.P."), Lakeside Watersedge, Inc. ("Watersedge"), Lakeside Time Shares, Inc. ("Lakeside TSI"), Lakeside Water Systems, Inc. ("Lakeside Water"), Lakeside Hotel Inc. ("Lakeside Hotel"), Paupack Holding Company, Inc. ("Paupack"), and Edwin, Inc. ("Edwin") (Lakeside, L.P., Watersedge, Lakeside TSI, Lakeside Water, Lakeside Hotel, Paupack and Edwin are sometimes collectively referred to as the "Gawron Entities"), and Gerald G. Gawron, Marcella A. Gawron, Jerome E. Gawron and Mark G. Gawron (collectively, the "Gawron Individuals").

### Background

A. Lakeside, L.P. is the owner in fee simple of an approximately 10.54 acres tract of land located in Pike County, Pennsylvania (the "Property"). Watersedge is the general partner of Lakeside L.P. Edwin is the owner of all of the air rights (the "Sewer Air Rights") above the sewage treatment facilities (the "Sewer Facilities") that service the Property and properties adjacent to the Property, and is also the owner and operator of the Sewer Facilities. Lakeside Timeshare is the owner of all of the air rights (the "Time Share Air Rights") above the time share facilities (the "Time Share Facilities") located on the Property, and is also the owner and operator of the Time Share Facilities. Lakeside Water is the owner and operator of the water facilities (the "Water Facilities") that service the Property and properties adjacent to the Property. Lakeside Hotel, Inc. was formed to manage and operate the resort hotel located on the Property (the "Resort Hotel").

B. Lakeside, L.P. executed a Promissory Note in the original principal amount of Two Million One Hundred and Eighty-Four Thousand Dollars (\$2,184,000.00), dated as of March 5, 1996 (as amended), together with all interest and penalties accrued thereon (the "Note") in favor of Louis Denaples, Peter Sabia and Joseph Gentile (collectively, the "Noteholders"). The Note is secured by the following: (i) a first lien Mortgage and Security Agreement on the Property granted by Lakeside, L.P. in favor of Noteholders; (ii) a Collateral Mortgage on the Time Share Air Rights granted by Lakeside TSI in favor of Noteholders; (iii) a Collateral Mortgage on the Sewer Air Rights granted by Edwin in favor of Noteholders; (iv) a Security Agreement granting a security interest in all of the building, improvements, inventory, equipment and other personal property located in the Property granted by each of the Gawron entities in favor of Noteholders; (v) a Collateral Assignment of Limited Partnership Interests by the Gawron Individuals in favor of Noteholders; (vi) a Hypothecation Agreement (relating to certain stock owned by the Gawron Individuals in the Gawron Entities and certain other corporations) made by the Gawron Individuals in favor of Noteholders; (vii) a Collateral Assignment of Permits and Agreement by the Gawron Entities in favor of Noteholders; (viii) personal guaranties by each of the Gawron Entities in favor of Noteholders; (ix) personal guaranties by each of the Gawron Individuals in favor of Noteholders; and (x) a Deed in Lieu of Foreclosure relating to the Property given by Lakeside, L.P. in favor of Noteholders. (the collateral set forth in items (i) through (x) above is hereby collectively referred to as the "Collateral").

C. Deer Haven has or shall take assignment of all of the Noteholders' right, title and interest in and to the Collateral. In addition, Deer Haven shall purchase from and affiliate of the Noteholders approximately seventy (70) acres of land located near the Property (the "Adjacent Land").

D. Lakeside, L.P. is currently in default of its payment obligations under the Note.

E. In lieu of exercising its rights against the Collateral, Deer Haven, the Gawron Entities and the Gawron Individuals have agreed to certain arrangements with respect to the Collateral, as more particularly set forth herein.

NOW THEREFORE, in consideration for the mutual covenants and promises set forth herein, the parties, intending to be legally bound hereby, the parties agree as follows:

1. **Background.** The Background set forth above is hereby incorporated into this Agreement as if fully set forth herein.

