



**PENNSYLVANIA  
AMERICAN WATER**

800 West Hersheypark Drive  
Hershey, PA 17033  
P 717-531-3362  
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[Seth.mendelsohn@amwater.com](mailto:Seth.mendelsohn@amwater.com)

**Seth A. Mendelsohn  
Corporate Counsel**

March 6, 2013

Rosemary Chiavetta  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, PO Box 3265  
Harrisburg, PA 17105-3265

**In Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Hamiltonban Township Municipal Authority property and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Hamiltonban Township, Adams County, Pennsylvania.**

Dear Ms. Chiavetta:

On behalf of Pennsylvania-American Water Company, I am e-filing an original copy of the above-referenced Application, together with payment in the amount of \$350 for the Commission's filing fee.

Sincerely,

Seth A. Mendelsohn

Enclosures

cc: Office of Consumer Advocate  
Office of Small Business Advocate  
Department of Environmental Protection

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Hamiltonban Township Municipal Authority's properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Hamiltonban Township, Adams County, Pennsylvania.**

Application No. \_\_\_\_\_

**TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

1. Pennsylvania-American Water Company ("Pennsylvania-American" or "PAWC") hereby requests that the Pennsylvania Public Utility Commission ("PUC" or the "Commission") issue Certificates of Public Convenience evidencing its approval under Sections 1102(a) and 507 of the Public Utility Code (66 Pa.C.S. §§1102(a), 507) of: (1) Pennsylvania-American's acquisition of substantially all of the assets, properties and rights of the Hamiltonban Township Municipal Authority ("HTMA") related to, or used in connection with, its wastewater system; (2) Pennsylvania-American's right to offer, render, furnish and supply wastewater service in the areas served by HTMA.

2. The name and address of the Applicant is:

Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

3. The names and address of the Applicant's attorneys are:

Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Pennsylvania-American Water Company

800 West Hershey Park Drive  
Hershey, PA 17033  
(717) 531-3210  
(717) 531-3252 fax

4. The HTMA is a municipal authority organized under the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382. It owns and operates a public sanitary wastewater treatment system in portions of Hamiltonban Township, Adams County, Pennsylvania.

5. Pennsylvania-American is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater and sewage for the public. HTMA provides wastewater services to the public in a service territory encompassing a portion of Hamiltonban Township, Adams County, Pennsylvania, with a population of approximately 500. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 373 communities across the Commonwealth with a combined population of over 2,000,000. A description of Pennsylvania-American's certificated water and wastewater service territory is found at Exhibit A, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations which have created Pennsylvania-American as it exists today.

6. As of December 31, 2012, HTMA furnished wastewater service to 158 equivalent dwelling units, as follows:

Residential	68
Commercial	14
Industrial	76

7. As of December 31, 2012, Pennsylvania-American furnished wastewater service to 17,083 customers, as follows:

Residential	16,284
Commercial	752
Industrial	2
Municipal	41
Sale for Resale	4

**A. TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE HAMILTONBAN TOWNSHIP MUNICIPAL SEWER AUTHORITY'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WASTEWATER SYSTEM TO PENNSYLVANIA-AMERICAN WATER COMPANY**

All of the preceding and succeeding paragraphs are incorporated by reference into this subpart A.

Summary of the Transaction

8. On February 7, 2013 HTMA entered into an agreement with Pennsylvania-American to sell the wastewater assets of HTMA.

Background Financial Information

9. There is attached hereto the balance sheet of HTMA as of December 31, 2012 (Exhibit B), which is the latest available, and Pennsylvania-American's unaudited balance sheet as of December 31, 2012 (Exhibit C). Pennsylvania-American will undertake an original cost study to determine the original cost and accumulated depreciation of HTMA's wastewater utility plant in service.

10. There is attached hereto the income statement of HTMA for the 12 months ended December 31, 2012 (Exhibit D) which is the latest available, and Pennsylvania-American's unaudited income statement for the 12 months ended December 31, 2012 (Exhibit E).

11. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with your Honorable Commission by Pennsylvania-American and its predecessors are made a part hereof by reference.

Terms And Impact of the Transaction

12. This Application seeks approval of the transfer to Pennsylvania-American of substantially all of the wastewater property and rights of HTMA. The terms and conditions of the transaction are contained in the executed Agreement between Pennsylvania-American and HTMA (Exhibit F). The specific property to be transferred is defined and described in Paragraph 1.1 of the Agreement.

13. The consideration for the transfer of the wastewater system is \$339,700 cash at Closing as outlined in Paragraph 2.1 of the Agreement. The purchase price would be adjusted for capital expenditures made by HTMA after February 7, 2013 through closing net of applicable insurance proceeds, grants, contributions or advances and the adjustment would not total more than \$100,000 or less than \$500 as outlined in Paragraph 2.2 of the Agreement. The transaction is at arm's length.

14. No investment securities will be transferred in the proposed transaction.

15. There is attached hereto a pro forma balance sheet of Pennsylvania-American as of December 31, 2012, giving effect to the transfer (Exhibit G). However, as noted in Paragraph 9, above, Pennsylvania-American will update the original cost study through Closing for the purpose of establishing the depreciated original cost of the utility plant of HTMA. Once the original cost study is updated and the property's depreciated original cost and book value are finalized,

Pennsylvania-American will amend the pro forma balance sheet giving effect to the transfer, accordingly.

16. There is attached hereto a pro forma consolidated income statement of Pennsylvania-American and HTMA for the 12 months ended December 31, 2012 (Exhibit H).

17. Tentative journal entries to record the transfer in Pennsylvania-American's accounts are set forth below, tentative journal entries to record the transfer in Pennsylvania-American's accounts are set forth below, based upon the assumption of an original cost of \$510,000, a depreciation reserve of \$170,300 and the depreciated original cost equaling the purchase price of \$339,700 cash at closing. However, as stated above, Pennsylvania-American will undertake an original cost study and will establish the depreciated original costs for HTMA's utility plant based on the results of the study.

Utility plant	\$510,000
Accumulated depreciation	\$ 170,300
Short term debt	\$ 339,700

8. There is attached a certified copy of the resolutions adopted by the Board of Directors of Pennsylvania-American authorizing the execution of the Agreement and the consummation of the proposed transfer (Exhibit I). A certified copy of the resolutions adopted by the officers of HTMA authorizing the execution of the Agreement is attached as Exhibit J.

Effect on Service and Rates

19. The proposed transfer will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or the customers transferred by HTMA. Pennsylvania-American believes that the proposed transfer will have a beneficial effect on the

customers of HTMA in that they will receive the benefit of Pennsylvania-American's experience in managing and operating water and wastewater systems which will result in efficiencies and improvements in the service to the customers to be transferred. Pennsylvania-American's existing customers will benefit because the acquisition will expand the customer base, over which existing costs are recovered and thereby, stabilize or reduce per-customer costs. The proposed transfer is in the public interest and satisfies the applicable standard of Section 1103 for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical and financial capabilities to safely and adequately operate the HTMA system in compliance with the Public Utility Code, the Clean Streams Law and other requisite regulatory requirements, and to make improvements as needed, on a short and long term basis.

b. The acquisition will further the Commission's goal of regionalization. HTMA's wastewater system will become a part of a larger organization that is viable and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American existing customers.

c. The transferred customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to the capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality wastewater service meeting federal and state requirements is provided to HTMA's customers and maintained for

Pennsylvania-American's existing customers.

d. The transferred customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs.

e. The acquisition of HTMA and Pennsylvania- American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings.

20. The proposed transfer will have no immediate effect on the rates for service to be charged to Pennsylvania-American's existing customers. With regard to the customers to be transferred by HTMA to Pennsylvania-American, Pennsylvania-American will adopt HTMA's rates existing at the time of Closing. HTMA's current rates are shown on Exhibit K.

21. Pennsylvania-American will finance the purchase with a note and cash.

22. The reason for the proposed transfer is the purchase by Pennsylvania-American of HTMA's wastewater system.

23. Pennsylvania-American and HTMA are not affiliated with each other.

24. HTMA is not subject to any special or general assessments outstanding against it pursuant to Section 510 of the Public Utility Code.

**B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN A PORTION OF HAMILTONBAN TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA.**

All of the preceding and succeeding paragraphs are incorporated by reference into this sub-part B.

25. Pennsylvania-American is currently furnishing wastewater services in the service territory outlined in Paragraph 5. HTMA currently provides wastewater services to approximately 158 EDUs in portions of Hamiltonban Township, Adams county.

26. The areas served by HTMA are shown on the map at Exhibit L and are further described on Exhibit M.

27. No additional permanent capital will be required by Pennsylvania-American for the purpose of financing the matters and things involved in this Application except as stated in paragraph 21.

28. No corporation, partnership or individual other than HTMA is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Pennsylvania-American in the territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by purchase, substantially all the wastewater property and rights of HTMA. HTMA will permanently discontinue all wastewater service to the public.

29. The facilities to be employed are described in Paragraph 1.1 of the Agreement. Specifically excluded assets are described in Paragraph 1.2 of the Agreement.

30. Immediately upon Closing, Pennsylvania-American will adopt HTMA's existing rates in the application territory, and apply the rules and regulations regarding conditions of service, as shown on Exhibit N.

31. The estimated annual revenues and expenses of Pennsylvania-American in the application territory are set forth in Exhibit O.

### C. CONCLUSION

32. Approval of this Application is necessary and proper in order for the public now served by HTMA to benefit by receiving wastewater service from a public wastewater supply company with the resources and personnel to provide safe and reliable treatment of wastewater at reasonable prices.

WHEREFORE, Applicant prays your Honorable Commission to issue the necessary Certificates of Public Convenience under the Public Utility Code, as amended, 66 Pa. C.S. §§1102(a), 507, authorizing:

- (a) the transfer, by sale, of substantially all the assets, properties and rights of Hamiltonban Township Municipal Authority related to or used in connection with its wastewater system to Pennsylvania-American in accordance with the Agreement, and;
- (b) the commencement by Pennsylvania-American of wastewater service to the public in a portion of Hamiltonban Township, Adams County, Pennsylvania, and;

Respectfully submitted,

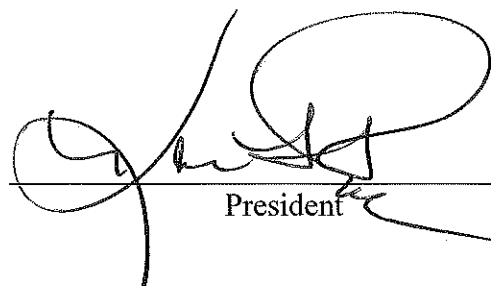


Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Counsel for  
Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

Dated: 2/28, 2013

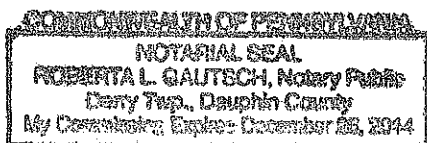
COMMONWEALTH OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF DAUPHIN )

Personally appeared before me, a Notary Public in and for said Commonwealth and County, Kathy Pape, President of Pennsylvania-American Water Company who, being duly sworn according to law, deposes and says that the facts set forth in the foregoing Application are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
President

Sworn to and subscribed before me  
this 15<sup>th</sup> day of March,  
2013.

  
\_\_\_\_\_  
Notary Public



## PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hershey Park Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998);

### **Exhibit A**

Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallacetown Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System (Fayette County, October 4, 2012); All Seasons Water Company (Pike County, December 20, 2012) and Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 641,070 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 23rd, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mt. Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and

the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn<sup>3</sup> and Wyomissing<sup>2</sup> and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallacetown and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview<sup>1</sup> and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullsken, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Abington, Carbondale, Fell, Glenburn, Jefferson, North Abington, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono and the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitemarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Belfast, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of Milton, Northumberland and Watsontown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose,

Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union and West Pike Run in Washington County;

Portion of the Township of Clinton in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 17,083 customers in the following municipalities:

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Borough of Clarion and the Townships of Clarion and Monroe in Clarion County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

Portion of the Township of Lehman in Pike County; and

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County.

<sup>1</sup> West Fairview Borough was merged into East Pennsboro Township in 1998.

<sup>2</sup> Wyomissing Hills was merged into Wyomissing Borough in 2002.

<sup>3</sup> West Lawn was merged into Spring Township in 2006.

[395 municipalities in 36 counties.]

12/31/2012

8:30 AM  
02/22/13  
Cash Basis

Hamiltonban Township - Sewer Fund  
**Balance Sheet**  
As of December 31, 2012

	<u>Dec 31, 12</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
100.000 · ACNB - Checking Sewer Fund	18,887.12
108.000 · PLGIT - CASH	3,003.30
109.000 · PLGIT Sewer Capital Res. Fund	<u>1,031.01</u>
Total Checking/Savings	22,921.43
Accounts Receivable	
1200 · Accounts Receivable	<u>-38.25</u>
Total Accounts Receivable	<u>-38.25</u>
Total Current Assets	<u>22,883.18</u>
<b>TOTAL ASSETS</b>	<u><u>22,883.18</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
3900 · Retained Earnings	6,489.35
Net Income	16,393.83
Total Equity	<u>22,883.18</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>22,883.18</u></u>

Pennsylvania-American Water Company, Inc.  
Condensed Balance Sheet  
December 31, 2012 (Unaudited)  
(Dollars in thousands)

	December 31, 2012 (Unaudited)
<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$2,879,187
Utility plant acquisition adjustments, net	\$14,662
Total Non-Utility Plant, net	\$267
Construction Work in Progress	\$73,615
<b>Total property plant and equipment</b>	<u>\$2,967,731</u>
<b>Current assets</b>	
Cash and cash equivalents	(\$4,889)
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$36,521
Unbilled	\$29,114
Other current assets	\$8,635
<b>Total current assets</b>	<u>\$69,381</u>
<b>Long-term assets</b>	
Regulatory assets	\$179,731
Goodwill	\$39,782
Other	\$478
<b>Total long-term assets</b>	<u>\$219,991</u>
<b>Total assets</b>	<b>\$3,257,103</b>
<b>Capitalization and Liabilities</b>	
	December 31, 2012 (Unaudited)
<b>Capitalization</b>	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$719,299
Retained earnings	\$393,965
<b>Total stockholder's equity</b>	<u>\$1,134,771</u>
Long-term debt	\$1,082,407
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$11,252
<b>Total capitalization</b>	<u>\$2,230,150</u>
<b>Current liabilities</b>	
Notes payable - associated companies	
Short-term debt	\$30,664
Current portion of long-term debt	\$3,727
Other	\$119,825
<b>Total current liabilities</b>	<u>\$154,216</u>
<b>Long-term liabilities</b>	
Deferred income taxes	\$607,564
Other	\$144,843
<b>Total long-term liabilities</b>	<u>\$752,407</u>
<b>Contributions in aid of construction</b>	<b>\$120,330</b>
<b>Total capitalization and liabilities</b>	<b>\$3,257,103</b>

**Hamiltonban Township - Sewer Fund  
Profit & Loss Budget vs. Actual  
January through December 2012**

	Jan - Dec 12	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
341.000 · Interest	1.03	15.79	-14.76	6.5%
341.130 · Interest-Piglit	1.03	15.79	-14.76	6.5%
<b>Total 341.000 · Interest</b>				
364.12 · Sewer Use	105,904.13	111,000.00	-5,095.87	95.4%
364.120 · Sewer Use Charge	991.14	500.00	491.14	198.2%
364.123 · Sewer Use Finance Charges				
<b>Total 364.12 · Sewer Use</b>	<b>106,895.27</b>	<b>111,500.00</b>	<b>-4,604.73</b>	<b>95.9%</b>
391.100 · Sale of General Fixed Assets	47.00			95.9%
<b>Total Income</b>	<b>106,943.30</b>	<b>111,515.79</b>	<b>-4,572.49</b>	<b>95.9%</b>
		1,000.00	-1,000.00	0.0%
	0.00	12,600.00	-5,232.30	58.5%
<b>Expense</b>	7,367.70			
402.100 · Accountant Services				
404.314 · Solicitor Services				
405.000 · Lobbyist	36,650.50			
405.200 · OTP Purchase				
<b>Total 405.000 · Lobbyist</b>	<b>36,650.50</b>			
408.310 · Engineering Services	1,811.83	15,000.00	-13,188.17	12.1%
409.220 · Operating Supplies - Building	1,035.99	1,000.00	35.99	103.6%
409.300 · Other Services & Charges	458.02	1,000.00	-541.98	45.8%
409.321 · Phone - Building	438.15	500.00	-63.85	87.2%
409.361 · Electricity - Building	8,182.55	10,000.00	-1,817.45	81.6%
427.000 · Solid Waste Collection & Dispos	1,826.00	5,000.00	-3,174.00	36.5%
429.120 · Sewer Operator(TransferGen.pay)	6,861.72	10,000.00	-3,138.28	68.6%
429.150 · Maintenance Crew Payroll Hours	3,916.85	6,000.00	-2,083.15	65.3%
429.174 · Training/Workfirst	470.35	100.00	-100.00	0.0%
429.260 · Repair & Maintenance Supplies	325.23	1,500.00	-1,029.65	31.4%
429.260 · Small Tools & Minor Equipment	2,390.00	500.00	-174.77	65.0%
429.364 · Wastewater Collection & Treatme	73.29	2,500.00	-1,000.00	95.8%
429.372 · Maintenance & Repairs - Buildin	7,438.28	7,500.00	-110.00	1.0%
429.374 · Maintenance & Repairs - Machine	760.00	7,500.00	-7,426.71	99.2%
429.530 · Transfer to Municipal Authority	10,234.38			
471.000 · Debt Service Principal	330.63	9,885.42	348.96	103.5%
472.000 · Debt Service Interest		230.37	100.26	143.5%
492.000 · Trans to General Fund	0.00	5,000.00	-5,000.00	0.0%
492.400 · Administration Costs	0.00	700.00	-700.00	0.0%
492.500 · Insurance	0.00	1,400.00	-1,400.00	0.0%
492.700 · Workers Comp Insurance				
<b>Total 492.000 · Trans to General Fund</b>	<b>0.00</b>	<b>7,100.00</b>	<b>-7,100.00</b>	<b>0.0%</b>
493.000 · Capital Reserve Account	0.00	12,600.00	-12,600.00	0.0%
<b>Total Expense</b>	<b>90,549.47</b>	<b>111,515.79</b>	<b>-20,986.32</b>	<b>81.2%</b>
<b>Net Income</b>	<b>16,393.83</b>	<b>0.00</b>	<b>16,393.83</b>	<b>100.0%</b>

Pennsylvania-American Water Company, Inc.  
 Consolidated Condensed Statement of Income  
 For period ending December 31, 2012 (Unaudited)  
 (Dollars in thousands)

	Period Ending December 31, 2012
<b>Operating revenues</b>	<u>\$514,082</u>
<b>Operating expenses</b>	
Operation and maintenance	\$222,015
Depreciation and amortization	\$68,172
General taxes	\$12,435
<b>Total Operating Expenses</b>	<u>\$302,622</u>
<b>Operating income</b>	<u>\$211,460</u>
<b>Other income (deductions)</b>	
Other income, net	(\$2,567)
Interest expense, net	\$35,666
	<u>\$33,099</u>
<b>Income before income taxes</b>	<u>\$178,361</u>
<b>Provision for income taxes</b>	<u>\$59,524</u>
<b>Net income</b>	<u>\$118,837</u>
<b>Dividends on preferred stock</b>	<u>\$77</u>
<b>Income to common stock</b>	<u>\$118,760</u>

**PURCHASE AGREEMENT**

**Between**

**HAMILTONBAN TOWNSHIP MUNIPAL AUTHORITY AND HAMILTONBAN  
TOWNSHIP**

**As Seller**

**and**

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**As Buyer**

Dated as of February 7, 2013

**Exhibit F**

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**PURCHASE AGREEMENT**

THIS AGREEMENT, made and entered into as of the 7th day of February, 2013, by and between HAMILTONBAN TOWNSHIP MUNICIPAL AUTHORITY, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania, and HAMILTONBAN TOWNSHIP (hereinafter referred to as "HTMA") and PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "PAWC").

**WITNESSETH**

WHEREAS, HTMA owns a public sanitary wastewater treatment system located at 1270 Orrtanna Rd., Orrtanna, Pennsylvania 17353, in , Adams County, registered under NPDES; and

WHEREAS, HTMA owns a public sanitary wastewater treatment system serving approximately 88 residences and one large industrial food processing plant user in the town of Orrtanna, which is within Hamiltonban Township, Adams County, Pennsylvania;

WHEREAS, HTMA has obtained an H<sub>2</sub>O grant and which will be expended as part of this sale;

WHEREAS, HTMA owns a spray field which is not conveyed as part of this Purchase Agreement; and

WHEREAS HTMA is the owner and operator of the sanitary wastewater treatment system;

and

WHEREAS, PAWC is a public water and wastewater utility operating in various areas of Pennsylvania; and

WHEREAS, HTMA wishes to sell, and PAWC desires to purchase, substantially all of the assets, properties and rights of HTMA in the Wastewater System except for the spray field on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, this Agreement witnesseth that for and in consideration of the respective covenants and agreements of the parties hereinafter set forth, the parties hereto, intending to be legally bound hereby, do covenant, contract and agree as follows:

## ARTICLE 1

### THE TRANSACTION

1.1 SALE AND PURCHASE OF ASSETS. Subject to the terms, representations and conditions set forth in this Agreement, at Closing, HTMA shall sell, assign, transfer, deliver and convey or cause to be sold, assigned, transferred, delivered and conveyed to PAWC, free and clear of all liens and encumbrances whatsoever (other than Permitted Exceptions as listed in Schedule 1.1 and except as expressly provided herein), and PAWC shall purchase, the Acquired Assets. "Acquired Assets" means all of HTMA's right, title, and interest in and to all of the assets, properties and rights owned by HTMA and used in the business of providing sanitary wastewater service of every kind, nature and description existing on the Closing Date, excepting only those assets listed in Section 1.2. For avoidance of doubt, PAWC and HTMA agree that, excepting only the assets specifically described in Section 1.2, or as otherwise provided in this Agreement, every asset, property and right owned by HTMA and used in the provision of sanitary wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, equipment, and facilities comprising the existing Wastewater System owned by HTMA for providing sanitary wastewater service to the public in and about Hamiltonban Township, Adams County, Pennsylvania, including any equipment and materials purchased in connection with the H<sub>2</sub>O grant,

wherever located and without any other exception whatever, is included within the Acquired Assets to be conveyed hereby. Except as specifically described in Section 1.2, the Acquired Assets shall include all land and land rights (hereinafter referred to as "Real Estate"), sanitary wastewater treatment plant, collection system, pumping stations, equipment, tools, inventory and all other sanitary wastewater system assets and appurtenances, rights, titles, and interests of HTMA in and to such land, easements, and rights of way, as described on Schedule 4.8 and Schedule 4.9 and such franchises, licenses, and permits related to HTMA's Wastewater System.

1.2 EXCLUDED ASSETS. Specifically excluded from the Acquired Assets are (i) the sewer laterals on the customer side of the curb stop; (ii) the grinder pump units of the individual homeowners; (iii) all storm water system facilities; and (iv) those assets listed on Schedule 1.2 including the HTMA spray field, listed in Schedule 1.2.

1.3 LIABILITIES EXCLUDED. PAWC shall not assume any liabilities of HTMA except those shown on Schedule 1.3, Transferred Liabilities. It is further understood and agreed that all obligations of any nature whatsoever, including obligations owed by HTMA to others, on the date of Closing, unless listed on Schedule 1.3, Transferred Liabilities, shall be and remain with HTMA (listed as "Retained Liabilities"). Notwithstanding the foregoing, from and after the Closing date, PAWC shall assume full responsibility for providing public sanitary wastewater service in the area currently served by HTMA's Wastewater Systems.

1.4 ACCOUNTS RECEIVABLE Accounts receivable for sanitary wastewater services rendered through the close of business on the date of Closing shall be excluded assets as shown on Schedule 1.2, and accounts receivable for sanitary wastewater services rendered thereafter shall belong to PAWC.

## ARTICLE 2

### PURCHASE PRICE

#### 2.1 PURCHASE PRICE FOR THE WASTEWATER SYSTEM.

Subject to the terms and conditions of this Agreement, the total purchase price for the Wastewater System attributed and purchased from HTMA shall be composed of:

A payment by PAWC to HTMA of \$339,700, cash at Closing, for the sanitary wastewater treatment plant including the sewerage lagoons and the sewer treatment plant located adjacent to the Carroll Tract Road in Orrtanna, Pennsylvania. The purchase price shall be payable directly to HTMA on the date of Closing by corporate check or by wire transfer at PAWC's discretion.

#### 2.2 ADJUSTMENT TO THE PURCHASE PRICE. If, after the date that this

Agreement is executed and prior to the Closing date, HTMA deems it necessary to make capital expenditures necessary to keep the Wastewater System running pursuant to Paragraphs 3.2 of this Agreement the Purchase Price shall be increased on a dollar for dollar basis by the amount of HTMA's verifiable costs provided that: (i) HTMA shall have provided PAWC with copies of all relevant invoices and cancelled checks related to the capital expenditures and the improvements or modifications to be made, (ii) any such individual capital improvements and costs will have totaled more than \$500, net of any applicable insurance proceeds, grants, contributions or advances, (iii) the Adjustment shall not exceed One Hundred Thousand (\$100,000) Dollars, net of any applicable insurance proceeds, and (iv) HTMA maintains general liability, hazard and property loss insurance through the Closing date. Prior to incurring any capital costs greater than \$500 for which HTMA

would be seeking an adjustment in the purchase to reimburse it for the provisions of this paragraph, HTMA shall notify PAWC prior to incurring the costs.

2.3 H<sub>2</sub>O GRANT FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PUMP STATION ASSOCIATED WITH THIS PURCHASE AGREEMENT. HTMA will use its best efforts to seek to renew the \$496,500 grant (hereinafter referred to as "Grant") within thirty (30) days of signing this agreement so that it can be utilized by HTMA to purchase the pump and other related equipment as prescribed and directed by PAWC once the Franklin Township Municipal Authority's low pressure force main and pump station (hereinafter referred to as "Pipeline") is designed and permitted. PAWC will provide pump station equipment specifications and engineering services to assist in obtaining the appropriate pump station equipment and pipe materials to be purchased by such Grant so that such pump station will be available for expansion under PAWC's engineering plan as deemed necessary for the Pipeline to deliver sewage to the Franklin Township Municipal Authority sewer facility. Any costs above and beyond the \$496,500 H<sub>2</sub>O grant will be borne by and be the responsibility of

### PAWC.ARTICLE 3

#### THE CLOSING

3.1 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the sale and purchase of the Acquired Assets (hereinafter referred to as "Closing") shall be held at such time and date as may be mutually satisfactory to the parties hereto (hereinafter referred to as "Closing Date"), within forty five (45) days following the date on which all of the conditions set forth in Articles 7 and 8 of this Agreement have been met. Provided, however, that if Closing has not occurred on or before September 30, 2014, or after reimbursement by Pennsylvania H<sub>2</sub>O grant to

HTMA, whichever is later, HTMA or PAWC, either party, shall have the right to terminate this Agreement by written notice to the other party. The Closing Date, as referred to in this Agreement, shall be the date of Closing between PAWC and HTMA. Closing shall take place at PAWC's offices in Hershey, Pennsylvania.

Closing between HTMA and PAWC shall occur on or before September 30, 2014, or after reimbursement by Pennsylvania H<sub>2</sub>O grant to HTMA, whichever is later, and is contingent on closing with Franklin Township Municipal Authority.

3.2 DELIVERIES AND PROCEEDINGS AT CLOSING. Subject to the terms and conditions of this Agreement, and until the Closing, HTMA shall maintain plant operations until Closing and at that time deliver or cause to be delivered to PAWC:

3.2.1 Bills of sale and instruments of assignment duly executed by HTMA as necessary to transfer all of the Acquired Assets to PAWC;

3.2.2 The consents to transfer all contracts, intellectual property and permits;

3.2.3 One or more special warranty deeds of conveyance of the Real Estate and easements to PAWC, duly executed and acknowledged by HTMA and in recordable form, each sufficient to convey the title and rights of access to the Wastewater System;

3.2.4 The certificates, opinions and other documents required to be delivered by HTMA under this Agreement and certified resolutions evidencing the authority of HTMA as set forth in Section 4.2 hereof;

3.2.5 Evidence of no indebtedness of HTMA on the Wastewater System;

3.2.6 All such other agreements, documents and instruments of conveyance required by this Agreement or as shall, in the reasonable opinion of PAWC and its counsel, be

necessary to transfer the Acquired Assets to PAWC in accordance with this Agreement, and where necessary or desirable, in recordable form. Any such documents shall be prepared at PAWC expense; and

3.2.7 In addition to such other instruments and documents as are to be delivered to PAWC by HTMA on or prior to the Closing date, as provided herein, HTMA shall deliver to PAWC at the Closing copies of all books and records and other documents maintained by HTMA relating to the Acquired Assets.

#### ARTICLE 4

##### REPRESENTATIONS AND WARRANTIES OF HTMA

4. REPRESENTATIONS AND WARRANTIES OF HTMA. HTMA represent and warrants to PAWC that:

4.1 QUALIFICATION. Hamiltonban Township Municipal Authority is a municipal authority duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and Hamiltonban Township is a township of the second class duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and together have all requisite power and lawful authority to own and operate the Acquired Assets and the Wastewater System as presently being conducted, and to convey the Acquired Assets to PAWC as contemplated under this Agreement.

4.2 AUTHORIZATION AND ENFORCEABILITY. The execution, delivery, performance and acceptance of this Agreement by HTMA has been, or will be at Closing, duly and validly authorized by all necessary action. This Agreement constitutes a legal, valid and binding obligation of HTMA enforceable against HTMA in accordance with its terms. HTMA has full

power and authority to execute, deliver and perform this Agreement and all other agreements and instruments to be executed by HTMA in connection herewith.

4.3 NO VIOLATION OF LAWS OR AGREEMENTS. HTMA's performance of this Agreement, as of the Closing Date, shall not (i) require any further approvals or consents from any other party; (ii) violate any law, ordinance or regulation; or, (iii) conflict with or result in a breach of, or constitute a default under, any contract, lease, permit or other agreement or commitment to which HTMA is a party.

4.4 PERMITS AND COMPLIANCE WITH LAWS GENERALLY. Except as disclosed on Schedule 4.4 hereto:

4.4.1 HTMA has not knowingly violated any local, state or federal law, rule or regulation with respect to the use and operation of the Wastewater System. No outstanding notice, citation, summons or order has been issued, no outstanding complaint has been filed, no outstanding penalty has been assessed and no investigation or review is pending or, to the knowledge of HTMA, threatened, by any authority or other person with respect to any alleged violation by HTMA relating to the Wastewater System of any law, ordinance, rule, regulation, code or order of any authority or failure to have any Permit required in connection with the operation of the Wastewater System, except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. "Material Adverse Effect" means a change or effect (or series of related changes or effects) which has or is reasonably likely to have a material adverse change in or effect upon the business, assets, condition (financial or otherwise), or results of operations of the Wastewater System or the Acquired Assets, taken as a whole.

4.4.2 HTMA possesses and is in compliance with all Permits required to operate the Wastewater System as presently operated and to own, lease, or otherwise hold the Acquired

Assets under all applicable laws, rules, regulations, ordinances and codes, including environmental laws except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. The Wastewater System as operated is in compliance with all applicable laws, rules, regulations, ordinances, codes, judgments and orders except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. All Permits of HTMA and the Wastewater System are in full force and effect. There are no proceedings pending or, to HTMA's knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Permits presently possessed by HTMA other than those revocations, suspensions or modifications which do not individually, or in the aggregate have a Material Adverse Effect.

The Wastewater System as operated by HTMA is subject to a pending Consent Order and Agreement issued by Pennsylvania Department of Environmental Protection (PADEP) and PAWC shall take said system pursuant to said Consent Order and Agreement. PAWC shall participate along with HTMA and Hamiltonban Township in the fashioning of any pending consent order to be issued by PADEP so that the terms and agreements set forth herein are congruent with any final consent and agreement order issued by PADEP.

4.4.3 Schedule 4.4. is a complete and accurate list of current permits issued to HTMA relating to the operation of the Wastewater System.

4.5 PENDING OR THREATENED LITIGATION. There is no known action; claim or litigation; arbitration; proceeding; judgment; injunction; audit or legal or administrative or governmental investigation pending, and none are known to be threatened against or affecting the Wastewater System or any of the Acquired Assets before any court, arbitrator or governmental

authority, except the pending PADEP Consent and Agreement Order with HTMA and/or as disclosed on Schedule 4.5. The parties acknowledge that, from time to time, HTMA initiates litigation for collection of accounts receivable or other purposes that inure to the benefit of HTMA which will not transfer as an Acquired Asset; such litigation is excluded from the scope of this Article. There are no known laws, ordinances, regulations or official orders now in effect or pending which could reasonably be expected to have a Materially Adverse effect on the Wastewater System or the ownership, condition or operation of the Wastewater System or the Acquired Assets, except as disclosed on Schedule 4.5.

4.6 ENVIRONMENTAL MATTERS. Except as expressly set forth on Schedule 4.6 hereto, and with such exceptions as are not reasonably likely, individually or in the aggregate, to have a Material Adverse Effect:

4.6.1 HTMA has not disposed of or arranged for the disposal of or released any Hazardous Substances, other than in conformity with applicable laws and regulations, at any Real Estate, or at any other facility, location, or site to be transferred to PAWC pursuant to the terms of this Agreement.

4.6.2 HTMA has not received any written notice or request for information with respect to, and to the best of HTMA's knowledge, HTMA has not been designated a potentially liable party for remedial action or response costs, in connection with any Real Estate, or, as of the date hereof, with respect to the Acquired Assets or the operation of the Wastewater System, at any other facility, location, or other site under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or comparable state statutes.

4.6.3 To the best of HTMA's knowledge, except for such use or storage of Hazardous Substances as is incidental to the operation of the Wastewater System, which use and storage is or has been in compliance with applicable laws and regulations, no Real Estate has been used for the storage, treatment, generation, processing, production or disposal of any Hazardous Substances or as a landfill or other waste disposal site in violation of any law, rule or regulation.

4.6.4 During the period that HTMA has owned the Real Estate, underground storage tanks (other than tanks for the storage of water) are not, and have not in the past, been located on or under any Real Estate. HTMA has no knowledge of any underground storage tanks (other than tanks for the storage of water) located on or under any Real Estate prior to the time HTMA acquired the Real Estate.

4.6.5 There are no pending or unresolved claims against HTMA or the Wastewater System for investigatory costs, cleanup, removal, remedial or response costs, or natural resource damages arising out of any releases or threat of release of any Hazardous Substances at any Real Estate or, as of the date hereof, with respect to the Wastewater System or the Acquired Assets or any other facility, location, or other site.

4.6.6 To the best of HTMA's knowledge, no polychlorinated biphenyls (PCBs) or asbestos-containing materials are located at or in any Real Estate in violation of Environmental Laws or which require remedial action.

4.6.7 HTMA will within thirty (30) days of the date hereof provide PAWC with copies of all written environmental audits or investigations of which HTMA is aware (after due inquiry) prepared for the Real Estate or operations of the Wastewater System.

4.7 BROKERAGE. HTMA has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to PAWC.

4.8 REAL ESTATE. Schedule 4.8 is a complete and accurate list of the Real Estate. HTMA at its Closing hereunder will convey and transfer to PAWC, indefeasible, good and marketable legal and equitable title to the Real Estate, free and clear of all liens, encumbrances and easements, excepting however, the following instruments of record: existing building restrictions, ordinances, easements of roads, privileges or rights of public service companies, if any; or easements or restrictions visible upon the ground or the previously mentioned (listed in "Permitted Exceptions"), otherwise the title to the above-described Real Estate shall be good and marketable or such as will be insured by any reputable Title Insurance Company at the regular rates. HTMA has no knowledge of any default or breach under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting all or any portion of the Real Estate, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the Real Estate, and to the best knowledge of HTMA, no such proceeding is threatened. HTMA has not received any written or oral notice of assessment against any of the Real Estate which remains unpaid. To the best of HTMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.9 EASEMENTS. To the best of HTMA's knowledge, information and belief, Schedule 4.9, which shall be updated as of the HTMA Closing date, is a complete and accurate list of all easements and rights of way over the real property of others used by HTMA in the operation of the Wastewater System or on which any of the Acquired Assets are located (listed in "Easements"). HTMA and PAWC agree to cooperate to identify and obtain all necessary rights-of-way prior to the Closing date. Upon execution of this Agreement, HTMA shall forward all documentation with

respect to its rights-of-way, both recorded and unrecorded, at HTMA's expense to PAWC. PAWC will conduct a rights-of-way abstract, at PAWC's expense, to determine whether HTMA has continuous rights-of-way for all of its wastewater lines and other facilities and that such rights are represented by legal instruments in appropriate form duly recorded. Upon notification from PAWC that the rights-of-way for the Wastewater System are not sufficient for the operation of the Wastewater System, HTMA will cooperate with PAWC to exercise HTMA's eminent domain authority to secure such additional rights-of-way as PAWC requests. The title to be conveyed by HTMA to PAWC shall be insurable at regular rates by a reputable title insurance company, selected by PAWC and authorized to do business in Pennsylvania.

4.10 PERSONALTY. Except as otherwise indicated on Schedule 4.10, HTMA owns, free and clear of all liens, or leases from others under valid and enforceable leases not presently in default, all personal property in its possession or which is used or required for operation and maintenance of the Wastewater System as it is now conducted.

4.11 LEASES Schedule 4.11, which shall be updated as of the HTMA Closing date, contains a complete and accurate list of each lease of real property to which HTMA is a party (listed as "Lease"). HTMA shall, prior to Closing, deliver, to PAWC a true, correct and complete copy of each Lease. Each Lease is valid and subsisting and in full force and effect in accordance with its terms and has not been modified, in writing or otherwise. Each Lease, or a memorandum thereof, is properly recorded in the land records of the county in which the respective property is located. To the best of HTMA's knowledge there has been no default or event which, with the giving of notice or the passage of time, or both, would constitute a material default on the part of HTMA or any landlord under each such Lease, and HTMA has not asserted a defense to offset or claim against any payment or performance which is the obligation of HTMA pursuant thereto. At its

Closing date hereunder, HTMA shall deliver to PAWC a landlord estoppel certificate form reasonably satisfactory to PAWC from each landlord under each Lease under which HTMA is Lessee.

4.12 CONTRACTS. As of the date of this Agreement, Schedule 4.12 contains a complete and accurate list of all contracts, commitments, agreements and instruments relating to the Wastewater System and all leases of personal property related to the Wastewater System (listed under "Contracts"). HTMA shall, prior to Closing, deliver to PAWC a correct and complete copy of each written agreement listed in Schedule 4.12. Except as disclosed on Schedule 4.12, with respect to each Contract, neither HTMA, nor, to the best of HTMA's knowledge, any other party thereto, is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default by HTMA, or permit termination, modification, or acceleration, under the Contract. Except as set forth in Schedule 4.12, there are no disputes pending or to the best of HTMA's knowledge, threatened under or in respect of any of the Contracts. Schedule 4.12 shall be updated as of Closing.

4.13 TAXES. To the extent required, HTMA has (a) timely filed all material returns and reports for Taxes, including information returns, that are required to have been filed in connection with, relating to, or arising out of, the Wastewater System, (b) paid all Taxes that are shown to have come due pursuant to such returns or reports and (c) paid all other material Taxes not required to be reported on returns in connection with, relating to, or arising out of, or imposed on the Acquired Assets for which a notice of assessment or demand for payment has been received or which have otherwise become due. To the best of HTMA's knowledge, all such returns or reports have been prepared in accordance with all applicable laws and requirements in all material respects. None of the Acquired Assets (a) is property that is required to be treated as owned by another Person

pursuant to the "safe harbor lease" provisions of former Section 168(f)(8) of the Code, (b) is "tax-exempt use property" within the meaning of Section 168(h) of the Code or (c) directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code.

4.14 LIABILITIES. Schedule 4.14, which shall be updated as of HTMA's Closing date, contains a complete and accurate list of all financial indebtedness of the HTMA related to the Wastewater System. Such list includes the person to whom such indebtedness is owed, the interest rates applicable to such indebtedness, and a description of the property securing such indebtedness. HTMA is not financially indebted relating to the Wastewater System it operates. HTMA has no liabilities with respect to the Wastewater System, either direct or indirect, matured or unmatured or absolute, contingent or otherwise, except those liabilities expressly set forth at Schedule 4.14.

4.15 CUSTOMER ADVANCES. Schedule 4.15 is a complete and accurate list of all unexpired customer advances for construction held by HTMA as of the date of this Agreement. Prior to its Closing date, HTMA shall complete the construction of all mains and facilities for which HTMA received customer advances and return all unexpended customer advances to the appropriate depositor. Provided, however, that for projects acceptable to and approved in writing by PAWC, HTMA may pay over to PAWC the unexpended, non-refundable customer advances, and PAWC shall assume all of the responsibility of HTMA as to those unexpired customer advances for construction and shall be bound by the terms and conditions contained in those Extension Deposit Agreements. PAWC shall not assume any responsibility for any unexpired customer advances for construction received by HTMA, or for any Extension Deposit Agreements to which HTMA is or becomes a party, except as specifically agreed to in writing. Schedule 4.15 may be updated prior to HTMA's Closing date at the mutual consent of the parties.

4.16 FREE WASTEWATER SERVICE. HTMA represents and warrants that it has not entered into any contracts to provide free wastewater service to any customer that would require PAWC to do the same in the event the Wastewater System is owned by PAWC.

## ARTICLE 5

### REPRESENTATIONS AND WARRANTIES OF PAWC

5. REPRESENTATIONS AND WARRANTIES OF PAWC. PAWC represents and warrants to HTMA that:

5.1 QUALIFICATION. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Wastewater System.

5.2 AUTHORIZATION AND ENFORCEABILITY PAWC has full corporate power and corporate authority to execute, deliver and perform this Agreement. The execution, delivery and performance by PAWC of this Agreement have been duly authorized by all necessary corporate action. This Agreement constitutes a legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its terms. As of the Closing Date, each of the transaction documents to which PAWC is a party will be duly executed and delivered by PAWC and will constitute the legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its respective terms.

5.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

5.4 BROKERAGE. PAWC has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to HTMA.

## ARTICLE 6

### COVENANTS

6.1 COVENANTS OF HTMA. From and after the date of this Agreement HTMA covenants and agrees that:

6.1.1 Conduct of Business. HTMA will operate the Wastewater System until the Closing only in the ordinary course of business substantially as it heretofore has been operated and in accordance with all applicable local, state, and federal laws, rules and regulations.

6.1.2 Contracts and Commitments. Except normal and usual commitments for the purchase of materials and supplies consistent with past practice, no contract or commitment shall be entered into by or on behalf of HTMA relating to the Wastewater System which would materially affect the operation of the Wastewater System after Closing, except for those commitments approved in writing by PAWC.