2. **Obligations of Gawron Entities and Gawron Individuals.**

A. Within thirty (30) days of the acquisition by Deer Haven of the Noteholder's right, title and interest in the Collateral and the acquisition by Deer Haven of the Adjacent Land (the "Closing Date"), the Gawron Entities and Gawron Individuals shall perform as follows:

(1) Lakeside, L.P. shall convey to Deer Haven, by special warranty deed, all of its right, title and interest in and to the Property free and clear of all monetary liens and encumbrances.

(2) Edwin shall convey to Deer Haven, by special warranty deed, all of its right, title and interest in and to the Sewer Air Rights free and clear of all monetary liens and encumbrances.

(3) Edwin shall convey to Deer Haven all of its right, title and interest in and to the assets required to operate the Sewer Facilities (or, at Deer Haven's option, the Gawron Individuals shall convey to Deer Haven all of their right, title and interest in all of the stock of Edwin), each free and clear of all monetary liens and encumbrances;

(4) Lakeside TSI shall convey to Deer Haven, by special warranty deed, all of its right, title and interest in and to the Time Share Air Rights, free and clear of all monetary liens and encumbrances

(5) Lakeside Water shall convey to Deer Haven all of its right, title and interest in and to the assets required to operate the Water Facilities (or, at Deer Haven's option, the Gawron Individuals shall convey to Deer Haven all of their right, title and interest in all of the stock of Lakeside Water), each free and clear of all monetary liens and encumbrances;

(6) Lakeside Hotel shall convey to Deer Haven all of its right, title and interest in and to the assets required to operate the Resort Hotel, free and clear of all monetary liens and encumbrances; and

(7) Each of the Gawron Entities and/or Gawron Individuals, as applicable, will assign to Deer Haven any rights, licenses or other agreement relating to the use of the shoreline of the Property, including the Marina (subject to the Lease, as set forth below),

(8) As soon as practicable after the execution of this Agreement, the Gawron Individuals will provide to Deer Haven: (i) a list of all items of income and all items of

expense relating to the operation of the Property, Sewer Facilities and Water Facilities for the last three (3) calendar years and for the current calendar year to date; (ii) a copy of any leases together with all attachments, notices amendments and correspondence with the tenants under any such leases; (iii) a copy of each service and maintenance contract pertaining to the operation of the Property, Sewer Facilities and Water Facilities; (iv) a copy of the property tax bills for the last three (3) full calendar years to the extent available, and for the current calendar year to date; (v) to the extent available, a copy of Seller's most recent title insurance policy; (vi) a copy of any insurance certificates pertaining to the Property; (vii) to the extent available, a copy of all existing engineering, architectural, mechanical, electrical and site plans and as-built property surveys, environmental and soil reports; (viii) to the extent available, a copy of all licenses, permits, approvals, certificates of occupancy and similar documents issued with respect to the Property; (ix) a current rent roll for the Property; and (x) such other information concerning the Property as may be reasonably requested by Deer Haven and the Gawron Individuals can reasonably deliver.

B. In addition, the Gawron Entities and the Gawron Individuals will take such other actions and execute such other documents as is reasonably requested by Deer Haven to ensure that the ownership of the Property, the Sewer Air Rights, the Time Share Air Rights, all assets necessary to operate and manage the Water Facilities, Sewer Facilities, Time Share Facilities and the Resort Hotel are fully vested in Deer Haven. Except as expressly provided for in this Agreement, the Gawron Entities and the Gawron Individuals will have no further ownership interests in the foregoing.

3. Obligations of Deer Haven. In consideration for the obligations of the Gawron Individuals and the Gawron Entities set forth in Section 2, Deer Haven hereby agrees as follows:

A. Upon the fulfillment of the obligations set forth in Section 2, Deer Haven shall cause all of the obligations of Lakeside, L.P. under the Note, as well as all of the obligations of the Gawron Entities and the Gawron Individuals with respect to the Collateral (including the personal obligations of the Gawron Individuals under the Surety Agreements) to be forgiven. Deer Haven will execute any document reasonably requested to evidence such forgiveness.