6.1.3 Release of Liens. HTMA will take all reasonable action necessary to cause the release, cancellation and discharge of any and all liens or encumbrances, so that as of the Closing date, the Acquired Assets will be free and clear of any and all such liens and encumbrances (other than the Permitted Exceptions, Schedule 1.1).

6.1.4 Material Events and Circumstance. HTMA shall promptly inform PAWC in writing of any specific event or circumstance of which HTMA is aware, or of which HTMA receives notice, that has or is likely to have, individually or in the aggregate, taken together with the other events or circumstances, a Material Adverse Effect on the Acquired Assets.

6.1.5 Supplemental Information.

6.1.5 (a) HTMA shall provide PAWC, within fifteen (15) days of execution or the date of receipt thereof, a copy of (a) each contract entered into by HTMA after the date hereof and prior to Closing relating to the Wastewater System; (b) a copy of any written notice of assessments for public improvements against any Real Estate received after the date hereof and prior to Closing; and (c) a copy of the filing of any condemnation, eminent domain or similar proceeding affecting all or any portion of any of the Real Estate received after the date hereof but prior to the Closing.

6.1.5 (b) Within fifteen (15) days of the receipt of notice of violation, HTMA shall notify PAWC of any violations of state or federal standards.

6.1.6 Title Information. Within forty-five (45) days following the execution of this Agreement, HTMA shall use its reasonable efforts to deliver to PAWC true, correct and complete copies of all existing title policies, surveys, leases, deeds, instruments and agreements relating to title to the Real Estate in HTMA's possession, which are to be transferred as part of this Agreement.

6.1.7. Regulatory Consents. HTMA shall at all times, use its best efforts and diligently pursue all approvals, authorizations, consents and permits required to be obtained to consummate the transaction contemplated by this Agreement, including approval of any necessary revision to the Act 537 Plan. HTMA shall (i) as promptly as practicable, make or cause to be made such filing and submissions under the laws, rules and regulations applicable to it as may be required for HTMA to sell the Acquired Assets pursuant to the terms of this Agreement; and (ii) keep PAWC apprised of the status of any filing or submission to any such governmental or regulatory agency.

6.1.8. Storm Water System. Hamiltonban Township will retain ownership of all storm water system facilities, and retain ordinances, if any, that enforce that no storm water system facilities shall be connected to or cause storm water infiltration into the Wastewater System. Schedule 6.1.8 is a complete and accurate list of such ordinances. Such ordinances shall be no less restrictive on storm water discharges after Closing than they were prior to Closing. If, at any time after Closing, PAWC identifies municipal storm water lines interconnected with the Wastewater System, PAWC may at its sole cost and discretion, disconnect such storm water lines from the Wastewater System and tie them into the municipal storm water system.

6.1.9. Township Tap-in Ordinance – HTMA will keep its tap-in ordinances in effect after Closing. Any revision to the HTMA tap-in ordinances applicable to PAWC's Pennsylvania Public Utility Commission certificated service territory would require PAWC consent. HTMA acknowledges that PAWC will not certificate territory along the Wastewater System Improvements' Pipeline route with its application to acquire HTMA, but, after Closing, HTMA shall cooperate with PAWC if it applies for certificated territory along the Pipeline route.

6.2 COVENANTS OF PAWC. From and after the date of this Agreement PAWC covenants and agrees that:

6.2.1 Staff Retention. PAWC will not offer employment to any current HTMA employee.

6.2.2. Rates. PAWC will implement rates for HTMA as shown at Schedule 6.2.2, and HTMA and PAWC will keep those rates for both residential and industrial users in effect until October, 31, 2014. In addition, PAWC will use its best efforts to utilize Act 11 of 2012 to

reduce the rates charged to the wastewater customers that may be included in PAWC's next base rate filing.

#### 6.2.3 Expansion and Improvements to the Wastewater System.

PAWC will permit, engineer, design and construct at its expense, a wastewater line to interconnect the Hamiltonban Township wastewater system to the Franklin Township Municipal Authority Wastewater System to serve residents in Hamiltonban Township from the existing Franklin Township Municipal Authority facilities (hereinafter referred to as "Wastewater System Improvements") by means of the Pipeline, including a low pressure force main and pump station. PAWC will use its best efforts to secure DEP approval and permits, to include updating Hamiltonban's Act 537 Plan, and shall prepare all regulatory applications, plans and documents required for the Wastewater System Improvements, at PAWC's expense. The line extension comprising, in part, the Wastewater System Improvements will be constructed within a reasonable time frame as will the Wastewater System Improvements after DEP's approval of the Wastewater System Improvements and PAWC's receipt of all required permits. PAWC will operate the HTMA spray field and wastewater treatment plant until the Hamiltonban Township system is interconnected with the Franklin Township system.

6.2.4 Hamiltonban Spray Field. PAWC will lease HTMA's discharge line, spray field and related appurtenances necessary to run the wastewater treatment system for \$1.00 per year after the HTMA Closing date and continue this through the time when the Pipeline from Hamiltonban Township is interconnected to the Franklin Township Municipal Authority Wastewater System. From the time that the systems are interconnected, the HTMA Wastewater Treatment Plant and the spray field will no longer be needed by PAWC, and PAWC will not be responsible for any decommissioning, demolition, clean up or other liability associated with the lease of the HTMA

Wastewater spray field. HTMA will not be responsible for decommissioning the existing lagoons that are currently part of the HTMA wastewater treatment system.

6.3 FURTHER ASSURANCES Each party to this Agreement shall cooperate and deliver such instruments and take such action as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby. After the Closing, each party shall take such other actions and execute such other documents, certifications, and further assurances as HTMA or PAWC, as the case may be, may reasonably require in order to transfer more effectively to PAWC or to put PAWC more fully in possession of any of the Acquired Assets.

## ARTICLE 7

### PENNSYLVANIA PUBLIC UTILITY COMMISSION (PUC) APPROVAL

7. PENNSYLVANIA PUC APPROVAL. The parties recognize and expressly agree that:

7.1 The consummation of the transaction is conditioned upon the approval of the PUC. PAWC covenants and agrees to initiate, and faithfully prosecute the necessary proceedings to obtain the approval of the PUC for: (a) the transfer by sale of HTMA's Acquired Assets to PAWC; (b) the right of PAWC to provide wastewater service to the public in areas presently being served by HTMA; (c) the right of PAWC to provide sanitary wastewater service to the public in additional areas of Hamiltonban Township; (d) the right of PAWC to adopt HTMA's wastewater rates in the area to be served at the time of Closing and to apply PAWC's existing rules and regulations for wastewater service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing and; (e) to use its best efforts to utilize Act 11 of 2012 to reduce the

rates charged to the wastewater customers that may be included in PAWC's next base rate filing. HTMA, by this Agreement, covenants and agrees to provide such information, documents and assistance as may be reasonably requested by PAWC in connection with any such proceedings and to otherwise cooperate in the initiation and prosecution of any such proceeding.

## ARTICLE 8

### CONDITIONS PRECEDENT

8.1 CONDITIONS PRECEDENT TO PAWC'S OBLIGATIONS. The obligation of PAWC to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by PAWC in its sole discretion):

8.1.1 Representations and Warranties. HTMA's representations and warranties set forth in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing with the same force and effect as though such representations and warranties were made at and as of such time, and HTMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.1.2 Performance of Agreements. HTMA shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and HTMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.1.3 Adverse Change. There shall not have been a Material Adverse Change, occurrence or casualty, financial or otherwise, to the Wastewater System or the Acquired Assets, whether covered by insurance or not.

8.1.4 Release of Liens. All necessary action shall have been taken to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing, the Acquired Assets shall be free and clear of any and all liens and encumbrances (other than Permitted Exceptions, Schedule 1.1), and HTMA shall have provided PAWC with such opinions, instruments or documents as PAWC may reasonably request, and in form and substance satisfactory to PAWC, evidencing the release, cancellation and discharge of any and all liens and encumbrances (other than Permitted Exceptions, Schedule 1.1) and that the Acquired Assets are not subject to any liens or encumbrances (other than Permitted Exceptions, Schedule 1.1). In the event HTMA is unable to convey title to the Acquired Assets to PAWC at the Closing in accordance with the terms of this Agreement, PAWC shall have the option of: (a) accepting such title as HTMA is able to convey without abatement of the purchase price; or (b) canceling this Agreement in which case this Agreement shall be of no further force or effect and neither of the parties hereto shall have any further liability hereunder.

8.1.5 Pennsylvania PUC Approval. The Pennsylvania PUC shall have issued an order, which order shall have become final and unappealable, approving the transactions set forth at Article 1.1 on the terms contained in Article 7.

8.1.6 Other Regulatory Consents. PAWC shall have obtained the written, final and unappealable approvals, authorizations and consents (including consents for permit transfers) that are required to consummate the transactions contemplated by this Agreement,

including without limitations the approval of every regulatory agency of federal, state or local government that may be required in the opinion of PAWC or HTMA.

8.1.7 Act 537 Plans. Hamiltonban Township shall have approved an updated Act 537 Plan to provide for the Wastewater System to be interconnected with the Franklin Township Municipal Authority sewer treatment plant, which updated plan shall be prepared by PAWC at the expense of PAWC.

8.1.8 Wastewater System. Hamiltonban Township shall have agreed in writing to (i) adopt and/or retain ordinances establishing rules and regulations consistent with PAWC's duly filed and approved Tariff rules and regulations for the making of connections and use of the Wastewater System; and (ii) enforce the provisions of such ordinances at all times.

8.1.9 Certification of Financial Information. HTMA shall have delivered to PAWC a certificate, in substantially the form set forth at Schedule 8.1.9, executed by its authorized representative and in form and substance satisfactory to PAWC, listing (i) the amount of its net outstanding long-term debt or notes, if any, related to the Wastewater System, (ii) all unexpired customers' advances for construction and unexpended contributions in aid of construction as of the Closing date, and (iii) any and all additions or retirements to the Wastewater System during the period from the date of this Agreement to the Closing date, together with the cost thereof.

8.1.10 List of Materials and Supplies. HTMA shall have delivered to PAWC a certificate listing all materials and supplies owned by HTMA as of the Closing related to the operation or maintenance of the Wastewater System.

8.1.11 Opinion of Counsel. HTMA shall have delivered to PAWC a favorable written opinion of HTMA's counsel, dated as of the Closing Date and addressed to PAWC, in form and substance satisfactory to PAWC, to the effect set forth in Schedule 8.1.11.

8.1.12 Contractual Consent. HTMA shall have obtained written approvals, authorizations and consents of transfer to all material transferable or assignable contracts, agreement, licenses and permits to the extent specifically required by the terms of such contracts, agreements, licenses or permits.

8.1.13 Delivery of Documents. HTMA shall have delivered to PAWC a copy of the deeds, easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and shall at Closing deliver all books, records and such other instruments or documents maintained by HTMA relating to the Wastewater System.

8.1.14 Delivery of Resolutions. HTMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

8.1.15 Permits Issued. The Pennsylvania Department of Environmental Protection (DEP) and all other regulatory agencies or authorities having jurisdiction over the operations of the Wastewater System shall have issued or consented to the transfer of the necessary permits to PAWC to operate the Wastewater System. A copy of the NPDES Permit for the Wastewater System in effect on the execution date of this Agreement is attached at Schedule 8.1.15. The parties acknowledge that the current NPDES permit will expire before Closing. PAWC reserves the right to terminate this Agreement if at any time prior to Closing, a new NPDES Permit for the Wastewater System is issued which, in PAWC's sole opinion, is more stringent or materially different from the NPDES Permit in effect on the date of the execution of this Agreement.

8.1.16 PAWC Board Approval. PAWC's Board of Directors shall have approved this Agreement.

8.1.17 Easements and Rights-of-Way. HTMA shall deliver to PAWC, all documents necessary to transfer, at Closing, the easements and rights-of-way identified on Schedule 4.9 to PAWC by legal instruments in appropriate form to be duly recorded.

8.1.18 Title Insurance. A reputable title insurance company shall have issued, at PAWC's expense, title commitment to PAWC for an Owner's Title Insurance Policy including extended coverage at regular rates, evidencing good and marketable title, in the amount of the fair market value of the Real Estate, covering title to the Real Estate on the date of Closing, and subject only to the Permitted Exceptions, at standard rates to be paid by PAWC.

8.1.19 Sprayfield Lease. HTMA shall lease to PAWC use of the current Sprayfield until it is no longer needed by PAWC to operate the current Wastewater System in Hamiltonban Township at a rate of One Dollar (\$1.00) per annum and until the pipeline is connected and operational between the HTMA and the Franklin Township Municipal Authority systems. PAWC will leave Sprayfield in the same condition as it was acquired in at the end of their lease.

8.1.20 Rates. HTMA will maintain or will have adjusted its rates before Closing to those shown at Schedule 6.2.2, which are Fifty Dollars (\$50.00) per month.

8.1.21 Closing with Franklin Township. PAWC shall have a legally binding asset purchase agreement in place with Franklin Township and Franklin Municipal Authority for the purchase of the Franklin Township Wastewater System.

8.1.22 Consent Order and Agreement. The Wastewater System as operated by HTMA is subject to a pending Consent Order and Agreement issued by Pennsylvania Department of Environmental Protection (PADEP). PAWC shall participate along with HTMA and Hamiltonban Township in the fashioning of any pending consent order to be issued by PADEP and the consent order shall be written to the satisfaction of PAWC and consistent with the terms of this Agreement prior to Closing.

8.1.23 Pipeline and Pump Station. The Pipeline to Franklin Township and the Pump Station shall be designed and permitted prior to Closing.

8.2 CONDITIONS PRECEDENT TO HTMA'S OBLIGATIONS. The obligation of HTMA to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by HTMA in its sole discretion):

8.2.1 Regulations and Warranties. PAWC'S representations and warranties contained in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing, with the same force and effect as though such representations and warranties were made at and as of such time, and PAWC shall deliver to HTMA a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.2.2 Performance of Agreements. PAWC shall have performed and complied, in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and PAWC shall deliver

to HTMA a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.2.3 Opinion of Counsel. PAWC shall deliver to HTMA a favorable written opinion of PAWC's counsel, dated as of the Closing Date and addressed to HTMA, in form and substance satisfactory to HTMA, to the effect set forth in Schedule 8.2.3.

## ARTICLE 9

### INDEMNIFICATION

9.1 INDEMNIFICATION BY HTMA. HTMA agrees to indemnify, defend and hold harmless PAWC and its affiliates and their respective officers, directors and agents at all times after Closing, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by HTMA in this Agreement or in any Schedule, statement, certificate or other document furnished or to be furnished to PAWC in connection with the transactions contemplated hereby, and (ii) any and all liabilities of HTMA of any nature, whether due or to become due, whether accrued, absolute, contingent or otherwise, existing on the Closing Date or arising out of any transaction entered into, any state of facts existing or any event occurring on or prior to such date.

9.2 INDEMNIFICATION BY PAWC. PAWC will indemnify and hold harmless HTMA at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by PAWC as set forth in this Agreement or in any Schedule, statement, certification or other document furnished or to be furnished to HTMA, in connection

with the transactions contemplated hereby, and (ii) PAWC's operation or use of the Wastewater System after Closing. ARTICLE 10

MISCELLANEOUS

10.1 REALTY TRANSFER TAXES. PAWC agrees to pay any realty transfer taxes that may be due or owing as a result of the within transaction, and the parties agree to prorate any property taxes, if any.

10.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements made by HTMA and PAWC in this Agreement or pursuant hereto shall survive the Closing.

10.3 PENNSYLVANIA LAW TO GOVERN. This Agreement is being delivered in the Commonwealth of Pennsylvania and shall be construed and enforced in accordance with the laws of such State.

10.4 RISK OF LOSS. HTMA retains all risk of destruction, losses or damage to Acquired Assets due to fire or other casualty up to the Closing and agrees to maintain its current insurance coverage until the Closing. If prior to the Closing: (i) all or part of the Acquired Assets are destroyed by fire or the elements or by any other cause; or (ii) all or a part of the Acquired Assets are taken by eminent domain, HTMA shall give prompt notice thereof to PAWC and PAWC may, by notice given to HTMA prior to Closing, elect to cancel this Agreement. In the event PAWC shall so elect, both parties shall be relieved and released of and from any further liability hereunder.

10.5 ACCESS AND INFORMATION. HTMA will give to authorized representatives of PAWC reasonable access during normal business hours throughout the period prior to Closing to all the properties, books, contracts, commitments, and records of HTMA relating to the Wastewater

System, and furnish PAWC during such period with all such information relating thereto as PAWC may reasonably request. Within thirty (30) days of the execution of this Agreement, HTMA shall provide PAWC with a complete list of customers, including names, service addresses, and billing addresses. This complete list shall be updated at Closing and provided to PAWC at Closing so as to be true and correct on the date of Closing.

10.6 RIGHT OF ENTRY. After the date of this Agreement and until Closing, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with HTMA, for the purpose of making such inspections and investigations of the Wastewater System, including, but not limited to surveys, environmental assessments, and engineering studies, as PAWC deems reasonably necessary. PAWC shall indemnify and hold HTMA harmless from and against all losses, damages, demands, claims, suits and other liabilities, including attorney fees and other expenses of litigation, because of personal or bodily injury or property damage resulting from PAWC's presence at or use of the Wastewater System for such inspections and investigations. PAWC shall promptly (within five (5) business days) return the surface of the property to substantially the same as before such inspections and investigations.

10.7 ENVIRONMENTAL ASSESSMENT. After the date of this Agreement and until the Closing Date, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with HTMA, for the purposes of conducting an environmental assessment of the Wastewater System. Within sixty (60) calendar days after the date this Agreement is executed, PAWC shall notify HTMA in writing if the environmental assessment reveals the presence of oil or petroleum products

or any hazardous or toxic wastes or materials or storage of fuel tanks or any other environmental hazard or contamination. Within fifteen (15) days of the date of such notice, HTMA shall advise PAWC in writing as to whether HTMA can cure the environmental hazard or contamination. If HTMA is unable to cure any such environmental hazard or contamination, then PAWC shall have the right, in PAWC's sole discretion, to terminate this Agreement upon written notice to HTMA whereupon this Agreement shall be null and void, and neither party shall have further rights nor obligations to the other hereunder.

10.8. TERMINATION OF AGREEMENT. If Closing does not occur by September 30, 2014, with the full cooperation and diligent efforts of PAWC and HTMA, then either of the parties may terminate this Agreement upon written notice to the other, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein.

10.9 TIME OF THE ESSENCE. Time shall be of the essence with respect to all matters and times contained in this Agreement. Time as set forth in this Agreement shall not be extended except by written agreement signed by all parties. Notwithstanding the foregoing, if any date specified for the giving or receipt of notice, or for the exercise of any right or option, or for Closing, shall fall on a Saturday, Sunday or legal holiday observed by local banking institutions, the date so specified shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

10.10 SECTION HEADINGS. The Section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.11 NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, registered mail, return receipt requested:

To HTMA: Hamiltonban Township Municipal Authority  
Box 526 23 Carrolls Tract Road  
Fairfield, PA 17320

With a copy to: Matthew Battersby  
Box 215 20 West Main Street  
Fairfield, PA 17320

To PAWC: Pennsylvania-American Water Company  
Seth A. Mendelsohn, Esquire  
800 West Hershey Park Drive  
Hershey, PA 17033

10.12 SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assignees of PAWC and HTMA. No assignment of this Agreement will be permitted unless the assignment is approved in writing by the non-assigning party, which approval will not be unreasonably withheld.

10.13 NO THIRD PARTY BENEFICIARIES. Nothing herein expressed or implied is intended or should be construed to confer upon or give to any person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

10.14 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, supersedes any prior

agreements or understandings, written or oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any benefit, right or remedy.



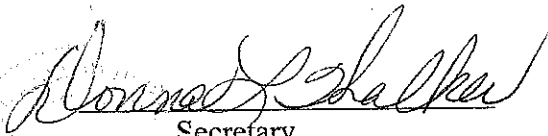
Secretary

ATTEST:



Chairman

HAMILTONBAN TOWNSHIP



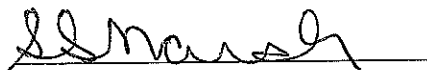
Secretary

ATTEST:



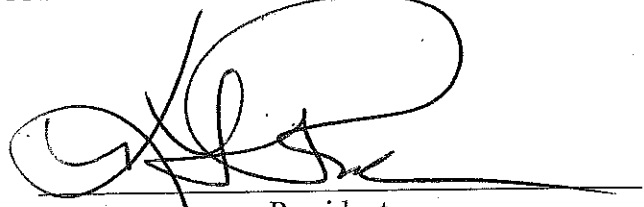
Chairman

HAMILTONBAN TOWNSHIP MUNICIPAL AUTHORITY



Secretary

ATTEST:



President

PENNSYLVANIA-AMERICAN WATER COMPANY

## Schedule 1.1

### Permitted Exceptions

Conditions and restrictions as stated on the face of any recorded Right of Way or Easement that do not affect the suitability of the grant for the purpose intended, including, but not limited to, a condition or restriction that the surface be returned to its original condition following entry.

## Schedule 1.2

### Excluded Assets

Cash

Accounts Receivable (HTMA)

All Storm Water Systems

Hamiltonban Township Municipal Authority spray field currently assessed at \$410,300. Said spray field shall be leased back to PAWC for One dollar (\$1.00) per year for as long as PAWC desires to use said spray field facility and until the pipeline is connected and operational between the HTMA and the Franklin Township Municipal Authority systems

Personal property of Hamiltonban Township Municipal Authority not part of the Wastewater System

Personal property of Hamiltonban Township Municipal Authority not located at the sanitary wastewater treatment facility

**Schedule 1.3**

**Transferred Liabilities**

**NONE**

**Schedule 2.2**

**Capital Improvement Costs**

None at the date of the Agreement. To be updated at Closing.