B. Commencing upon the Closing Date, Deer Haven shall lease to an entity designated and controlled by the Gawron Individuals ("Tenant"), the rights to use a portion of the shore line of the Property designated by Deer Haven as is reasonably required to operate the Marina (the "Leased Property"). The Tenant shall operate and Manage the Marina. The parties shall negotiate a lease for the Leased Property (the "Lease") in good faith, which Lease will provide the following:

- (1) The initial terms of the Lease will be twelve (12) years;
- (2) For the first two (2) years of the term of the Lease (the "Free Rent Term"), the Tenant will not be required to pay rent for the Leased Property (other than real estate taxes, insurance and common area maintenance allocable to the Leased Property as determined by the mutual agreement of the parties);
- (3) For the remaining ten (10) years of the term, the Tenant will pay to Deer Haven annual base rent in an amount mutually agreeable between Tenant and Deer Haven.
- (4) Tenant will be provided access to the Leased Property by an access road on either side of the Property as designated by Deer Haven.

C. Commencing on the Closing Date, Deer Haven will use commercially reasonable efforts to seek the approval of the township and other local governmental authorities for relocation of the existing boat storage facility and the mechanical shop to the contemplated self-storage facility upon the Adjacent Land. The Gawron Individuals will cooperate with Deer Haven in obtaining such approvals. The costs of relocating such facilities will be the responsibility of the Tenant. In addition, Deer Haven shall have the right to request that the gas storage area at the Property be relocated to an area designated by Deer Haven.

D. Deer Haven shall provide to two (2) of the Gawron Individuals, free of charge, a lot or other means of residential accommodation on the Adjacent Land at a location reasonably designated by Deer Haven.

4. Management of Water Facilities, Sewer Facilities and Residential Facilities. In consideration of the Free Rent Term, the Gawron Individuals shall continue to operate and manage each of the Water Facilities and the Sewer Facilities, as well as those buildings on the Property that are currently occupied by residential tenants (the "Residential Facilities") in substantially the same manner as such facilities have been operated in the past. There shall be no charge for such management services during the pendency of the Free Rent Term. In the event that Deer Haven desires to retain the Gawron Individuals to manage such facilities after the expiration of the Free Rent term, and the Gawron Individuals desire to be so retained, the parties will negotiate the terms of a management agreement relating to the same.

5. Further Obligations The parties acknowledge that additional documents may be necessary to complete the transactions contemplated by this Agreement. In furtherance thereof, each of the parties to this Agreement hereby agree to negotiate in good faith and to execute such further documents as may be necessary to fulfill the intentions of each of the parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

DEER HAVEN, LLC

By: *Donald H. [Signature]* (Pres.)

Name:

Title:

LAKESIDE RESORT ENTERPRISES, L.P.

By: Lakeside Watersedge, Inc., its general partner

By: *[Signature]*

Name:

Title:

[SIGNATURES CONTINUED ON NEXT PAGE]

LAKESIDE WATERSEDGE, INC.

By: \_\_\_\_\_  
Name:  
Title:

LAKESIDE TIME SHARES, INC.

By: \_\_\_\_\_  
Name:  
Title:

LAKESIDE WATER SYSTEMS, INC.

By: \_\_\_\_\_  
Name:  
Title:

LAKESIDE HOTEL, INC.

By: \_\_\_\_\_  
Name:  
Title:

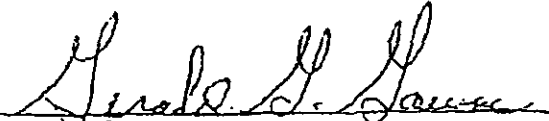
PAUPACK HOLDING COMPANY, INC.