## Schedule 4.4

### Permits and Compliance with Laws Generally

Draft version of Consent Order and Agreement issued by PADEP and Hamiltonban Township Municipal Authority attached.

3-10-11  
COPY

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In the matter of:

Hamiltonban Township Board of Supervisors  
22 Carrolls Tract Road, PO Box 526  
Fairfield, PA 17320-0526

Ortanna Village STP  
WQM Permit No. 0172403 94-1  
Hamiltonban Township, Adams County

CONSENT ORDER AND AGREEMENT

This Consent Order and Agreement ("COA") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department"), and Hamiltonban Township ("Township").

FINDINGS

The Department has found and determined the following:

- A. The Department is the agency with the duty and authority to administer and enforce the Pennsylvania Clean Streams Law, the Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. § 691.1 et seq. ("The Clean Streams Law"); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, P.L. 177, as amended, 71 P.S. §510-17 ("Administrative Code"); and the rules and regulations promulgated there under, and with the delegated authority to administer a permit program, the National Pollutant Discharge Elimination System ("NPDES"), under Section 402 of the Federal Clean Water Act, 33 U.S.C. § 1342.
- B. The Township is a municipality in Adams County organized and existing under the laws of the Commonwealth of Pennsylvania, with an office address of 23 Carrolls Road, PA Box 526, Fairfield, Pennsylvania 17320-0526.
- C. The Township owns and operates a sewage treatment plant known as the Ortanna Village Sewer Treatment Plant ("Plant") and associated spray field, both of which are located in Hamiltonban Township, Adams County. The Plant discharges treated effluent via spray irrigation to the spray field in accordance with Water Management Permit No 0172403 ("WQM Permit") issued on June 9, 1972, and amended on January 5, 1995. The

discharge constitutes sewage pursuant to Section 201 and 202 of the Clean Streams Law, 35 P.S. §§ 691.201 and 691.202.

- D. On March 4, 2010, the Department conducted an inspection of the Plant and associated spray field. The inspection report documented an unpermitted discharge of sewage into an unnamed tributary of Little Marsh Creek ("UNT Little Marsh Creek"), a water of the Commonwealth, as a result of runoff from the spray field. The inspection report also documented that effluent was being sprayed to the spray field while the ground surface was frozen and that several spray field heads were missing. It was also documented that several spray heads were not rotating while water was being sprayed.
- E. On March 9, 2010, the Department conducted an inspection of the Plant and associated spray field. The inspection report documented an unpermitted discharge of sewage into an UNT Little Marsh Creek.
- F. The discharges of sewage into Waters of the Commonwealth, as described in paragraph D and E, above, were not authorized by permit or regulation and thereby constitutes a violation of Section 201 and Section 202 of The Clean Streams Law, 35 P.S. §§ 691.201 and 691.202.
- G. The spraying of effluent while the ground surface is frozen, as described in paragraph D, above, is a violation of the WQM Permit at Special Condition F.6.
- H. The violations described in paragraphs, D, E, and G, above, constitute unlawful conduct under Section 611 of the Clean Streams Law, 35 P.S. § 691.611, and subject the Township to a claim of civil penalties under Section 605 of the Clean Streams Law, 35 P.S. § 691.605.
- I. On June 1, and October 5, 2010, the Department met with the Township to discuss the Plant's ability to comply with the WQM Permit. Alternative methods of sewage disposal were also discussed at these meetings.

#### ORDER

After full and complete negotiation of all matters set forth in this COA and upon mutual exchange of covenants contained herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ORDERED by the Department and AGREED to by the Township as follows:

1. **Authority.** This COA is an Order of the Department authorized and issued pursuant to Section 5 of The Clean Streams Law, 35 P.S. § 691.5; and Section 1917-A of the Administrative Code, 71 P.S. § 510.17.
2. **Findings.**
  - a. The Township agrees that the findings in paragraphs A through I are true and correct and, in any matter or proceeding involving the Township and the Department, the Township shall not challenge the accuracy or validity of these findings.
  - b. The parties do not authorize any other persons to use the findings in the COA in any matter or proceeding.
3. **Corrective Action.**
  - a. Within 90 days of execution of this COA, the Township shall submit a Component 3M Sewage Planning Module for the construction of a new wastewater treatment plant to replace the existing Plant and spray field.
  - b. Within two years of the Department's approval date of the Township's Component 3M Sewage Planning module, the Township shall submit an Act 537 Plan consistent with the requirements of 25 Pa Code §§ 71.21 and 71.31 that adequately addresses the sewage disposal needs of the Township.
  - c. By July 31, 2012, the Township shall submit an administratively complete NPDES Permit Application and associated Water Quality Management Part II Permit ("Part II Permit") application for the construction of a new wastewater treatment plant.
  - d. By September 30, 2013, the Township will advertise Plant construction for bids.
  - e. By December 31, 2013, the Township will award bids for plant construction.
  - f. By March 1, 2014, the Township shall begin construction of the new wastewater treatment plant in accordance with the Part II Permit.
  - g. By March 1, 2015, the Township shall complete construction in accordance with the Part II Permit. The Township shall verify completion of construction by submission of the Sewage and Industrial Wastewater Facilities Construction Certification ("Construction Certification") within 30 days of completed construction operations.

The construction completion date shall be established by the Construction Certification.

- h. If the Department requires additional information to review or approve any submittal necessary to comply with this COA, the Township shall submit the requested information within ten (10) calendar days of the date of the Department's notice that such information is required; however, upon written request, including a justification from the Township, the Department may allow an extension for such a submittal.

#### 4. Stipulated Civil Penalties.

- a. In the event the Township fails to comply in a timely manner with any term or provision of this COA, the Township shall be in violation of this COA and, in addition to other applicable remedies, shall pay a civil penalty in the amount determined under the following schedule:

- (1) For any violation of paragraphs 3, \$100 per day for the first 30 days of each violation, and \$200 per day for each violation extending beyond the first 30 days.

- b. Stipulated civil penalty payments for any violation of paragraph 3 herein shall be payable monthly on or before the fifteenth day of each succeeding month, and shall be made by corporate check or the like, made payable to "Commonwealth of Pennsylvania, Clean Water Fund", and sent to Victor Landis, DEP Water Management Program, 909 Elmerton Avenue, Harrisburg, PA, 17110-8200.

- c. Any payment under this paragraph shall neither waive the Township's duty to meet its obligations under this COA, nor preclude the Department from commencing an action to compel the Township's compliance with the terms and conditions of this COA. The payment resolves the Township's liability only for civil penalties arising from the violation of this COA for which the payment is made.

#### 5. Additional Remedies.

- a. In the event the Township fails to comply with any provision of this COA, the Department may, in addition to the remedies prescribed herein, pursue any remedy available for a violation of an order of the Department, including any action to enforce this COA.

- b. The remedies provided by this paragraph and paragraph 4 are cumulative and the exercise of one does not preclude the exercise of any other. The failure of the Department to pursue any remedy shall not be deemed to be a waiver of that remedy. The payment of a stipulated civil penalty, however, shall preclude any further assessment of civil penalties for the violation for which the stipulated civil penalty is paid.
  - c. No provision of this COA shall preclude the Department from pursuing civil penalties for past violations, or any future reported or documented violations, except for those violations covered by Paragraphs D and E of this COA.
6. **Reservation of Rights.** The Department reserves the right to require additional measures to achieve compliance with applicable laws. The Township reserves the right to challenge any action which the Department may take to require those measures.
7. **Liability of Operator.** The Township shall be liable for any violations of the COA, including those caused by, contributed to, or allowed by its officers, agents, employees or contractors. The Township also shall be liable for any violation of this COA caused by, contributed to, or allowed by its successors and assigns.
8. **Transfer of Site.**
- a. The duties and obligations under this COA shall not be modified, diminished, terminated, or otherwise altered by the transfer of any legal or equitable interest in the Plant or any part thereof.
  - b. If the Township intends to transfer any legal or equitable interest in the Plant which is affected by this COA, the Township shall serve a copy of this COA upon the prospective transferee of the legal and equitable interest at least 30 days prior to contemplated transfer and shall simultaneously inform the Department's Southcentral Regional Office of such intent.
  - c. The Department in its sole discretion may agree to modify or terminate the Township's duties and obligations under this COA upon transfer of the Plant. The Township waives any right that it may have to challenge the Department's decision in this regard.

9. **Correspondence with Department.** All correspondence with the Department concerning this COA shall be addressed to:

Victor Landis  
DEP Water Management Program  
Southcentral Regional Office  
909 Elmerton Avenue  
Harrisburg, PA 17110-8200  
Phone: (717) 705-4923  
Fax: (717) 705-4760

10. **Correspondence with the Township.** All correspondence with the Township concerning this COA shall be addressed to:

Hamiltonban Township  
Board of Supervisors  
23 Carrolls Tract Road  
PO Box 526  
Fairfield, PA 17320

The Township shall notify the Department whenever there is a change in the contact person's name, title, or address. Service of any notice or any legal process for any purpose under this COA, including its enforcement, may be made by mailing a copy by first class mail to the above address.

11. **Force Majeure.**

- a. In the event that the Township is prevented from complying in a timely manner with any time limit imposed on this COA solely because of a strike, fire, flood, act of God, or other circumstances entirely beyond the Township's control and which the Township, by the exercise of all reasonable diligence, is unable to prevent, then the Township may petition the Department for an extension of time. An increase in the cost of performing the obligations set forth in this COA shall not constitute circumstances beyond the Township's control. The Township's economic inability to comply with any of the obligations of this COA shall not be grounds for any extension of time.
- b. The Township shall only be entitled to the benefits of this paragraph if it notifies the Department within five working days by telephone and within ten working days in writing of the date it becomes aware or reasonably should have become aware of the event impeding performance. The written submission shall include

all necessary documentation, as well as a notarized affidavit from an authorized individual specifying the reasons for the delay, the expected duration of the delay, and the efforts which have been made and are being made by the Township to mitigate the effects of the event and to minimize the length of the delay. The initial written submission may be supplemented within ten working days of its submission. The Township's failure to comply with the requirements of this paragraph specifically and in a timely fashion shall render this paragraph null and of no effect as to the particular incident involved.

- c. The Department will decide whether to grant all or part of the extension requested on the basis of all documentation submitted by the Township and other information available to the Department. In any subsequent litigation, the operator shall have the burden of proving that the Department's refusal to grant the requested extension was an abuse of discretion based upon the information then available to it.

12. **Severability.** The paragraphs of this COA shall be severable and should any part hereof be declared invalid or unenforceable, the remainder shall continue in full force and effect between the parties.

13. **Entire Agreement.** This COA shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

14. **Attorney Fees.** The parties shall bear their respective attorney fees, expenses, and other costs in the prosecution or defense of this matter or any related matters, arising prior to execution of this COA.

15. **Modifications.** No changes, additions, modifications, or amendments of this COA shall be effective unless they are set out in writing and signed by the parties hereto.

16. **Titles.** A title used at the beginning of any paragraph of this COA is provided solely for the purpose of identification and shall not be used to interpret that paragraph.

17. **Decisions Under Consent Order.** Any decision which the Department makes under the provisions of this Consent Order and Agreement, including a notice that stipulated civil penalties are due, is intended to be neither a final action under 25 Pa. Code § 1021.2, nor an adjudication under 2 Pa. C.S. § 101. Any objection which the Township may have to

the decision will be preserved until the Department enforces this Consent Order and Agreement.

18. **Termination.** Paragraph 4 and 8 of this COA shall terminate when the Township has completed to the Department's satisfaction the actions required in paragraphs 3, and paid any stipulated penalties due under paragraph 4.

IN WITNESS WHEREOF, the parties hereto have caused this COA to be executed by their duly authorized representatives. The undersigned representatives of the Township certify under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this COA on behalf of the Township; that the Township consents to the entry of this COA and the foregoing Findings as an ORDER of the Department; and that the Township hereby knowingly waives its rights to appeal this COA and the foregoing Findings, which rights may be available under Section 4 of the Environmental Hearing Board Act, the Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. § 103(a); and Chapters 5A and 7A, or any other provision of law. Signature by the Township's attorney certifies only that the COA has been signed after consulting with counsel.

FOR THE HAMILTONBAN TOWNSHIP:

FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION:

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

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

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

\_\_\_\_\_  
Name:  
Assistant Counsel:

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

**Schedule 4.5**

**Pending or Threatened Litigation**

None.

**Schedule 4.6**

**Environmental Matters**

None.

**Schedule 4.8**

**Real Estate**

**Legal Description of Fee Simple Interests to Be Acquired Attached.**

#14022

# This Deed,

MADE THE 19<sup>th</sup> day of September in the year  
of our Lord one thousand nine hundred seventy-five (1975),

BETWEEN J. CLIFFORD BIESECKER, being the same person as John Clifford Biesecker, and MARY I. BIESECKER, his wife, of R. D. 1, Orrtanna, Pennsylvania, parties of the first part-----

Grantors ,

and HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and pursuant to the Municipality Authorities Act of 1945, having its principal place of business in Hamiltonban Township, Adams County, Pennsylvania, party of the second part,-----

Grantee :

WITNESSETH, that in consideration of Two Thousand (\$2,000.00) -----

----- Dollars,  
in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said grantee , ALL that tract of land situate, lying and being in Highland Township, Adams County, Pennsylvania, bounded and described as follows:

BEGINNING at a point where the Western Maryland Railroad crosses Legislative Route 01001; thence in said center line of Legislative Route 01001, North 02 degrees 10 minutes 38 seconds West, 629.37 feet to a point in or about the center of Marsh Creek and at land now or formerly of Stanley R. Wolf; thence by said land of Stanley R. Wolf, South 84 degrees 15 minutes East, 202.50 feet to a point; thence by same, South 70 degrees 20 minutes East, 103.00 feet to a point; thence by same, South 38 degrees 50 minutes East, 269.00 feet to a point; thence by same, South 33 degrees 10 minutes East, 26.20 feet to a point at the northern edge of the Western Maryland Railroad right of way; thence continuing, South 33 degrees 10 minutes East, 33 feet to the center line of said Western Maryland right of way; thence in said center line, South 58 degrees 41 minutes 22 seconds West, 589.77 feet to a point, the place of BEGINNING. CONTAINING 4.723 Acres.

The above description was taken from a draft of survey by Nassaux-Hemsley, Inc., -Consultants.

Being part of that which John Clifford Biesecker and Janet

Office of the Recorder of Deeds of Adams County, Pennsylvania, in Deed Book 225 at page 521, sold and conveyed unto J. Clifford Biesecker, being the same person as John Clifford Biesecker; and he having since intermarried with Mary I., his wife, they being the grantors herein.

ENTERED FOR RECORD TAX \$ .50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY PENN \$ 6.00

SEP 19 2 55 PM '75

AT RECORDER'S OFFICE  
*Betty H. Lutz*  
RECORDED TOTAL \$ 7.00  
Paid

0083  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
REALTY TRANSFER TAX SEP 19 75  
20.00  
RB.1115B

Gettysburg Area School District  
Adams County, Pennsylvania

REAL ESTATE AND DEED  
TRANSFER TAX OF 1970

Amount of Tax \$ 20.00  
Received Payment *Betty H. Lutz*  
By: *P. H. Lutz* Collector

IN WITNESS WHEREOF, said grantors have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered  
in the Presence of

*Ronald M. Swope*  
*Joyce S. Snyder*

*J. Clifford Biesecker* SEAL  
J. Clifford Biesecker a/k/a  
John Clifford Biesecker SEAL  
*Mary I. Biesecker* SEAL  
Mary I. Biesecker SEAL

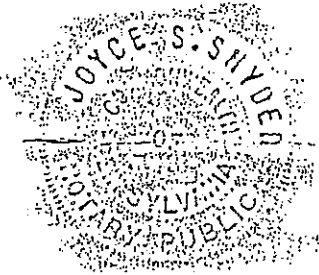
State of PENNSYLVANIA

County of ADAMS

On this, the *19th* day of *September*, 1975, before me,  
Joyce S. Snyder, *ss.*  
the undersigned officer, personally appeared J. Clifford Biesecker, a/k/a John  
Clifford Biesecker, and Mary I. Biesecker, his wife,

known to me (or satisfactorily proven) to be the persons whose names are subscribed to the  
within instrument, and acknowledged that they executed same for the purposes therein  
contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal



*Joyce S. Snyder* SEAL  
Notary Public

Title of Officer.

JOYCE S. SNYDER, NOTARY PUBLIC  
GETTYSBURG BOROUGH, ADAMS COUNTY  
MY COMMISSION EXPIRES DEC. 8, 1978  
Member, Pennsylvania Association of Notaries

I do hereby certify that the precise residence and complete post office address  
of the within named grantee is *Outanna, Adams County Pa*  
*19 Sept 1975*

*Ronald M. Swope*  
Attorney for *grantee*  
Search No. 441

# This Deed,

20872

MADE THE 13<sup>th</sup> day of May in the year  
of our Lord one thousand nine hundred seventy-seven (1977),

BETWEEN STANLEY R. WOLF and E. LaVAUGHNE WOLF, husband and wife,  
of R. D. 1, Orrtanna, Pennsylvania, parties of the first part,-----

Grantors,

and HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and  
pursuant to the Municipality Authorities Act of 1945, having its  
principal place of business in Hamiltonban Township, Adams County,  
Pennsylvania, party of the second part,----- Grantee :  
WITNESSETH, that in consideration of One (\$1.00) -----

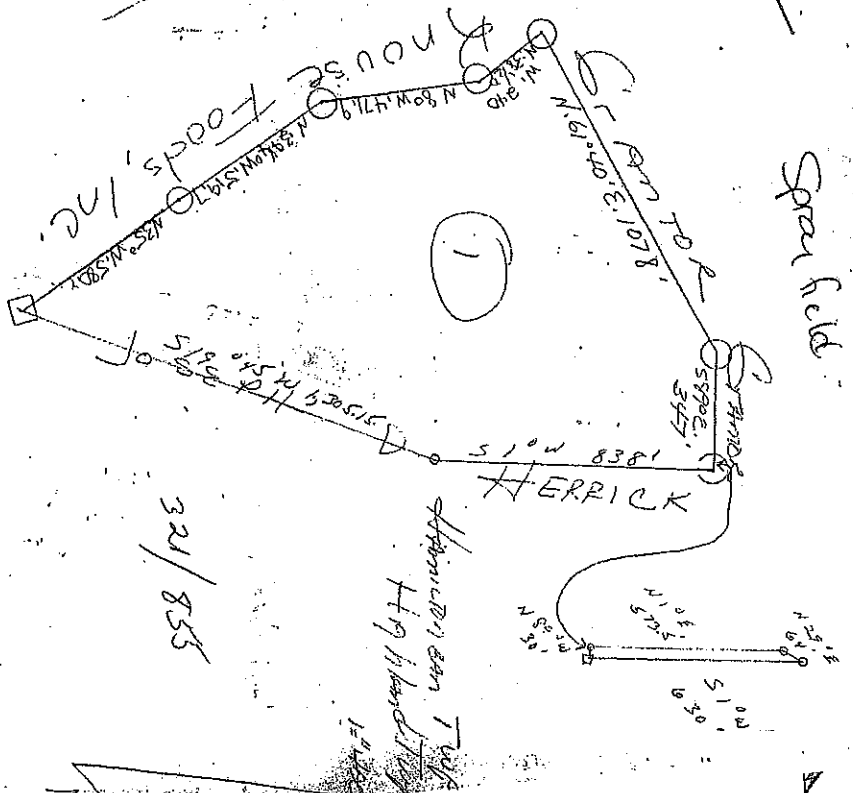
----- Dollars,  
in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant  
and convey to the said grantee, ALL that tract of land situate, lying  
and being in Highland Township, Adams County, Pennsylvania, bounded  
and described as follows:

BEGINNING at a point, said point being a corner of  
Tract No. 2 of land recently conveyed to Hamiltonban  
Township Authority as recorded in Deed Book 321 at page  
855, and also being North 89 degrees 00 minutes West, 30  
feet from line of land now or formerly of Mark Bucher;  
thence by Tract No. 1 in the above mentioned deed, North  
89 degrees 00 minutes East) 3.0 feet to a point at corner  
of other land now or formerly of Stanley R. Wolf, grantor  
herein; thence by said other land of Stanley R. Wolf,  
North 01 degree 00 minutes East, 220.00 feet to a point;  
thence by same, North 89 degrees 00 minutes West, 10.0  
feet to a point; thence by same, North 01 degree 00 minutes  
East, 329.0 feet to a point; thence by same, North 29 de-  
grees 00 minutes East, 27.7 feet to a point at corner of  
other land now or formerly of Hamiltonban Township Authority,  
Tract No. 2, aforesaid; thence by said other land of  
Hamiltonban Township Authority, South 01 degree 00 minutes  
West, 573.4 feet to a point, the place of BEGINNING.  
CONTAINING 5,096 Square feet, more or less, or 0.117  
Acre.

WEST

The above description was taken from a draft of  
survey by Nassaux-Hemsley, Incorporated, R.E., dated  
March 25, 1977.

Being part of that which Clara M. Bushey, widow, by her  
deed dated May 11, 1972, and recorded in the Office of the Recorder



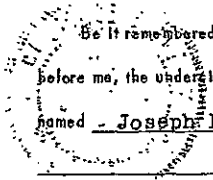
**Schedule 4.9**

**Easements and Rights-of-Way**

**Legal Description of Easements and rights-of-way to be acquired are attached.**



STATE OF Pennsylvania  
COUNTY OF Lebanon } 55:



Be it remembered that on this 19th, day of January A. D. 1960  
before me, the undersigned, a Notary Public in and for said County and State personally came the above  
named Joseph F. Bushey ( Husband of Clara M. Bushey )

and acknowledged the foregoing indenture to be his voluntary act and deed, for the uses and purposes  
therein set forth and desired the same to be recorded as such.