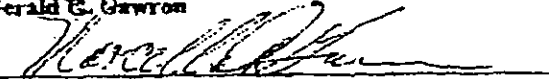
By: \_\_\_\_\_  
Name:  
Title:

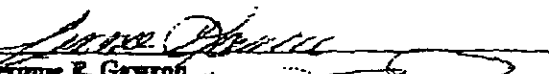
EDWIN, INC.


By: \_\_\_\_\_  
Name:  
Title:

(SIGNATURES CONTINUED ON NEXT PAGE

  
Gerald E. Gawron

  
Marcella A. Gawron

  
Jerome E. Gawron

  
Mark G. Gawron

# Exhibit "G"

BOOK 399 PAGE 125

**DEED**

THIS DEED made the 31st day of May, 1991, by and between GP Management, Inc., a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located at Scranton, Lackawanna County, Pennsylvania, hereinafter called Grantor,

OFFICE OF RECORDER & PROTECTIVE DIVISION JUN 3 4 09 1991

**AND**

Edwin Inc., a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located at Dummors, Lackawanna County, Pennsylvania, hereinafter called Grantee,

WITNESSETH, that the said Grantor for and in consideration of the sum of Fifteen Thousand (\$15,000.00) Dollars lawful money of the United States of America, unto it well and truly paid by the said Grantee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents do grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee and Assigns,

ALL that certain Estate, Right, and Interest of Grantor in the Air Space above the surface of ground whereon is located the Sewage Treatment Facility located on Tract Number Three (3) on the premises formerly known as White Beauty Resort, Palmyra Township, Pike County, Pennsylvania, granted and conveyed hereby (being an Estate in Air Space as authorized by the Pennsylvania Act of August 14, 1963, P.L. 871, 68 P.S. Section, 801-8-5) together with any and all buildings now situated upon said ground as hereinabove referenced or any parts thereof and all structures and improvements and foundations, footings, columns, utilities, and equipment and apparatus of every kind and description now or hereafter affixed or attached to any such buildings, structures, or improvements, that is all

as described in Exhibit "A" attached hereto

Handwritten marks and scribbles on the right side of the page.

BOOK 399 PAGE 126

Exhibit "A"

Attached to Deed from G. P. Management, Inc.  
to Edwin, Inc.

(Portion of Premises affected by  
reservation of Air Space)

All that certain portion of a piece or parcel of land situate  
in the Township of Palmyra, Pike County, Pennsylvania, being a part  
of Parcel A, Tract No. 3 as described in Exhibit "A" attached to a  
Deed from G. P. Management, Inc. to Lakeside Resort Enterprises,  
L.P. dated May 31, 1991 and intended to be recorded, to the extent,  
but only to the extent, said portion of Tract No. 3 is improved  
with a sewage treatment plant facility.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
PAID  
\$150.00

Real Estate Transfer Tax  
Warrenspack Area Sch. Dist. \$ 15.00  
Palmyra Township \$ 75.00

*[Handwritten Signature]*

(Collector)

OFFICE OF RECORDER  
& PRO CLERK  
JUN 3 4 09 PM '91  
ENLIT' PRO  
PIKE CO. PA.

except the land or ground.

TOGETHER with any and all buildings now situated in such air space or any parts thereof and all structures and improvements erected, constructed or situated upon said ground (such buildings, structures and improvements and foundations, columns, piles and fittings thereof, and all fixtures, plants systems, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, elevators, fitting, piping, connections, conduits, ducts, wiring, outlets, valves, transformers, generators, pumps, escalators partitions, equipments, and apparatus of every kind and description (including, but not limited to, any and all of the component parts thereof) now or hereafter affixed or attached to any such building, structure or improvement or now or hereafter used or procured for use in connection with the heating cooling lighting plumbing, ventilating, air conditioning, refrigeration, cleaning, maintenance, protection or general operation of any such building, structure or improvement, that is, all but said land or ground, together with any and all renewals and replacement of, additions to and substitutions for any such buildings, structure or improvement or any of the above referred to property, being herein collectively referred to as the "Buildings").