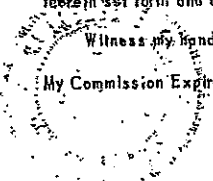
Witness my hand and Notarial seal the day and year aforesaid.  
My Commission Expires \_\_\_\_\_

Clarence E. Fox (SEAL)  
NOTARY PUBLIC  
CLARENCE E. FOX Notary Public  
Waynesburg, Greene Co., Pa.  
My Commission Expires  
February 1, 1961

STATE OF Pennsylvania  
COUNTY OF Adams } 55:

Be it remembered that on this 19th day of January A. D. 1960  
before me, the undersigned, a Notary Public in and for said County and State personally came the above  
named Clara M. Bushey ( Wife of Joseph F. Bushey )

and acknowledged the foregoing indenture to be her voluntary act and deed, for the uses and purposes  
therein set forth and desired the same to be recorded as such.



Witness my hand and Notarial seal the day and year aforesaid.  
My Commission Expires \_\_\_\_\_

Clarence E. Fox (SEAL)  
NOTARY PUBLIC  
CLARENCE E. FOX Notary Public  
Waynesburg, Greene Co., Pa.  
My Commission Expires  
February 1, 1961

Entered for Record in Recorder's

Office of Adams Co. the 18 day of May, 1960 Tax \$ .50  
" 3:39 P.M. Fees, \$ 1.50  
Carl S. Munchey Recorder 50 paid

2. J. S. P. 1.2.2  
1978

Work Order No. L-341-6

**RIGHT OF WAY**

FROM  
Joseph F. Bushey, et ux  
Address: R. D. 2 Gettysburg, Pa.

TO  
The Manufacturers Light & Heat Co.

Date: 19th, January 1960  
Line: 1804

123.05 Rods of 20 inch Pipe  
Franklin Township  
Adams County  
State of Pennsylvania

Received for Record March 18 1960  
Recorded March 18 1960  
In Book M189. FF Page 482  
Carl S. Munchey Recorder

Return to  
LAND DEPARTMENT  
800 Union Trust Building  
Pittsburgh, Pennsylvania

Form LA-21

R005394-000



COMMONWEALTH OF PENNSYLVANIA

SS

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, \_\_\_\_\_

the undersigned officer, personally appeared \_\_\_\_\_

known to me (or satisfactorily proven) to be the person whose name is/are described to the within instrument, and acknowledged that \_\_\_\_\_ executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA

SS

COUNTY OF Adams

On this 24 day of November, 1981, before me George B. Inskip

the undersigned officer, personally appeared \_\_\_\_\_

known to me (or satisfactorily proven) to be the person whose name is/are described to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

George B. Inskip  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

ENTERED FOR RECORD TAX \$2.50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY FEES \$2.50

JUN 7 1 28 PM '82

Robert Peterson RECORDER  
PAID

GEORGE B. INSKIP, NOTARY PUBLIC  
HAMILTONBAN TOWNSHIP, ADAMS COUNTY  
MY COMMISSION EXPIRES NOV. 30, 1981  
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REALTY  
TRANSFER  
TAX

JUN-782



Item #81	40030
No. 59631	183-2001-3330-367
Work Order No.	
COMMONWEALTH OF PENNSYLVANIA	
<b>RIGHT OF WAY</b>	
FROM	
HAMILTONBAN TOWNSHIP AUTHORITY	
Address R. D. #2, Box 18	
Fairfield, Pennsylvania 17320	
TO	
Columbia Gas Transmission Corporation	
Date	November 24, 1981
Line	No. 10240
26	Red of 24-inch Pipe
Highland	Township
Adams	County
Pennsylvania	State of
Received for Record	19
Recorded	June 7 1982
In Book	40 Page 721
Recorder	<u>Robert Peterson</u>
Return to LAND DEPARTMENT Post Office Box 1273 Charleston, West Virginia 25325	

BOOK 40 PAGE 722

R014028-000

1100 LANS. Rd. 12-7-81  
LL# 31700 836

R014028-000

FORM 673 LL 4 CSD

COLUMBIA GAS SYSTEM - COLUMBIA GAS TRANSMISSION CORPORATION  
SPECIAL CONDITION - Right of Way Agreement  
(NORTHERN LEASE AND RIGHT OF WAY REGION)

Area Superintendent  
Lease & Right of Way Department  
Post Office Box 496  
Washington, Pennsylvania 15301

Date November 17 1981

Work Order No. 183-2001-3330-3526

Line No. 10240

Right-of-Way No. 59631

On Nov 24, 1981, Hamiltonban Township Authority of  
R. D. #2, Fairfield, Pa. granted Columbia Gas Transmission Corporation the  
right to lay a 24 inch pipeline across ~~the~~ their property situate in Highland Township  
Adams County, State of Pennsylvania and this agreement contains the

following SPECIAL CONDITION: Company agrees to accept financial responsibility for any  
damage to sewage treatment facilities of Grantor caused by the construction of  
pipeline.

Signed Larry M. Knotts  
LEASE AND RIGHT OF WAY REPRESENTATIVE

R014028-000

59631

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF ADAMS )

On this 24 day of November, 1981, before me, a notary public, the undersigned officer, personally appeared Carl F. DeWolfe, who acknowledged himself to be the Chairman of Hamiltonban Township Authority, a corporation, and that he as such Chairman being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Chairman.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Pa. Corporate

Highland Township,  
Adams County, Pennsylvania

REAL ESTATE TRANSFER TAX RESOLUTION

Amount of Tax \$ 40

Received Payment Betty H. Pitzer  
Collector

George B. Inskip  
Notary Public

My Commission Expires:

GEORGE B. INSKIP, NOTARY PUBLIC,  
HAMILTONBAN TOWNSHIP, ADAMS COUNTY,  
MY COMMISSION EXPIRES NOV. 30, 1981  
Member, Pennsylvania Association of Notaries

**COLUMBIA GAS**

Transmission



June 7, 1982

Re: Payment for Right of Way

Dear Landowner:

Enclosed herewith you will find payment for Pipeline Right of Way as set forth in agreement.

Please sign both copies of the enclosed receipt and return them to the writer in the envelope provided.

Construction of pipeline is scheduled to commence in the near future.

Thank you for your cooperation in this matter.

Sincerely yours,

L. N. Knotts  
Lease & Right of Way  
Representative

LNK/s

Enclosures

COLUMBIA GAS SYSTEM		STATEMENT OF REMITTANCE		COLUMBIA GAS TRANSMISSION CORPORATION	
DATE	YOUR REF. NO	GROSS AMOUNT	- DISCOUNTS -	OTHER DEDUCTIONS	- NET AMOUNT
6-10-82	R/W No. 59631				
IN	Consideration for 26 rods right of way for pipeline-				78.00
PAYMENT	Damages caused by the construction of pipeline				572.00
	Total				\$650.00
OF	Line No. 10240 (H-785)				

FORM 816-GAS CSD

DETACH BEFORE DEPOSITING CHECK - IF NOT CORRECT RETURN WITHOUT ALTERATION

#14023

DEED OF RIGHT OF WAY

MADE the 19<sup>th</sup> day of September, in the year of our Lord one thousand nine hundred and seventy-five (1975), BETWEEN J. CLIFFORD BIESECKER, being the same person as John Clifford Biesecker, and MARY I. BIESECKER, his wife, of R. D. 1, Orrtanna, Pennsylvania, parties of the first part,-----  
Grantors

- A N D -

HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and pursuant to the Municipality Authorities Act of 1945, having its principal place of business in Hamiltonban Township, Adams County, Pennsylvania, party of the second part,-----  
Grantee

WHEREAS, the parties of the first part are the owner of certain land in Highland Township, Adams County, Pennsylvania, more particularly bounded and described in the deed from John Clifford Biesecker and Janet Schmidt, executors of the last will and testament of John E. Biesecker, deceased and Janet Schmidt and Herbert H. Schmidt, her husband, individually, by their deed dated January 1, 1959, which deed is recorded in the Office of the Recorder of Deeds of Adams County, Pennsylvania, on July 6, 1959; and

WHEREAS, it is necessary and desirable that the party of the second part lay and install a sanitary sewer main or mains with necessary manholes on, in and across said land of the parties of the first part and along the right of way hereinafter described.

NOW, THEREFORE, in consideration of the sum of Three Hundred Ninety-four and Twenty-five Hundredth (\$394.25) Dollars in hand paid, the receipt whereof is hereby acknowledged, the

parties of the first part have granted and do hereby give and grant unto the party of the second part, its successors and assigns, the full right, liberty and privilege, to lay, build, construct, improve, operate, remove, replace, and maintain a sewer main or mains with necessary manholes on, in and across the land of the parties of the first part lying and being in Highland Township, Adams County, Pennsylvania, bounded and described as follows:

BEGINNING at a point at the western edge of the right of way line of Legislative Route 01057, where it intersects with Legislative Route 01001, at corner of other land of J. Clifford Biesecker, grantor herein; thence by said land of grantor, South 68 degrees 30 minutes West, 205.0 feet to a point; thence by same, South 50 degrees 40 minutes West, 30.0 feet to a point at land now or formerly of Revere D. March; thence by said land of Revere D. March, North 54 degrees 35 minutes West, 8.0 feet to a point; thence by same, South 39 degrees 10 minutes West, 39.0 feet to a point at other land of grantor; thence by said other land of grantor, South 50 degrees 40 minutes West, 223.5 feet to a point; thence by same, South 19 degrees 50 minutes West, 196.0 feet to a point; thence by same, South 38 degrees 25 minutes West, 10.0 feet to a point at land now or formerly of Knouse Foods Co-op, Inc.; thence by said land of Knouse Foods Co-op, Inc., North 45 degrees 25 minutes West, 30.5 feet to a point in or about the center of Marsh Creek; thence in and along said creek, and by other land of grantor, North 38 degrees 25 minutes East, 18.5 feet to a point; thence by same, North 19 degrees 50 minutes East, 201.0 feet to a point; thence by same, North 50 degrees 40 minutes East, 314.0 feet to a point; thence by same, North 68 degrees 30 minutes East, 245.0 feet to a point along the western edge of the right of way lines of Legislative Routes 01057 and 01001, aforesaid; thence by said right of way line of Legislative Route 01001, South 29 degrees 30 minutes West, 48.5 feet to a point, the place of BEGINNING. CONTAINING .531 Acres.

The above description was taken from a draft of survey by Nassaux-Hemsley, Inc.-Consultants.

TOGETHER WITH the right of free ingress, egress and regress into and along the same at all times hereafter for the purposes of installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes.

PROVIDED, HOWEVER, that the parties of the first part, their heirs and assigns, may at all times use the surface of the land of said right of way and shall be reimbursed for damages caused to said premises by the party of the second part in installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing, and rebuilding said sewer main or mains and necessary manholes, and provided, further, however, that the parties of the first part, their heirs and assigns, shall erect no buildings or other structure and plant no trees over and on said right of way and will permit no permanent obstruction to be placed upon said right of way, except paved roadways or parking areas.

This conveyance is made pursuant to a resolution of condemnation passed by Hamiltonban Township Authority on the 31st day of July, 1975, and duly entered on the minutes of said Hamiltonban Township Authority, but in lieu of condemnation proceedings duly brought before the Court.

IN WITNESS WHEREOF, the said grantors have hereunto affixed their hands and seals the day and year first above written.

Signed, sealed, and delivered  
in the presence of

Donald A. Swartz  
Joseph L. Snyder

J. Clifford Biesecker (SEAL)  
J. Clifford Biesecker, a/k/a  
John Clifford Biesecker

Mary I. Biesecker (SEAL)  
Mary I. Biesecker

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ADAMS

SS

On this, the 19<sup>th</sup> day of September, 1975, before me, the undersigned officer, personally appeared J. Clifford Biesecker, being the same person as John Clifford Biesecker, and Mary I. Biesecker, his wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



*Joyce S. Snyder* (SEAL)  
Notary Public  
Title of Officer

JOYCE S. SNYDER, NOTARY PUBLIC  
GETTYSBURG BURGHOUGH, ADAMS COUNTY  
MY COMMISSION EXPIRES DEC. 2, 1976  
Member, Pennsylvania Association of Notaries

ENTERED FOR RECORD TAX \$1.50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY FEES \$2.50

SEP 19 2 57 PM '75

AT ASSESSOR  
*By: H. H. H. H.* TOTAL \$ 3.00  
RECORDED *Paid*

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
REALTY TRANSFER SEP 1975 TAX  
PB.11158

03.94

Gettysburg Area School District  
Adams County, Pennsylvania

REAL ESTATE AND DEED  
TRANSFER TAX OF 1976

Amount of Tax \$ 3.94  
Received Payment *By: H. H. H. H.*  
By: *P. S. H.* Collector

ENTERED FOR RECORD TAX \$ .50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY PA. FEES \$ 2.25

Nov 25 1 41 PM '75

#14673

AT \_\_\_\_\_ DEED OF RIGHT OF WAY  
RECORDED BY \_\_\_\_\_ TOTAL \$ 2.25 Paid

MADE the 25th day of November, in the year of our  
Lord one thousand nine hundred and seventy-five (1975), BETWEEN  
STANLEY R. WOLF and E. LaVAUGHNE WOLF, husband and wife, of R.D.1,  
Orrtanna, Pennsylvania, parties of the first part,-----  
Grantors

- A N D -

HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and  
pursuant to the Municipality Authorities Act of 1945, having its  
principal place of business in Hamiltonban Township, Adams County,  
Pennsylvania, party of the second part,-----  
Grantee

WHEREAS, the parties of the first part is the owner of  
certain land in Franklin and Highland Townships, Adams County,  
Pennsylvania, more particularly bounded and described in the deed  
from Clara M. Bushey, widow, by her deed dated May 11, 1972, which  
deed is recorded in the Office of the Recorder of Deeds of Adams  
County, Pennsylvania, on same date; and

WHEREAS, it is necessary and desirable that the party  
of the second part lay and install a sanitary sewer main or mains  
with necessary manholes on, in and across said land of the parties  
of the first part and along the right of way hereinafter described.

NOW, THEREFORE, in consideration of the sum of Four Hun-  
dred Seventy-two and Sixty Hundredth (\$472.60) Dollars in hand  
paid, the receipt whereof is hereby acknowledged, the parties of  
the first part have granted and do hereby give and grant unto the  
party of the second part, its successors and assigns, the full  
right, liberty and privilege, to lay, build, construct, improve,  
operate, remove, replace, and maintain a sewer main or mains with

necessary manholes on, in and across the land of the parties of the first part lying and being in Franklin and Highland Townships, Adams County, Pennsylvania, bounded and described as follows:

TRACT NO. 1: - Franklin Township .

BEGINNING at a point on the South 19-1/4 degree East, 16 perches-perch line of land now or formerly of J. Clifford Biesecker, said point being approximately 90 feet from the center line of the Western Maryland Railroad; thence by said land of J. Clifford Biesecker, North 34 degrees 05 minutes West, 60 feet to a point; thence by other land of grantor, South 64 degrees 05 minutes East, 146.3 feet to a point along the right of way line of the Western Maryland Railroad; thence by said right of way line, South 85 degrees 41 minutes 22 seconds West, 35.7 feet to a point; thence by said land of grantor North 64 degrees 05 minutes West, 75 feet to a point, the place of BEGINNING. CONTAINING .0762 Acres.

TRACT NO. 2: - Highland Township

BEGINNING at a point on the eastern edge of the Western Maryland Railroad Right of way line and land of grantor herein; thence along said right of way line, North 58 degrees 41 minutes 22 seconds East, 35.7 feet to a point; thence by same, South 64 degrees 05 minutes East, 795 feet to a point on line of land about to be conveyed to Authority, Tract No. 1 therein; thence along said line, South 53 degrees 05 minutes West, 33.7 feet to a point at corner of other land of grantor; thence by said land of Grantor, North 64 degrees 05 minutes West, 798.9 feet to a point, the place of BEGINNING. CONTAINING .05489 Acres.

The above descriptions were taken from a draft of survey by Nassaux Hemsley, Inc.,-Consultants.

TOGETHER WITH the right of free ingress, egress and regress into and along the same at all times hereafter for the purposes of installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes.

PROVIDED, HOWEVER, that the parties of the first part, their heirs and assigns, may at all times use the surface of the land of said right of way and shall be reimbursed for damages caused to said premises by the party of the second part in in-

stalling, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing, and rebuilding said sewer main or mains and necessary manholes, and provided, further, however, that the parties of the first part, their heirs and assigns, shall erect no buildings or other structure and plant no trees over and on said right of way and will permit no permanent obstruction to be placed upon said right of way, except paved roadways or parking areas.

This conveyance is made pursuant to a resolution of condemnation passed by Hamiltonban Township Authority on the 31st day of July, 1975, and duly entered on the minutes of said Hamiltonban Township Authority, but in lieu of condemnation proceedings duly brought before the Court.

IN WITNESS WHEREOF, the said grantors have hereunto affixed their hands and seals the day and year first above written.

Signed, sealed, and delivered  
in the presence of

*Donald M. Koop*  
*James S. Snyder*

*Stanley R. Wolf* (SEAL)  
Stanley R. Wolf  
*E. LaVaughne Wolf* (SEAL)  
E. LaVaughne Wolf

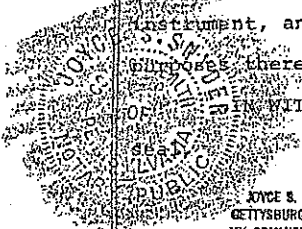
\*\*\*\*\*

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ADAMS

FOR AFFIDAVIT OF VALUE  
REQUIRED UNDER SECTION  
8 OF THE REALTY TRANS-  
FER TAX ACT, SEE FILE.

On this, the 25<sup>th</sup> day of November, 1975, before me, the undersigned officer, personally appeared Stanley R. Wolf and E. LaVaughne Wolf, husband and wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official



JAYCE S. SNYDER, NOTARY PUBLIC  
GETTYSBURG BOROUGH, ADAMS COUNTY  
MY COMMISSION EXPIRES DEC. 2, 1978  
Member, Pennsylvania Association of Notaries

*James S. Snyder* (SEAL)  
*Notary Public*  
Title of Officer

#14277

DEED OF RIGHT OF WAY

MADE the 29<sup>th</sup> day of Sept., in the year of our Lord one thousand nine hundred and seventy-five (1975), BETWEEN RUSSELL E. STERNER and NANCY A. STERNER, husband and wife, of Orrtanna, Pennsylvania, parties of the first part, Grantors

- A N D -

HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and pursuant to the Municipality Authorities Act of 1945, having its principal place of business in Hamiltonban Township, Adams County, Pennsylvania, party of the second part, Grantee

WHEREAS, the parties of the first part are the owners of certain land in Highland Township, Adams County, Pennsylvania, more particularly bounded and described in the deed from Peter N. Sheffer, widower, which deed is dated April 30, 1955, and recorded in the Office of the Recorder of Deeds of Adams County, Pennsylvania, on April 30, 1955; and

WHEREAS, it is necessary and desirable that the party of the second part lay and install a sanitary sewer main or mains with necessary manholes on, in and across said land of the parties of the first part and along the right of way hereinafter described.

NOW, THEREFORE, in consideration of the sum of Two Hundred Eight (\$208.00)-----Dollars in hand paid, the receipt whereof is hereby acknowledged, the parties of the first part have granted, and do hereby give and grant unto the said party of the second part, its successors and assigns, the full right liberty and privilege, to lay, build, construct, improve, operate, remove, replace and maintain in a sewer main or mains with

necessary manholes on, in and across the land of the parties of the first part lying and being in Highland Township, Adams County, Pennsylvania, bounded and described as follows:

BEGINNING at a point at the northwest corner of land now or formerly of Goldie J. Ruff and land now or formerly of Russell E. Stezner, grantor herein; thence by said land of grantor, North 30 degrees 30 minutes East, 44 feet to a point in Marsh Creek; thence meandering along said Marsh Creek, North 74 degrees 45 minutes East, 68 feet to a point near the northern edge of said Marsh Creek; thence crossing said creek, South 62 degrees 10 minutes East, 31 feet to a point at corner of land now or formerly of Roy R. Fissel; thence by said land of Roy R. Fissel, South 38 degrees 25 minutes West, 21 feet to a point at other land of grantor, aforesaid; thence by said land of grantor, South 74 degrees 45 minutes West, 109 feet to a point, the place of BEGINNING. CONTAINING .071 Acres.

The above description was taken from a draft of survey by Nassaux-Hensley, Inc.-Consultants, dated July 15, 1974.

TOGETHER WITH the right of free ingress, egress and regress into and along the same at all times hereafter for the purposes of installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes.

PROVIDED, HOWEVER, that the parties of the first part their heirs and assigns, may at all times use the surface of the land of said right of way and shall be reimbursed for damages caused to said premises by the party of the second part in installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes, and provided, further, however that the parties of the first part, their heirs and assigns, shall erect no building or other structure and plant no trees over and on said right of way and will permit no permanent obstruction to be placed upon said right of way, except

paved roadways or parking areas.

This conveyance is made pursuant to a resolution of condemnation passed by Hamiltonban Township Authority on the 31st day of July, 1975, and duly entered on the minutes of said Hamiltonban Township Authority, but in lieu of condemnation proceedings duly brought before the Court.

IN WITNESS WHEREOF, the said grantors have hereunto affixed their Hands and seals the day and year first above written.

Signed, sealed and delivered in the presence of

*Russell E. Sterner* (SEAL)  
Russell E. Sterner

*Nancy A. Sterner* (SEAL)  
Nancy A. Sterner

FOR AFFIDAVIT OF VALUE  
REQUIRED UNDER SECTION  
8 OF THE REALTY TRANS-  
FER TAX ACT, SEE FILE.

\*\*\*\*\*

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ADAMS

On this, the 29<sup>th</sup> day of September, 1975,

before me, the undersigned officer, personally appeared Russell E. Sterner and Nancy A. Sterner, husband and wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

CHIEF CLERK FOR RECORD TAXES  
OF ADAMS COUNTY OFFICE  
1675

OCT 15 2 11 PM '75

AT WITNESS  
TOTAL \$ 7.25  
PAID

*James P. ...*  
Title of Officer  
My commission expires June 1986

BOOK 1021 PAGE 372

BOOK 23 PAGE 1086

#14589

DEED OF RIGHT OF WAY

MADE the 23d day of September, in the year of our Lord one thousand nine hundred and seventy-five (1975), BETWEEN GOLDIE I. HUFF, of Highland Township, Adams County, Pennsylvania, party of the first part, -----  
Grantor

- A N D -

HAMILTONBAN TOWNSHIP AUTHORITY, an authority created under and pursuant to the Municipality Authorities Act of 1945, having its principal place of business in Hamiltonban Township, Adams County, Pennsylvania, party of the second part, -----  
Grantee

WHEREAS, the party of the first part is the owner of certain land in Highland Township, Adams County, Pennsylvania, more particularly bounded and described in the deed from Grace I. Cool, widow, which deed is dated November 25, 1974, and recorded in the Office of the Recorder of Deeds of Adams County, Pennsylvania, on December 3, 1974; and

WHEREAS, it is necessary and desirable that the party of the second part lay and install a sanitary sewer main or mains with necessary manholes on, in and across said land of the party of the first part and along the right of way hereinafter described.

NOW, THEREFORE, in consideration of the sum of Fifty and Fifty Hundredth (\$50.50) Dollars in hand paid, the receipt whereof is hereby acknowledged, the party of the first part has granted and does hereby give and grant unto the said party of the second part, its successors and assigns, the full right, liberty and privilege, to lay, build, construct, improve, operate, remove, replace, and maintain a sewer main or mains with necessary manholes on, in and across the land of the party of the first part lying and being in Highland Township, Adams County, Pennsylvania, bounded and described as follows:

BEGINNING at the original western corner of land now or formerly of the grantor, Maurice E. Fitz, Jr. and Knouse Foods, Inc.; thence by lands of Knouse Foods Inc., North 00 degrees 15 minutes East, 2.5 feet to a point at the southern edge of Marsh Creek; thence in and along said Marsh Creek, North 74 degrees 45 minutes East, 101 feet to a point at lands now or formerly of Russell E. Sterner; thence by said land of Russell E. Sterner, South 30 degrees 30 minutes West, 44 feet to a point at corner of land of the grantor, aforesaid; thence by said land of grantor, South 74 degrees 45 minutes West, 63 feet to a point; thence by same, North 27 degrees 00 minutes West, 29.5 feet to a point, the place of BEGINNING. CONTAINING .059 Acres.

The above description was taken from a draft of survey by Nassaux-Hemsley, Inc.-Consultants.

TOGETHER WITH the right of free ingress, egress and regress into and along the same at all times hereafter for the purposes of installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes.

PROVIDED, HOWEVER, that the party of the firstpart, her heirs and assigns, may at all times use the surface of the land of said right of way and shall be reimbursed for damages caused to said premises by the party of the second part in installing, constructing, inspecting, maintaining, repairing, improving, operating, removing, replacing and rebuilding said sewer main or mains and necessary manholes, and provided, further, however, that the party of the first part, her heirs and assigns, shall erect no buildings or other structure and plant no trees over and on said right of way and will permit no permanent obstruction to be placed upon said right of way, except paved roadways or parking areas.

This conveyance is made pursuant to a resolution of condemnation passed by Hamiltonban Township Authority on the 31st day of July, 1975, and duly entered on the minutes of said

Hamiltonban Township Authority, but in lieu of condemnation proceedings duly brought before the Court.

IN WITNESS WHEREOF, the said grantor has hereunto affixed her hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of

Donald M. George  
Carol J. Rex

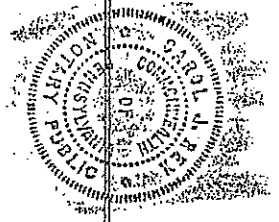
Goldie I. Huff (SEAL)  
Goldie I. Huff

\*\*\*\*\*

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF ADAMS SS

On this, the 23d day of September, 1975, before me, the undersigned officer, personally appeared Goldie I. Huff, known to me (or satisfactorily proven to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Carol J. Rex (SEAL)

Title of Officer  
CAROL J. REX  
Notary Public, Gettysburg Boro, Adams Co.  
My Commission Expires September 17, 1979

ENTERED FOR RECORD TAX \$ .50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY, PENN. \$ 6.50

Nov 17 2 30 PM '75

RECORDED \$ .50  
TAX \$ 2.50  
Paid

**DEED OF DEDICATION**

44939

THIS INDENTURE made this 16th day of November, 1996, between  
**HICKORY BRIDGE FARM, INC., "Grantor," and HAMILTONBAN TOWNSHIP, ADAMS  
COUNTY, PENNSYLVANIA, "Grantee."**

**WITNESSETH:** Grantor, for One Dollar (\$1.00) and other good and valuable consideration accruing to them and other considerations affecting the public good, has granted, bargained, sold, released and by these presents does grant, bargain, release, and confirm to Grantee, its successors and assigns the sewage force main system together with all components, lines, and incidents of ownership in such system from the connection of such line connecting to the Hamiltonban Township Municipal Authority Wastewater Collection System manhole No. 23 to the curb stop and redundant check valve as shown on the plan of such sewage force main system attached hereto as Exhibit "A." In addition, Grantor grants Grantee a maintenance easement twenty (20) feet in width and centered on the sewer line as shown on Exhibit "A" at those locations where said line crosses Grantor's private land. The purpose of this additional grant is to provide at least ten (10) feet on both sides of the sewer line to repair, maintain, and replace sewage system components, upon the condition that any disturbed area shall be returned to its condition before such work was performed to the extent reasonably possible.

**TO HAVE AND TO HOLD** said force main system to and for the proper use of Grantee as part of its waste water collection system together with a duty and responsibility for the maintenance thereof.

BK1293PG0174

AND the said Grantor, for itself and its successors and assigns, do hereby warrant title to such system and promise to defend title to the same against any other previous claim of title to said system.

IN WITNESS WHEREOF, the undersigned has executed this deed of dedication this 6th day of November, 1996.

Attest:

Hickory Bridge Farm, Inc.

[Signature]

By: [Signature]

Title: Pres.



COMMONWEALTH OF PENNSYLVANIA:  
COUNTY OF ADAMS

On this, the 6th day of November, 1996, before me, a Notary Public, the undersigned officer, personally appeared Robert L. Hovatt, who acknowledged himself to be the President of Hickory Bridge Farm, Inc., a corporation, and that he as such Hovatt, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by Robert L. Hovatt President.

In Witness Whereof, I hereunto set my hand and official seal.

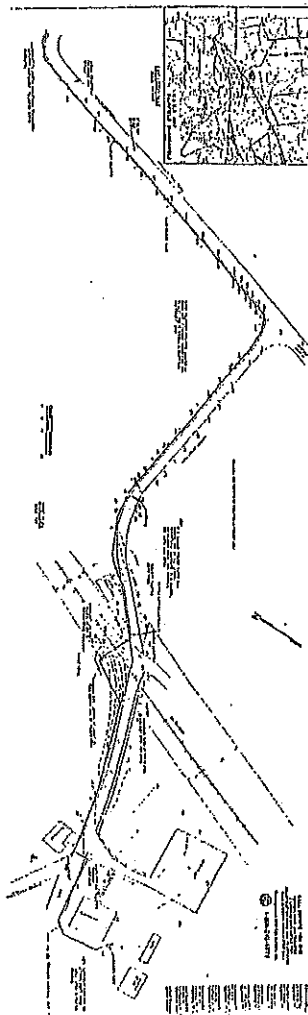
[Signature]

I do hereby certify that the precise place of residence of the undersigned grantor is  
c/o Barbara Hovatt, Sec  
959 Mt. Hope Rd.  
Farmville, Pa. 17320  
Robert L. Hovatt

Notary Public  
Notary Seal  
Dorinda D. Vozick, Notary Public  
Gettysburg State, Adams County  
My Commission Expires 04/22/1998



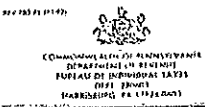
BX 1293PG0175



N	44939
11-22-96 14:10LINDA	01 97428
FEES	413.00
WRIT TAX	40.50
ST	13.50
CHK	113.50
CD	10.00
RECORDER OF DEEDS	
ADAMS CO HI	
GETTYSBURG, PA 17325	
BETTY H. PITZER	
CHK	113.50
11-22-96 14:10LINDA	01 97428

BK1293PG0176

44939



### REALTY TRANSFER TAX STATEMENT OF VALUE

RECORDER'S USE ONLY	
Block and Lot	1293
Page Number	174
File Number	11-22-96

See Reverse for Instructions

Complete each section and file in duplicate with Recorder of Deeds when (1) the full value/consideration is not set forth in the deed, (2) when the deed is without consideration, or by gift, or (3) a tax exemption is claimed. A Statement of Value is not required if the transfer is wholly exempt from tax based on: (1) family relationship or (2) public utility easement. If more space is needed, attach additional sheet(s).

**A. CORRESPONDENT:** All inquiries may be directed to the following person:

Name: Robert E. Campbell Telephone Number: \_\_\_\_\_  
 Street Address: 122 Baltimore St. City: Gettysburg State: Pa. Zip Code: 17325  
 Area Code: 717 334-9278

**B. TRANSFER DATA:** Date of Acceptance of Document: 11/22/96  
 Grantor(s) (Person(s)): Hickory Bridge Farm Inc. Street Address: 96 Hickory Bridge Road City: Gettysburg State: Pa. Zip Code: \_\_\_\_\_  
 Grantee(s) (Person(s)): \_\_\_\_\_ Street Address: Hamilton Township City: Fairfield State: Pa. Zip Code: \_\_\_\_\_

**C. PROPERTY LOCATION:** Street Address: 96 Hickory Bridge Road City, township, borough: Hamilton Township  
 County: Adams School District: Fairfield Tax Parcel Number: C-12-122A

D. VALUATION DATA		
1. Actual Cash Consideration	2. Other Consideration	3. Total Consideration
<u>0</u>	<u>0</u>	<u>0</u>
4. County Assessed Value	5. Common Level Rate Factor	6. Fair Market Value
<u>N/A</u>	<u>X</u>	<u>0</u>

E. EXEMPTION DATA	
1a. Amount of Exemption Claimed	1b. Percentage of Interest Conveyed
<u>100%</u>	<u>N/A</u>

2. Check Appropriate Box Below for Exemption Claimed
- Will or intestate succession (Name of Decedent) \_\_\_\_\_ (State the Name)
  - Transfer to Industrial Development Agency
  - Transfer to a trust. (Attach complete copy of trust agreement identifying all beneficiaries.)
  - Transfer between principal and agent. (Attach complete copy of agency/trust party agreement.)
  - Transfer to the Commonwealth, the United States and instrumentalities by gift, dedication, condemnation or in lieu of condemnation. (If condemnation or in lieu of condemnation, attach copy of resolution.)
  - Transfer from mortgagor to a holder of a mortgage in default. Mortgage Book Number \_\_\_\_\_ Page Number \_\_\_\_\_
  - Corrective or confirmatory deed. (Attach complete copy of the prior deed being corrected or confirmed.)
  - Statutory corporate consolidation, merger or division. (Attach copy of articles.)
  - Other (Please explain exemption claimed, if other than listed above) Document was called a Deed of Dedication but purpose is to transfer sewer line only with right of way for access. Title to land does not convey.

Under penalties of law, I declare that I have examined this Statement, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Respondent or Responsible Party: [Signature] Date: 11/22/96  
 BK 1293PG0177

FAILURE TO COMPLETE THIS FORM PROPERLY OR ATTACH APPLICABLE DOCUMENTATION MAY RESULT IN THE RECORDER'S REFUSAL TO RECORD THE DEED.

WESTERN MARYLAND RAILWAY COMPANY  
~~The Chesapeake and Ohio Railway Company~~

PIPE LINE CROSSINGS

THIS AGREEMENT, made this 9th day of April, 1975, between  
WESTERN MARYLAND RAILWAY COMPANY  
~~WESTERN MARYLAND RAILWAY COMPANY, a Virginia Corporation,~~ hereinafter called the  
"Railway", and HAMILTONBAN TOWNSHIP BOARD OF SUPERVISORS

hereinafter called the "Licensee";

WITNESSETH: That the Railway does hereby license and permit the Licensee to install, operate and maintain one (1) eight-inch (8") C.I. sanitary sewer pipe line, together with the necessary casing, vents, fixtures and appurtenances thereto, hereinafter referred to collectively as "Crossing", upon, under and across the land and under the tracks of the Railway at a point located ~~between mile post XXXXX and XXXXX~~ at Valuation Station 3968 plus 91 Hanover Subdivision, Western Maryland Division, at or near Orrtanna, County of Adams, State of Pennsylvania, as described on the attached "Exhibit A", dated October 1974, for Nassaux-Hensley, Inc. (Engineering Consultants)

\_\_\_\_\_ which is ~~not~~ made a part of this agreement, upon the following terms, covenants and conditions:

1. Before constructing said Crossing, Licensee shall, at its sole cost and expense, obtain all necessary authority therefor from any public authority or authorities having jurisdiction in the premises, and shall thereafter observe and comply with the requirements of such public authority or authorities and all applicable laws and regulations.
2. No less than 72 hours' written notice shall be given to Railway's Superintendent, hereinafter referred to as "Superintendent", at Hagerstown, Maryland, before the work of constructing and installing said Crossing shall be commenced, and like notice, except in emergency cases, before any maintenance, renewal, relocation, alteration, changing and removal is performed; provided, however, that all such work shall be done at such time or times, and in such manner, as shall be satisfactory to Railway's Chief Engineer or his duly authorized representative, hereinafter referred to as "Engineer".
3. Licensee shall install and thereafter operate and maintain, at its sole risk, cost and expense, the aforesaid Crossing in accordance with said Exhibit A, and American Railway Engineering Association, Specifications for Pipelines for conveying Flammable and Non-Flammable Substances—1962, or such subsequent revisions thereof as may be approved by Railway's Engineer, which are incorporated herein and made a part hereof by reference.
4. Licensee shall perform all of such work safely, expeditiously, in a workmanlike manner, and in accordance with good engineering practices, and without damage to or interference with the operations and facilities of the Railway. Said Licensee shall fill and thoroughly tamp all trenches to prevent settling of the surface of the land and roadbed of the Railway, and shall either remove any surplus earth or material from the Railway's premises or cause the same to be placed and distributed thereon at such locations and in such manner as the Railway's Engineer may direct. Licensee shall leave said premises in a condition satisfactory to the Railway's Engineer.

5. The Licensee agrees, at its sole risk, cost and expense, to make such tests as in the judgment of the Railway may become necessary to determine if the operation, existence or maintenance of the said Crossing, or the protection provided therefor against corrosion, causes interference with any of the Railway's facilities whatsoever. Licensee further agrees, upon written notice from Railway of such interference, to make, at its sole risk, cost and expense, such changes as may be necessary to eliminate such interference.

6. Railway shall in no case be held liable for any damage to said Crossing, including, but not limited to, the loss of or interference with the service provided thereby, by reason of the operation of its railroad or acts of its employees, or otherwise, and Licensee shall and will at all times release, indemnify and save harmless Railway from and against any and all liability, loss, detriments, costs, damages, charges and expenses which Railway may suffer, sustain, be put to or be in any way subjected to on account of the death of or injury to any person or persons or damage to or destruction of any property, including but not limited to the employees and property of Railway, arising out of or in any manner connected with the location, installation, existence, operation, maintenance, renewal, changing, alteration, relocation or removal of said Crossing, regardless of whether such death, injury, damage or destruction shall be caused by the negligence of the Railway or otherwise.

7. As protection for the Railway, and without impairing any obligation of the Licensee hereunder, the Licensee agrees that the Railway may take out, and purchase at the Licensee's expense, provided the cost thereof does not exceed \$ 0.00 , Railway Protective Liability Insurance for the Railway's protection against loss or destruction of or damage to property and death of or injury to persons, and any liability therefor, arising out of or in any way connected with the installation of the Crossing and work incident thereto. And the Licensee agrees to reimburse the Railway for the cost of such insurance, subject to the above limitation, promptly upon receipt of the Railway's statement therefor.

8. Said Crossing shall be installed to the satisfaction and approval of the Railway's Engineer, and in case of the failure of the Licensee to do the work as herein specified, or to make such repairs as in the judgment of the Engineer may become necessary, the Railway reserves the right to remove, at the sole cost and expense of the Licensee, the Crossing from its land and terminate this agreement upon five (5) days' notice to the Licensee.

9. It is further agreed that the Licensee, at its sole risk, cost and expense, will change, alter or relocate said Crossing within thirty (30) days after receipt of notice from Railway so to do, to a location and in a manner satisfactory to Railway's Engineer to permit the Railway to make future alterations of the line or grade of the railroad, to construct additional tracks, or to make any other additions and betterments whatsoever, which rights Railway hereby reserves unto itself. Any such change, alteration or relocation of said Crossing shall be in accordance with the requirements of this agreement.

10. Licensee hereby agrees to reimburse the Railway for any and all expenses (the cost of which shall include the surcharges customarily made by the Railway), that the Railway may incur or be subjected to, for or in consequence of the installation, location, changing, alteration, relocation, operation, maintenance or renewal of the Crossing, or the removal thereof as herein provided, within thirty (30) days after receipt of the Railway's statement.

11. Nothing herein contained shall be construed to permit the Licensee to move, except at public road crossings, any equipment over the tracks of the Railway. If and when it is desired to move any such equipment, the Licensee shall notify the Superintendent sufficiently in advance of such movement so that arrangements may be made and covering agreement, if required by Railway, may be executed.

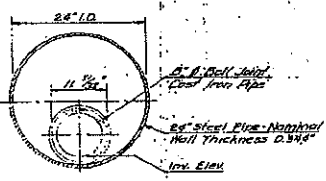
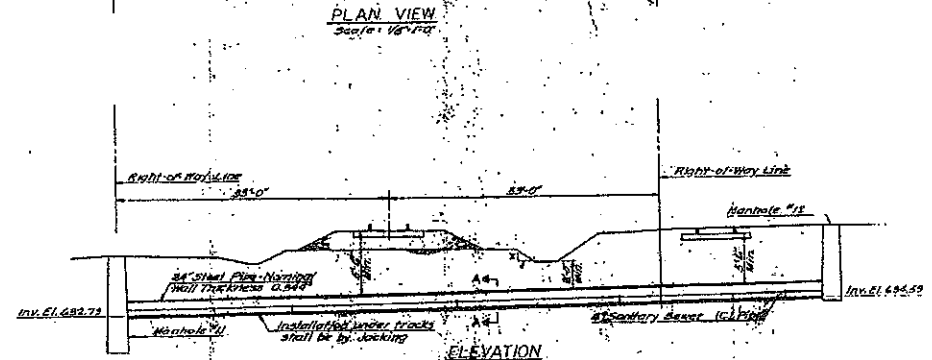
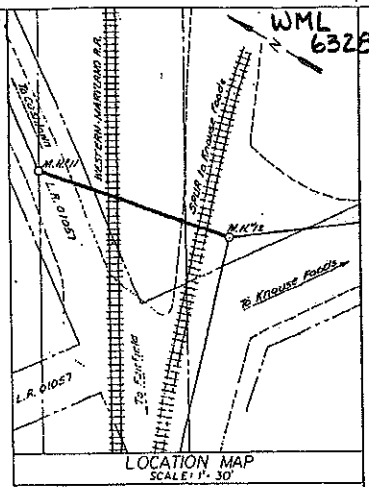
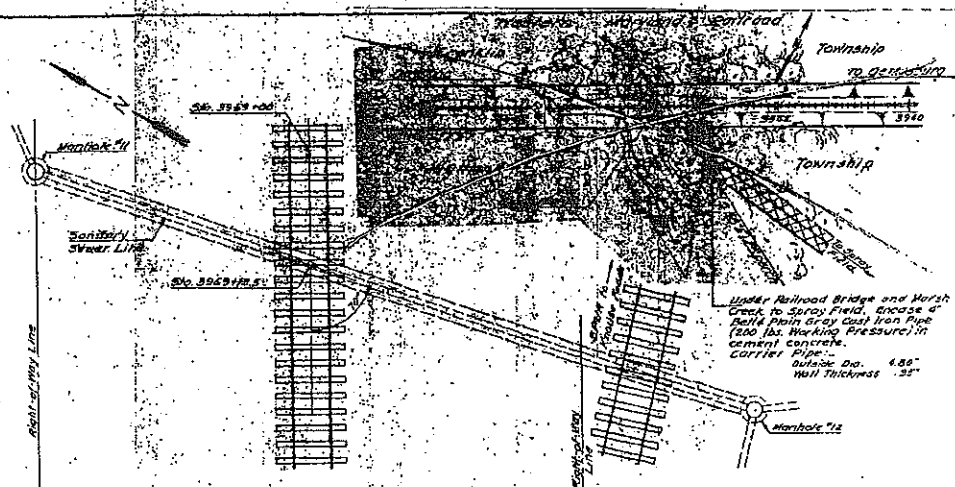
12. The Licensee agrees to pay a rental of TWENTY-FIVE DOLLARS (\$ 25.00 ) per annum, payable annually in advance of each year during the life of this agreement, and a fee of ONE HUNDRED DOLLARS (\$ 100.00 ) toward the cost of preparation of this agreement and supervision expense. Annual rental shall be subject to periodic review and adjustment.