TOGETHER with the right of the Grantee, its successors and assigns including its Tenants and Invitees, the full, complete and non-exclusive right, privilege and easement for the common use of the drives and walkways within the boundaries of and leading to the air space area of the Deed of even date to LAKESIDE RESORT ENTERPRISES, L.P..

TOGETHER with all and singular the improvements, ways, streets, alleys, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in any wise appertaining, and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand whatsoever of the said Grantor, in law, equity, or otherwise howsoever, of, in, and to the same and every part thereof.

TO HAVE AND TO HOLD the said hereditaments and premises hereby granted, or mentioned and intended so to be, with the

appurtenances, unto the said Grantee and Assigns, to and for the only proper use and behoof of the said Grantee and Assigns forever.

AND the said Grantor, for itself and its successors does by these presents covenant, grant and agree, to and with the said Grantee and Assigns, that the said Grantor, and its Successors, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee and Assigns, against the said Grantor and its Successors, and against all and every other Person and Persons whomsoever, lawfully claiming or to claim the same or any part thereof,

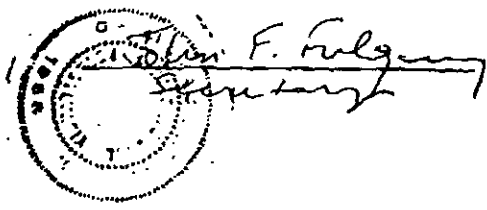
SHALL AND WILL SPECIALLY WARRANT and forever DEFEND.

IN WITNESS WHEREOF, the said Grantor has caused this Indenture to be executed by its President, attested to by its Secretary, and its corporate seal to be affixed the day and year first above written.

Signed, Sealed and Delivered  
in the Presence of

ATTEST:

GP MANAGEMENT, INC.



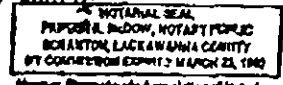
By: John D. Nichols, V.P.  
John D. Nichols, Vice President

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF LACKAWANNA : SS:

On this, the 31st day of May, before me, a Notary Public, the undersigned officer, personally appeared GP MANAGEMENT, INC., who acknowledged himself to be the Vice President of GP MANAGEMENT, INC., a corporation, and that he as such is, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*Jamela A. Mc Dow*  
Notary Public



I HEREBY CERTIFY that the precise address of the Grantee herein is: 400 Hill Street

*Channah St.*  
0512

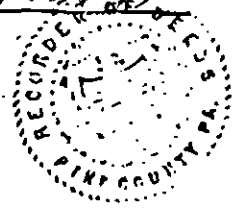
*Wade Stannett, Sec'y, Hunkeler*  
*Council for Trenton*

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF LACKAWANNA : SS:

RECORDED in the Office for Recording of Deeds in and for PIKE COUNTY, PENNSYLVANIA IN RECORD BOOK NO. 399 Page 129 Etc.

WITNESS my hand and seal of Office this 3rd day of JUNE, 1991.

*[Signature]*  
Recorder



**Exhibit "G-1"**

BOOK 399 PAGE 120

DEED

THIS DEED made the 31st day of May, 1991, by and between GP Management, Inc., a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located at Scranton, Lackawanna County Pennsylvania, hereinafter called Grantor,

- A N D -

Lakeside Time Shares, Inc., a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located at Dunmore, Lackawanna County, Pennsylvania, hereinafter called Grantee,

W I T N E S S E T H, That the said Grantor for and in consideration of the sum of One Hundred Thousand (\$100,000.00) dollars lawful money of the United States of America, unto it well and truly paid by the said Grantee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents do grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee and Assigns,

ALL that certain Estate, Right, and Interest of Grantor in the Air Space above the surface of ground whereon are located the time share building units more familiarly known as Harbour Side at Lake Wallenpaupak, Palmyra Township, Pike County, Pennsylvania and granted and conveyed hereby (being an Estate in Air Space as authorized by the Pennsylvania Act of August 14, 1963, P.L. 871, 68 P.S. Section, 801-8-5) together with any and all buildings now situated upon said ground as hereinabove referenced or any parts thereof and all structures and improvements and foundations, footings, columns, utilities, and equipment and apparatus of every kind and description now or hereafter affixed or attached to any such buildings, structures, or improvements, that is all except the land or ground.

\*described in Exhibit "A" attached hereto

OFFICE OF RECORDER  
A PROTHONOTARY  
MAY 31 4 08 PM '91  
LACKAWANNA COUNTY, PA.

05146

Exhibit "A"

Attached to Deed from G. P. Management, Inc.  
to Lakeside Time Shares, Inc.

(Portion of Premises affected by  
reservation of Air Space)

All that certain portion of a piece or parcel of land situate  
in the Township of Palmyra, Pike County, Pennsylvania, being a part  
of Parcel A, Tract No. 3 as described in Exhibit "A" attached to a  
Deed from G. P. Management, Inc. to Lakeside Resort Enterprises,  
L.P. dated May 31, 1991 and intended to be recorded, to the extent,  
but only to the extent, said portion of Tract No. 3 is improved  
with a time share facility commonly known as "Harbourside."

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER TAX

JUN 1991

500.00

BRIDGE

1  
2  
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9

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER TAX

JUN 1991

500.00

BRIDGE

OFFICE OF RECORDER  
K. P. ...  
JUN 3 4 08 PM '91  
ENTER  
PIKE COUNTY, PA.

Real Estate Transfer Tax

Wallepoupsack Area Sch. Dist. \$ 500.00

Palmyra Township \$ 500.00

*[Signature]*

(Collector)

Page One (1) of One (1)

BOOK 399 PAGE 122

TOGETHER with any and all buildings now situated in such air space or any parts thereof and all structures and improvements erected, constructed or situated upon said ground (such buildings, structures and improvements and foundations, columns, piles and fittings thereof, and all fixtures, plants systems, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, elevators, fitting, piping, connections, conduits, ducts, wiring, outlets, valves, transformers, generators, pumps, escalators partitions, equipments, and apparatus of every kind and description (including, but not limited to, any and all of the component parts thereof) now or hereafter affixed or attached to any such building, structure or improvement or now or hereafter used or procured for use in connection with the heating cooling lighting plumbing, ventilating, air conditioning, refrigeration, cleaning, maintenance, protection or general operation of any such building, structure or improvement, that is, all but said land or ground, together with any and all renewals and replacement of, additions to and substitutions for any such buildings, structure or improvement or any of the above referred to property, being herein collectively referred to as the "Buildings").

TOGETHER with the right of the Grantee, its successors and assigns including its Tenants and Invitees, the full, complete and non-exclusive right, privilege and easement for the common use of the drives and walkways within the boundaries of and leading to the air space area of the Deed of even date to LAKESIDE RESORT ENTERPRISES, L.P..

TOGETHER with all and singular the improvements, ways, streets, alleys, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in any wise appertaining, and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand whatsoever of the said Grantor, in law, equity, or otherwise howsoever, of, in, and to the same and every part thereof.

TO HAVE AND TO HOLD the said hereditaments and premises hereby granted, or mentioned and intended so to be, with the

appurtenances, unto the said Grantee and Assigns, to and for the only proper use and behoof of the said Grantee and Assigns forever.

AND the said Grantor, for itself and its successors does by these presents covenant, grant and agree, to and with the said Grantee and Assigns, that the said Grantor, and its Successors, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee and Assigns, against the said Grantor and its Successors, and against all and every other Person and Persons whomsoever, lawfully claiming or to claim the same or any part thereof,

SHALL AND WILL SPECIALLY WARRANT and forever DEFEND.