13. In the event the Licensee shall at any time desire to make changes in the physical or operational characteristics of said Crossing, it shall first secure in writing the consent and approval of Railway, and Licensee agrees that such changes shall be made at its sole risk, cost and expense, and subject to all the terms, covenants, conditions and limitations of this agreement.

14. Unless terminated as provided in Section 8 hereof, this agreement shall continue in force and effect until terminated by thirty (30) days' notice in writing from either party to the other of its intention to terminate the same, except that termination of this agreement shall not relieve or release Licensee from any liability or obligation which may have been incurred or assumed by Licensee hereunder prior to termination.



WML 63284



COMMENTS TO BE HANDLED

8" Dia. BELL-JOINT CAST IRON PIPE-SEWAGE	
OUTSIDE DIAMETER	24.125
PIPE MATERIAL	STRUCTURAL STEEL
SPECIFICATION & GRADE	A.S.T.M. A.36
WALL THICKNESS	0.344"
ACTUAL WORKING PRESSURE	0
TYPE OF JOINT	WELDED
COATING	LOCAL S&P FITCH
METHOD OF INSTALLATION	JACKING

PROTECTION AT END OF CASTING:

NOTE ENDS: 2 ONE END TYPE HANDLE

AREAS: BASE OF BASE TO TOP OF CASTING: 5 FEET 8 INCHES

AREAS: (NOT REMOVED FRAMES): FEET 11 INCHES

AREAS: (HOLDING DITCHES): FEET 0 INCHES

CEMENTIC PROTECTION

		<b>NASSAUX - HEMSLEY, INC.</b>		CHAMBERSBURG, PA. 17201
		ENGINEERING CONSULTANTS		66 N. SECOND ST.
DES'N F.H.L. DR'WN W.G.K. CND'D F.H.L.	HAMILTONBAN TOWNSHIP ORRTANNA AREA SANITARY SEWERAGE SYSTEM	DATE OCT 74	PIPE CROSSING UNDER WESTERN MARYLAND RAILROAD	SHEET 1 TOTAL
REVISIONS	FILE 46-J			



4-5-04 *sp.*

500 Water Street, J-180  
Jacksonville, FL 32202  
Fax (904) 359-3665

E. Shane Whitmore  
Director Property Management

RECEIVED  
APR 05 2004

March 29, 2004

BY:.....

Contract WM L63284

Mr. Stephen W. Jacobs  
Chairman  
Hamiltonban Township Board of Supervisors  
23 Carrolls Tract Road  
P. O. Box 526  
Fairfield, PA 17320

*Row fee adjustment  
for CSX over  
Hickory Bridge  
Crossing*

Dear Mr. Jacobs:

This refers to your letter dated March 17, 2004, regarding our increase letter dated December 18, 2003, for Contract WM L63284.

This letter will serve to rescind our increase letter dated December 18, 2003. Your rent will remain at \$100.00 per year, payable in advance. This fee will be adjusted on an annual basis by the same percentage of increase as reflected in the "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)(1982-84=100) specified for All Items - United States compiled by the Bureau of Labor Statistics of the United States Department of Labor, as previously stated in increase letter dated May 18, 2000.

All other terms and conditions of said agreement shall remain in full force and effect. If you should have any questions, please contact Marian Jackson, Contract Manager, at 904-359-3136.

In the near future you will receive an adjusted invoice that will reflect this change.

Sincerely,

*E. Shane Whitmore*  
E. Shane Whitmore



**HAMILTONBAN TOWNSHIP BOARD OF SUPERVISORS**

23 CARROLLS TRACT ROAD, P.O. BOX 526

FAIRFIELD, PA 17320

(717) 642-8509 E-MAIL: [Hamiltonban@pa.net](mailto:Hamiltonban@pa.net)

March 17, 2004

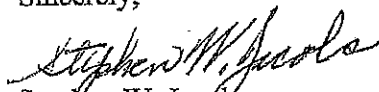
CSX Transportation  
Marian Jackson  
P. O. Box 116628  
Atlanta, GA 30368-6628

Re: Contract number WM L63284 Location: Orrtanna, PA Adams County

Dear Ms. Jackson:

Hamiltonban Township has one, eight inch pipeline located 891 feet south of milepost Bas 78.79, CSX 871 058. This line was installed many years ago and proper registration was completed at that time. This line is completely underground requiring no maintenances. Many years ago the annual fees was \$25.00 per year. Last years fee was \$100.00, this year the fee is \$200.00. This is a 100% increase. This line goes to two properties in Orrtanna. The Orrtanna Treatment plant has only 71 connections. This fee causes a hardship for The Hamiltonban Township Municipal Authority. Please consider reducing or waiving the fee.

Sincerely,

  
Stephen W. Jacobs  
Chairman

LMD/hs



500 Water Street J180  
Jacksonville, FL 32202  
FAX (904) 359-3665

Karen E. Mohler  
Director  
Contract Administration

RECEIVED MAY 31 2000

May 18, 2000

Agreement No.: WM-L63284

HAMILTONBAN TOWNSHIP SUPV  
P O BOX 526  
FAIRFIELD, PA 17320-0526

Dear Sir/Madam:

Reference is made to the Agreement Number shown above covering a utility occupancy (pipe/wire/fiber) which crosses CSXT's track and/or property.

In CSXT's continuing effort to fulfill its mandate to become cost-effective in all areas, we periodically review our costs associated with utility encroachments. This review takes into account present day administrative and resultant right-of-way maintenance costs. From this cost analysis, we develop standard fees for both new and existing utility agreements.

Our records indicate that your agreement, referenced above, is currently billing less than our standard fee. Therefore, we find it necessary to increase your annual fee and to provide for its future adjustment in accordance with the Consumer Price Index.

This is to advise that the annual license fee for this agreement shall be changed from \$50 to \$100 per year, effective 04-09-2001, as permitted in the Agreement(s). All other terms and conditions of the agreement shall remain in full force and effect.

Future increases shall be adjusted on an annual basis by the same percentage of increase or decrease as reflected in the "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1982-84=100) specified for All Items - United States compiled by the Bureau of Labor Statistics of the United States Department of Labor" ("CPI"). In no event, however, shall the Fee be less than the Fee payable as of the effective date of this License.

The Fee shall be increased or decreased in accordance with the following:

$$\frac{\text{Current Price Index}^*}{\text{Base Price Index}^{**}} \times \text{Fee} = \text{Adjusted Fee}$$

\* Effective CPI in the fourth month prior to the anniversary date of the increase.

\*\* Effective CPI at the time of the effective date of the increase.

In the event the CPI is converted to a different standard reference base or otherwise revised or changed, the calculation of the percentage increase or decrease shall be made with the use of

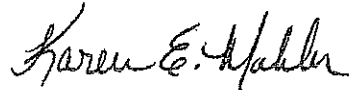
May 18, 2000

such conversion factor, formula or table for converting the CPI as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then as reasonably determined by Licensor.

For Annual payments, CSXT's standard procedures are electronic funds transfer (EFT) payment plan, whereby as our Licensee, you have the benefit of making rental payments directly from your bank account through electronic funds transfer. This service will authorize your bank to automatically deduct the amount of your rental bill from your checking account. You may still question your bill, and your bank will supply you with information on how to stop a questionable charge, correct an erroneous deduction, or discontinue participation in the plan at any time. You will realize the savings, since no check will be written and no postage is necessary. All you need to do is complete and return an enclosed EFT Authorization Agreement form for each agreement. CSX Transportation will do the rest.

This amendment is not a present notice or request for payment. The amended fee will be due upon the next periodic payment date. Should you have any questions, please contact Lori Fulks at (904) 359-2248.

Sincerely,



Karen E. Mohler

Attachment

Condemnation of right of way : No. 98 OCT Term, 1975  
in Hamiltonban and Highland :  
Township, Adams County, :  
Pennsylvania, by the Hamilton- :  
ban Township Authority for :  
sewer system purposes : Proceeding in Rem  
:

NOTICE OF FILING OF DECLARATION OF TAKING

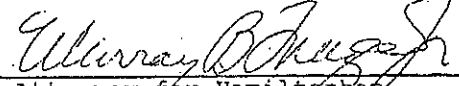
A Declaration of Taking was filed this date, the twenty-second of August, 1975, as of the above Court, term and number, wherein the following properties were condemned for rights of way for the laying and maintenance of sewer lines by the Hamiltonban Township Authority (grantee - condemnor):

(a) The lands of Revere D. March, et ux, (condemnee-grantors) located in Highland Township, Adams County, Pennsylvania, more particularly described by reference to a photocopy of a plan prepared by Nassaux-Hemsley, Inc., hereto attached and marked (a).

(b) The lands of Knouse Foods Cooperative, Inc., (condemnee-grantors) located in Highland and Hamiltonban Townships, Adams County, Pennsylvania, more particularly described by reference to photocopies of plans prepared by Nassaux-Hemsley, Inc., hereto attached and marked (b).

(c) The lands of Maurice E. Fitz, Jr., et ux, (condemnees-grantors) in Hamiltonban Township, Adams County, Pennsylvania, more particularly described by reference to a photocopy of a draft prepared by Nassaux-Hemsley, Inc., hereto attached and marked (c).

(d) The lands of I. Z. Musselman Orchards, Inc. (condemnee-grantor) in Hamiltonban Township, Adams County, Pennsylvania, more particularly described by reference to a photocopy of a draft prepared by Nassaux-Hemsley, Inc., hereto attached and marked (d).

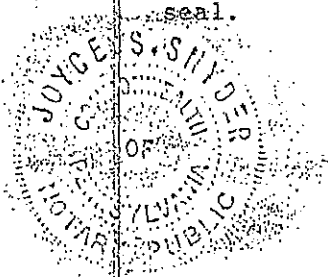
  
\_\_\_\_\_  
Attorney for Hamiltonban  
Township Authority

COUNTY OF ADAMS

On this, the 22<sup>nd</sup> day of August, 1975, before me, the undersigned officer, personally appeared Murray B. Frazee, Jr., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed same as Solicitor for and on behalf of Hamiltonban Township Authority, for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official

seal.



Joyce S. Snyder  
My commission expires: Dec. 9, 1976.

JOYCE S. SNYDER, NOTARY PUBLIC  
GETTYSBURG BOROUGH, ADAMS COUNTY  
MY COMMISSION EXPIRES DEC. 9, 1976  
Member, Pennsylvania Association of Notaries

FOR AFFIDAVIT OF VALUE  
REQUIRED UNDER SECTION  
8 OF THE REALTY TRANS-  
FER TAX ACT, SEE FILE.

ENTERED FOR RECORD TAX \$ 50  
IN RECORDER'S OFFICE  
OF ADAMS COUNTY PA. FEES \$ 6.25

AUG 22 3 56 PM '75

AT Betty H. Pitzer ADDRESS \$ 50  
RECORDED TOTAL \$ 7.25  
Paid

RECORDERS NOTE:  
DRAFTS, ATTACHED TO THIS  
ORIGINAL, ARE NOT RE-  
CORDED, BUT ON FILE IN  
MISC. DRAWER OF THE RE-  
CORDER OF DEEDS OFFICE.

BETTY H. PITZER  
RECORDER OF DEEDS.

**Schedule 4.10**

**Personalty**

None

**Schedule 4.11**

**Leases**

None

**Schedule 4.12**

**Contracts**

**None**

## Schedule 4.14

### Liabilities

HTMA holds no current liabilities beyond trade payables such as electricity, service contracts and payroll taxes; these unsecured liabilities will be the sole responsibility of HTMA.

HTMA loan to secure proceeds of H<sub>2</sub>O grant in the amount of \$496,500.

**Schedule 4.15**

**Customer Advances**

None.

**Schedule 6.1.8**

**Storm Water Ordinances**

**Hamiltonban Township Stormwater Management Ordinance, Ordinance No. 2012 – 04  
Adopted July 3, 2012**

**Schedule 6.2.2**

**Rates**

\$50.00 per month per EDU from Closing between HTMA and PAWC until the earlier of:

- a. October 31, 2014, or
- b. PUC approval of a reduced rate as a result of PAWC's best efforts to utilize Act 11 of 2012 to reduce the rates charged to the wastewater customers in a base rate filing

**Schedule 8.1.11**

**Opinion of Counsel (HTMA)**

See Attached

**Schedule 8.1.15**

**Permits Issued**

**See Attached.**



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES

One Ararat Boulevard  
Harrisburg, PA 17110

JAN 5 1995

(717) 657-4590

Southcentral Regional Office

Mr. Milton Nicks, Supervisor  
Hamiltonban Township  
Box 526  
Fairfield, PA 17320

JAN 6 1995

Re: Sewage  
Part II Permit No. 0172403  
Amendment 94-1  
Hamiltonban Township, Adams County

Dear Mr. Nicks:

Subject permit amendment is enclosed.

The permittee shall comply with all Special Conditions attached to this Permit.

If you have any questions, please direct them to Mr. G. Roger Musselman of the Permits Section.

Sincerely,

Leon M. Oberdick  
Program Manager  
Water Management Program

Enclosures

COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF ENVIRONMENTAL RESOURCES  
 WATER MANAGEMENT PERMIT

Permit No. 0172403  
 Amendment No. 94-1

<p>A. Permittee (Name and Address):</p> <p>Mr. Milton Nicks, Supervisor          Hamiltonban Township          Box 526          Fairfield, PA 17320</p>	<p>B. Project:</p> <p>Name <u>Ortanna Village STP</u></p> <p>Municipality <u>Hamiltonban Township</u></p> <p>County <u>Adams</u></p>
---	--

C. This:  Permit  Permit Amendment  Impoundment Closure

Approves:  The construction/operation of  Modifications to the construction/operation of:

<input checked="" type="checkbox"/> Sewage Treatment Facilities	<input type="checkbox"/> Industrial Waste Treatment Facilities
<input checked="" type="checkbox"/> Land Application Facilities	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Sewers and Appurtenances	<input type="checkbox"/> Pump/Stations
<input type="checkbox"/> Impoundment(s) and Liner System	<input type="checkbox"/> Injection Well(s)
<input type="checkbox"/> Stream Crossing(s)	<input type="checkbox"/> Outfall & Headwall(s)
<input type="checkbox"/> Soil Erosion & Sedimentation Control Plan	<input checked="" type="checkbox"/> Groundwater Monitoring Well(s)

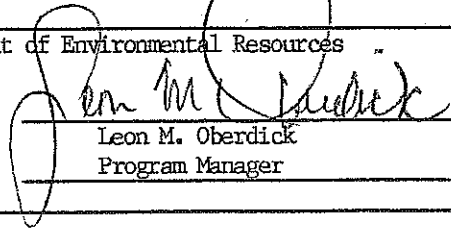
Brief description of permitted activity: This permit amendment improves the monitoring requirements prior to spray, adds the installation of two (2) monitoring wells and monitoring requirements and conditions for spraying.

D. This approval is subject to the following conditions:

- All construction, operations, and procedures shall be in accordance with the application dated \_\_\_\_\_ its supporting documentation, and addenda dated \_\_\_\_\_. Such application, its supporting documentation and addenda are hereby made part of this permit.
- Conditions numbered \_\_\_\_\_ of the \_\_\_\_\_ Standard Conditions dated \_\_\_\_\_ and Conditions numbered \_\_\_\_\_ of the Erosion Control Standard Conditions dated \_\_\_\_\_ are attached and made part of this permit.
- Special Conditions designated A,B,C,D,E,F, and G are attached and made part of this permit.

E. The authority granted by the permit is subject to the following further qualifications:

- If there is a conflict between the application or its supporting documents and addendums and the Standard or Special Conditions, the Standard or Special Conditions shall apply.
- Failure to comply with the Rules and Regulations of the Department or with the terms or conditions of this permit shall void the authority given to the permittee by the issuance of the permit.
- This permit is issued pursuant to The Clean Streams Law, Act of June 22, 1937, P.L. 1987 as amended 35 P.S. §691.1 et seq. and/or the Dam Safety and Encroachments Act of November 26, 1978, P.L. 1375, as amended, 32 P.S. §693.1 et seq. Issuance of the permit shall not relieve the permittee of any responsibility under any other law.

Permit Issued: _____ Date <u>JAN 5 1994</u>	Department of Environmental Resources By:  Leon M. Oberdick Program Manager
Amendment Issued: _____ Date _____	Title: _____

1. Land Application and Treatment

A. The herein approved treatment facilities shall produce an effluent with the following limits prior to any wastewater/water mix:

<u>Parameter</u>	<u>Monthly Average</u> (mg/l)	<u>Instantaneous Maximum</u> (mg/l)	<u>Measurement Frequency</u>	<u>Sample Type</u>
Flow (mgd)	Shall be monitored		Continuous	Measured
5-day CBOD	40	80	1/month	Grab
Total Suspended Solids	45	90	1/month	Grab
pH	6-9 SU at all times		1/day	Grab
Fecal Coliform	200/100 ml as a geometric average, not greater than 1,000/100 ml in more than 10% of the samples tested		1/month	Grab

The results of all sampling activities are to be listed on a Supplemental Report form supplied by the Department and submitted to this office on a monthly basis.

B. The groundwater monitoring wells, MW-1 and MW-2 shall be sampled on a quarterly basis for the following parameters:

pH	Total Dissolved Solids
NH <sub>3</sub> -N	Sulfate
NO <sub>2</sub> -N	Chlorides
NO <sub>3</sub> -N	5-day CBOD
Kjeldahl-N	Fecal Coliform

The results of the above analysis shall be submitted to the Department for review within 45 days of the sample date.

C. All wells must be purged prior to sampling as per approved sampling plan dated November 11, 1993.

D. Spraying of effluent shall be rotated to insure even coverage of the sprayfield site. At no time shall the same area be used more than once/week.

- E. Effluent shall be sprayed evenly over the entire site at a rate not to exceed 1.5 inches/acre/week.
- F. Effluent shall not be sprayed during the following adverse weather conditions:
  - 1. Inches of precipitation have occurred in the previous 24 hour period
  - 2. Soil temperature one inch below soil surface falls below 40 degrees F
  - 3. Soil moisture is a field capacity
  - 4. Wind velocity exceeding 10 mph
  - 5. Precipitation is falling
  - 6. Ground surface is frozen
- G. Five years from the date of issuance of this permit, and each subsequent five-year period, the facility shall submit a report to the Department summarizing the effectiveness of the sprayfield. The report shall include summary reports providing groundwater quality data from quarterly events, groundwater elevation data and maps and a narrative discussion including tables and maps. The narrative report shall evaluate the overall operation of the system demonstrating its effectiveness. If modification to the operation is proposed, details must be submitted in the report.

WATER QUALITY MANAGEMENT PERMIT

NO. 0172403

<b>A. PERMITTEE: (Name and Address)</b> Hamiltonban Township Box 198 Gettysburg, Pennsylvania 17325		<b>B. PROJECT LOCATION</b> Municipality <u>Hamiltonban Township</u> County <u>Adams County</u>	
<b>C. TYPE OF FACILITY</b> Sanitary sewer, sewage pumping station, and sewage treatment plant.		<b>D. NAME OF MINE OR AREA SERVED</b> Orrtanna Village Area	
<b>E. THIS PERMIT APPROVES:</b>			
1. Plans For Construction Of: a. <input checked="" type="checkbox"/> Pump Stations, Sowers and Appurtenances b. <input checked="" type="checkbox"/> Sewage Treatment Facilities c. <input type="checkbox"/> Industrial Wastes Treatment Facilities	2. The Discharge Of: a. <input checked="" type="checkbox"/> Treated <input type="checkbox"/> Untreated b. <input type="checkbox"/> Industrial Wastes <input checked="" type="checkbox"/> Sewage TO: <u>Spray Irrigation, located</u> <u>on Little Marsh Creek Watershed.</u> (Receiving Waters)	3. The Operation Of: a. <input type="checkbox"/> Mine Maximum surface area to be affected shall not exceed _____ acres. (Surface Mines) Maximum area to be deep mined _____ acres.	
<b>F. YOU ARE HEREBY AUTHORIZED TO CONSTRUCT, OPERATE OR DISCHARGE, AS INDICATED ABOVE, PROVIDED THAT YOU COMPLY WITH THE FOLLOWING:</b>			
1. ALL REPRESENTATIONS REGARDING OPERATION, CONSTRUCTION, MAINTENANCE AND CLOSING PROCEDURES AS WELL AS ALL OTHER MATTERS SET FORTH IN YOUR APPLICATION AND ITS SUPPORTING DOCUMENTS (APPLICATION NO. <u>0172403</u> DATED <u>February 25, 1972</u> AND AMENDMENTS DATED <u>June 1, 1972</u> ) SUCH APPLICATION, ITS SUPPORTING DOCUMENTS AND AMENDMENTS ARE HEREBY MADE A PART OF THIS PERMIT. <u>2, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14, 15, 17,</u>			
2. CONDITIONS NUMBERED <u>18, 19, 20, 21, 22, 23, 24, 25, 26, and 27</u> OF THE <u>Sewerage</u> STANDARD CONDITIONS DATED <u>November 1, 1942</u> WHICH CONDITIONS ARE ATTACHED HERETO AND ARE MADE A PART OF THIS PERMIT.			
3. SPECIAL CONDITION(S) NUMBERED <u>A</u> WHICH ARE ATTACHED HERETO AND ARE MADE A PART OF THIS PERMIT.			
<b>G. THE AUTHORITY GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING FURTHER QUALIFICATIONS:</b>			
1. IF THERE IS A CONFLICT BETWEEN THE APPLICATION OR ITS SUPPORTING DOCUMENTS AND AMENDMENTS AND THE STANDARD OR SPECIAL CONDITIONS, THE STANDARD OR SPECIAL CONDITIONS SHALL APPLY.			
2. FAILURE TO COMPLY WITH THE RULES AND REGULATIONS OF THE DEPARTMENT OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.			
3. THIS PERMIT IS ISSUED PURSUANT TO THE CLEAN STREAMS LAW, THE ACT OF JUNE 23, 1937, P.L. 1987, AS AMENDED. ISSUANCE OF THIS PERMIT SHALL NOT RELIEVE THE PERMITTEE OF ANY RESPONSIBILITY UNDER ANY OTHER LAW.			
PERMIT ISSUED DATE <u>June 9, 1972</u>		DEPARTMENT OF ENVIRONMENTAL RESOURCES BY <u>Elvin F. Hoover</u> Elvin F. Hoover TITLE <u>Regional Sanitary Engineer</u>	
BOOK 16 PAGE 288			

Sewerage Permit  
No. 0172403

This permit is issued subject to all Department of Environmental Resources Rules and Regulations now in force, and the following Special Conditions:

- A. The plant hereby approved is required to effect secondary treatment of the sewage which it receives. Secondary treatment is that treatment that will, for the purpose of this permit, reduce the organic waste load as measured by the biochemical oxygen demand test by at least 90% BOD removal during the period May 1 to October 31 and by at least 80% BOD removal during the remainder of the year based on a five consecutive day average of values; will remove practically all of the suspended solids; will provide effective disinfection to control disease producing organisms; will provide satisfactory disposal of sludge; and will reduce the quantities of oil, greases, acids, alkalis, toxic, taste and odor producing substances, color, and other substances inimical to the public interests to levels that will not pollute the receiving stream.