IN WITNESS WHEREOF, the said Grantor has caused this Indenture to be executed by its President, attested to by its Secretary, and its corporate seal to be affixed the day and year first above written.

Signed, Sealed and Delivered in the Presence of

ATTEST:



*John F. Fulginiti*

GP MANAGEMENT, INC.

By:

*John D. Nichols, v.p.*  
John D. Nichols, Vice President



# Exhibit “H”

January 29, 2007

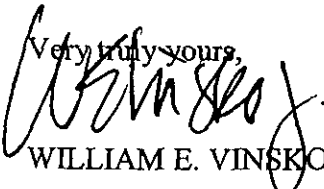
Janet L. Miller, Esquire  
Hawke, McKeon, Sniscak & Kennard, LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778

RE: APPLICATION OF DEER HAVEN, LLC  
A-210063F2000 A-210124  
A-230061F2000 A230106

Dear Attorney Miller:

I am writing to you in your capacity as counsel to Deer Haven, LLC. As of this writing, my clients have still not received any of the requested information as to the amounts Deer Haven has collected from the sewer and water company owned by Lakeside Water Systems and Edwin Inc. We have made repeated requests to Deer Haven to provide this information as it is required in order to file the annual report. Since they have not cooperated, I am now making this request through you so that we can complete our annual report to the Pennsylvania Public Utilities Commission. As I am sure you are aware, there are strict penalties for failing to file an annual report. However, based on your application which is currently pending before the PUC, there has been a ruling that the proceeds of the said companies are to be collected by Deer Haven until there is a determination by the Administrative Law Judge. Notwithstanding that requirement, there is still an obligation on the part of my clients, who own Lakeside Water Systems and Edwin Inc., to file the necessary paperwork. Deer Haven, LLC has specifically avoided providing this information, resulting in my clients' inability to comply with PUC requirements.

As I am also sure you are aware, this information should legally be readily available. Therefore, I am asking that you provide this information within ten (10) days so that we can prepare our final reports and file the same immediately. I look forward to receiving that information within that said time-frame. If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,  
  
WILLIAM E. VINSKO, JR., ESQUIRE

WEV/srp  
cc: Mark Gawron

**Exhibit "I"**



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

June 22, 2006

<Name>  
<Street>  
<City> <State> <Zip>

Dear <Name>:

I am writing in reference to recent correspondence you may have received from Lakeside Water Systems, Inc., the previous owner/operator of the water system that supplies your home/business. In that correspondence, Lakeside alleges that Deer Haven, LLC, the company currently operating the water system, has been illegally charging you for water service without a certificate from the PA P.U.C. The letter also directs you to send your future water payments to Lakeside Water Systems, Inc.

The Bureau of Consumer Services of the Pennsylvania Public Utility Commission is sending you this letter to clarify the Commission's position regarding this matter. Presently, there is litigation pending before the PA P.U.C. at Docket # A-210069 F2000 A-210124 that will ultimately decide the issue of which entity is legally entitled to the Commission's operating certificate. However, until you receive further notice from the Commission you should continue to pay Deer Haven, LLC for the water service provided to your home/business, and you should ignore any correspondence or notice from Lakeside Water Systems, Inc. to the contrary.

If you have any further questions or concerns regarding this matter please call me toll free at 1-800-782-1110 or directly at (717)-772-1203.

Sincerely,

Peter Frederick  
Water Complaint Specialist  
Bureau of Consumer Services

CC: ALJ Jandebaur, PA P.U.C.  
Gerald Gawron, President Lakeside Water Systems, Inc.  
Sam Shahar, President Deer Haven, LLC

# Exhibit "J"

3/01/07

To Whom It May Concern:

This is to inform you that our water was shut off by Haver Development Co. (Sam Shakar) sometime in late 2004. We installed a well in April 2005. Thus we have not used your water system for the 26 months you are billing us for.

Thank you

Allen Mauter