Effective disinfection to control disease producing organisms shall be the production of an effluent which will contain a concentration not greater than 200/100 ml of Fecal Coliform organisms as geometric average value nor greater than 1,000/100 ml of these organisms in more than 10% of the samples tested.

It is required by law that this permit before being operative shall be recorded in the office of the Recorder of Deeds in Adams County.

**Schedule 8.2.3**

**Opinion of Counsel (PAWC)**

See Attached.

Pennsylvania-American Water Company, Inc.  
 Pro Forma Condensed Balance Sheet  
 December 31, 2012 (Unaudited)  
 (Dollars in thousands)

	December 31, 2012 (Unaudited)
<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$2,879,527
Utility plant acquisition adjustments, net	\$14,662
Total Non-Utility Plant, net	\$267
Construction Work in Progress	\$73,615
<b>Total property plant and equipment</b>	<b>\$2,968,071</b>
<b>Current assets</b>	
Cash and cash equivalents	-\$4,889
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$36,521
Unbilled	\$29,114
Other current assets	\$8,635
<b>Total current assets</b>	<b>\$69,381</b>
<b>Long-term assets</b>	
Regulatory assets	\$179,731
Goodwill	\$39,782
Other	\$478
<b>Total long-term assets</b>	<b>\$219,991</b>
<b>Total assets</b>	<b>\$3,257,443</b>
<b>Capitalization and Liabilities</b>	
	December 31, 2012 (Unaudited)
<b>Capitalization</b>	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$719,299
Retained earnings	\$393,965
<b>Total stockholder's equity</b>	<b>\$1,134,771</b>
Long-term debt	\$1,082,407
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$11,252
<b>Total capitalization</b>	<b>\$2,230,150</b>
<b>Current liabilities</b>	
Notes payable - associated companies	\$0
Short-term debt	\$31,004
Current portion of long-term debt	\$3,727
Other	\$119,825
<b>Total current liabilities</b>	<b>\$154,556</b>
<b>Long-term liabilities</b>	
Deferred income taxes	\$607,564
Other	\$144,843
<b>Total long-term liabilities</b>	<b>\$752,407</b>
<b>Contributions in aid of construction</b>	<b>\$120,330</b>
<b>Total capitalization and liabilities</b>	<b>\$3,257,443</b>

Pennsylvania-American Water Company, Inc.  
Pro Forma Condensed Statement of Income  
For period ending December 31, 2012 (Unaudited)  
(Dollars in thousands)

	Period Ending December 31, 2012
<b>Operating revenues</b>	<b>\$514,210</b>
<b>Operating expenses</b>	
Operation and maintenance	\$222,093
Depreciation and amortization	\$68,200
General taxes	\$12,435
	<u>\$302,728</u>
<b>Operating income</b>	<b>\$211,482</b>
<b>Other income (deductions)</b>	
Other income, net	(\$2,567)
Interest expense, net	\$35,679
	<u>\$33,112</u>
<b>Income before income taxes</b>	<b>\$178,370</b>
<b>Provision for income taxes</b>	<b>\$59,528</b>
<b>Net income</b>	<b>\$118,842</b>
<b>Dividends on preferred stock</b>	<b>\$77</b>
<b>Income to common stock</b>	<b>\$118,765</b>

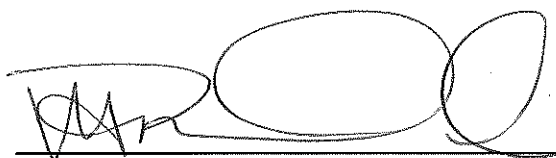
PENNSYLVANIA-AMERICAN WATER COMPANY

I, V.A. REDMOND, Secretary of Pennsylvania-American Water Company, a Pennsylvania corporation, (the "Company") DO HEREBY CERTIFY that below is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company at a meeting thereof duly convened and held on February 20, 2013, at which meeting a quorum was present and acting throughout, and that such resolutions have not been amended or rescinded and are still in full force and effect:

RESOLVED, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver to Hamiltonban Township Municipal Authority an agreement to purchase assets of the Hamiltonban Township Municipal Authority's wastewater system; and

RESOLVED, that the proper officers including but not limited to the President or a Vice President of the Company be, and hereby are, authorized and directed to execute and deliver any and all documents, make all filings and do any other thing which they may deem necessary, proper or desirable to effectuate the purposes of the foregoing resolution, and to carry out the closing of the purchase of the Hamiltonban Township Municipal Authority's wastewater system.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 1 day of March, 2013.

  
Secretary

Resolution Number 2013-08  
Hamiltonban Township, Adams County, Pennsylvania

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HAMILTONBAN TOWNSHIP  
TO SELL THE ORRTANNA SANITARY WASTEWATER TREATMENT SEWER SYSTEM  
TO PENNSYLVANIA AMERICAN WATER

RECITALS

1. The Hamiltonban Township Municipal Sewer Authority ("Authority") is a body politic and corporate created as a Municipal Authority pursuant to the Municipality Authorities Act, Act 2001-22 [S.B. 780], P.L. 287, §1 et seq., approved June 19, 2001, as amended;
2. The Authority was created by Hamiltonban Township, Adams County, Pennsylvania to work with the Board of Supervisors and to be operative with authority to transact business with regard to the Orrtanna Sanitary Wastewater Treatment Sewer System ("System");
3. The Township currently operates, maintains and repairs the System;
4. Title ownership of the System remains vested in the Authority;
5. Pennsylvania-American Water Company ("PAWC") is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania operating as a public water and wastewater utility;
6. Authority, Hamiltonban Township and PAWC previously agreed to a term sheet dated May 7, 2012 whereby PAWC would acquire all of the assets and assume all of the debt of the System;
7. The parties have negotiated a Purchase Agreement to accomplish the aforesaid transaction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Hamiltonban that:

- A. The aforesaid Recitals are incorporated in this Resolution as if repeated here.
- B. To the extent that the Authority has an equitable or legal interest in the System, the Authority approves the Purchase Agreement.
- C. The Chairman of the Board of Supervisors is hereby authorized to enter into the Purchase Agreement on behalf of the Authority.

ADOPTED this 5<sup>th</sup> day of March 2013.

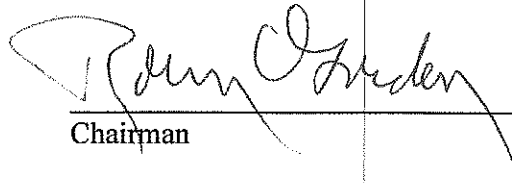
ATTEST:

AUTHORITY

HAMILTONBAN TOWNSHIP  
BOARD OF SUPERVISORS



Secretary



Chairman

**Schedule 6.2.2**

**Rates**

\$50.00 per month per EDU from Closing between HTMA and PAWC until the earlier of:

- a. October 31, 2014, or
- b. PUC approval of a reduced rate as a result of PAWC's best efforts to utilize Act 11 of 2012 to reduce the rates charged to the wastewater customers in a base rate filing

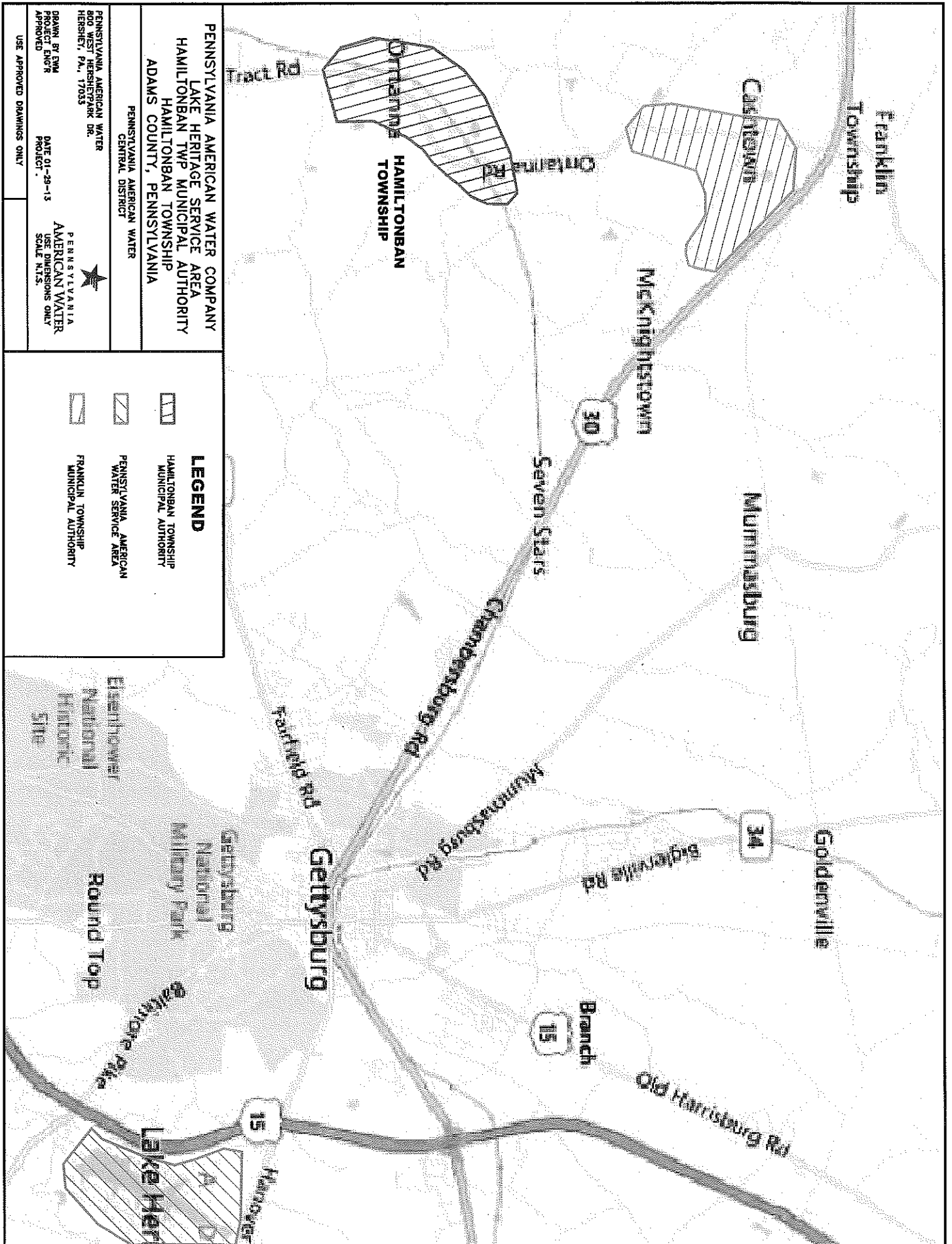


Exhibit L

**SERVICE AREA IDENTIFICATION  
HAMILTONBAN TOWNSHIP  
ORRTANNA SANITARY SEWER SYSTEM**

The Hamiltonban Township Orrtanna Sanitary Sewer System service area is graphically represented by the attached map entitled "Public Sewer Service Area" and dated February 2013, showing the approximate location of said service area within Hamiltonban Township, Adams County.

The Orrtanna Treatment Plant sewer service area includes the Village of Orrtanna, located in the eastern "tip" of Hamiltonban Township as well as several short extension areas outside the Village and is designated by the shaded area on the map. The Treatment plant itself lies on the border of Hamiltonban Township in neighboring Highland Township along the Little Marsh Creek just southeast of the Village of Orrtanna. The force main leaves the plant on a western heading under Orrtanna Road (State Route 3011), then under Carrolls Tract Road (State Route 3011) picking up approximately six (6) homes located in Highland Township along Carrolls Tract Road at the northeastern end of the Village of Orrtanna. The main continues through the back yards of several homes along the Little Marsh Creek heading west where it intersects with Carrolls Tract Road just north of the CSX Railroad crossing near the center of the Village and continues under Carrolls Tract Road the entire length of the Village of Orrtanna until it reaches the intersection of Hickory Bridge Road.

Within the Village limits an extension of the line runs southwest of the Mount Carmel Road intersection to service the Knouse Foods Fruit Processing plant on First Street and a short extension line to Second Street. An extension also runs southwest off the main line on Third Street.

West of the Village of Orrtanna, the service line extends onto Hickory Bridge Road (Township Road-315) ending at Hickory Bridge Restaurant/Bed and Breakfast.

**PART III: RULES AND REGULATIONS**

**Section A - Applications for Service**

1. **Service Application Required:** All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service 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, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.

Non residential service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

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 the lessee of the property is the Customer. The Company shall have the right to discontinue or otherwise interrupt wastewater collection 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 formal review and acceptance of the application.
4. **Temporary Service:** In the case of temporary service for less than a 12-month period, the Company may require the Customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the actual costs differ from the estimate, the Applicant will pay to the Company any excess amount due or the Company will refund to the Applicant any excess amount paid.

**Section B - Construction and Maintenance of Facilities**

1. **Customer Service Lateral:** The Customer service lateral shall be furnished, installed, maintained and/or replaced in accordance with company specifications, when necessary, by and at the sole expense of the Customer. The Company reserves the right to determine the size, type, quality, depth, and connection location of the customer service laterals. Prior to connection to the Company service lateral, the Customer, at their sole cost, shall have the Customer service lateral air pressure tested and checked for alignment by a Company approved qualified person under the supervision of a Company representative.
2. **Separate Trench:** The customer wastewater service lateral shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service.
3. **Customer's Responsibilities:** All service laterals, 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 property owned or leased by the Customer shall be protected properly by the customer. All leaks in the Customer service line or any pipe or fixtures in or upon the customer's premises must be repaired immediately by the Customer as determined solely by the Company.
4. **Customer Grinder Pump:** In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service lateral, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The pump shall meet specifications as provided by the Company.
5. **Right to Reject:** The Company may refuse to connect with any customer service lateral or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

6. **Water Use Standards for Certain Plumbing Fixtures:** This rule establishes maximum water use criteria 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.

(a) Maximum permitted water usage levels shall be as follows:

<u>Plumbing</u>	<u>Maximum</u>
<u>Fixture</u>	<u>Water Use</u>
water closets	1.6 gallons/flush
urinals	1.5 gallons/flush

(b) 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, cannot be accommodated by existing technology or are otherwise inappropriate.

7. **Individual Service Laterals:** Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service lateral connected directly to the Company Service lateral, and that Customer Service lateral shall not cross over the property of or serve any other customer or premise. The maximum service lateral length shall be two hundred and fifty (250) feet from the point of connections with clean-outs every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service lateral for any purpose without the express written approval of the Company.

8. **Connection to Company Mains:** No connection shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install and maintain all service laterals from the main to the property line or right-of-way.

**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 begin to use nor cease to use wastewater service without the prior consent of the Company. A customer discontinuing service remains a 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:** Wastewater and/or water service to the Customer may be terminated for good cause, including, but not limited to, the following:

- (a) making an application for wastewater service that contains material misrepresentations;
- (b) failure to repair leaks in sewer pipes or fixtures;
- (c) tampering with any Company Service lateral, or installing or maintaining any unauthorized connection;
- (d) theft of sewer service, which shall include taking service without having made a proper application for service under Part III, Section A;
- (e) failure to pay, when due, any charges accruing under this tariff;
- (f) discharge of any prohibited substance listed in Section F into the wastewater system;

- (g) receipt by the Company of an order or notice from the Department of Environmental Protection, a health agency, local plumbing inspector or other similar authority, to terminate service to the property served on the grounds of violation of any law or ordinance, or upon notice to the Company from any such authority that has ordered an existing violation on the property to be corrected and that such order has not been complied with or
- (h) material violation of any provisions of the tariff;
- (i) failure to properly install and maintain a grinder pump, including its replacement when improperly functioning as solely determined by the Company;
- (j) any unauthorized, un-inspected, or improper connection, as herein defined, found to exist will be required to be disconnected within ten (10) days. The Company may require a plumber's sworn statement or certificate as evidence that the connection has been discontinued.
- (k) Not abiding by the provisions of the Company's Industrial/Commercial Waste Pretreatment Program.
- (l) Failure to remove direct connections to the Customer Service lateral that allow surface, subsurface, storm water, or roof run off water into the Sanitary Sewer.
- (m) Not complying with any part of this tariff.
- (n) Supplying sewer service to other units, buildings or premises when Capacity Reservation Fees have not been paid for in accordance with tariff.

In order to terminate wastewater service, the Company can at its discretion install a shut off valve on the Company's Service lateral to terminate service. The cost for the installation of the shut off valve and all the other charges accruing under this tariff shall be paid to the Company before service is restored.

3. **Turn-on Charge:** Whenever service is discontinued or terminated pursuant to Rule 1 or Rule 2 of this Section, service shall be permitted by the Company only upon the payment by the Customer of a turn-on fee and the curing of the problem that gave rise to the termination if under Rule 2. Refer to Schedule of Miscellaneous Fees and Charges.

**Section D - Billing and Collection**

1. **Issuance of Bills:** 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 nonresidential 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 falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated 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 and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in Rule 2 of this Section.
4. **Change in Billing Address:** Where a customer fails to notify the Company of a change in billing address, the Customer shall remain responsible to remit payment by the billing due date.
5. **Application of Payment:** Utility bills rendered by the Company shall include only the amount due for utility service. Where a customer remittance to the Company includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges.
6. **Return Check Charge:** The customer will be responsible for return check charge as provided in the Schedule of Miscellaneous Fees and Charges section of the tariff.

7. **Disputed Bills:** In the event of a dispute between the Customer and the Company with respect to any bill, the Company will promptly make such investigation as may be required by the particular case and report the result to the Customer. The Customer is not obligated to pay the disputed amount during the pendency of the Company's investigation. When the Company has made 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 amount received by the Company in excess of the amount determined to be due by the Company's investigation of the dispute shall be refunded to the Customer.

#### **Section E - Deposits**

##### **1. Residential Customers:**

- (a) **New Applicants**—The Company will provide service without requiring a deposit unless the applicant was terminated for nonpayment within the prior twelve (12) months or has an unpaid balance for prior service from the Company. Then the Company may require a deposit that will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) **Existing Customers**—If a customer has paid late on two (2) consecutive occasions or a total of three (3) times within the prior 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 the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.

- (c) Deposit 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 prior 12-month period without having been late on more than two (2) occasions 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 applicable interest rate for each year shall be determined as of January 1 of that year.

**2. Nonresidential Customers:**

- (a) New Applicants - A deposit may be required from any new applicant who does not have prior satisfactory credit history with the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—Deposit requirements for existing nonresidential customers shall be as established for residential customers in Rule 1 of this Section.
- (c) Deposit Refunds and Interest— A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

**Section F- Wastewater Control Regulations**

**1. General Prohibitions:**

- (a) No storm water from pavements, area ways, runoff basins, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company Sanitary Sewer.
- (b) The discharge of garbage to the Sanitary Sewer is expressly prohibited. Properly shredded biodegradable garbage may be discharged into the Sanitary Sewer with no particle greater than one-half inch in dimension.

**2. Sampling and Analysis:**

- (a) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in the Company's rules may be determined in accordance with the latest DEP and EPA approved editions of "Standard Methods for the Examination of Water and Wastewater" under Act 252 as prepared by DEP and approved and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.
- (b) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation then the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

- (c) Where the Company deems it advisable, it may require any customer discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes so discharged.
- (d) In the event any person, firm or corporation producing any industrial wastes otherwise excluded from the Sanitary Sewer, desires to discharge the same into any portion of the Company's sanitary sewer system, the Company may at its option, consent to such discharge at a charge in accordance with the Company's established Schedule of Rates, Surcharges and discounts applicable to such Industrial/Commercial Wastes, as provided in Section K.8 entitled "Surcharge for Industrial Wastes." Such consent may be made contingent upon the applicant providing and maintaining apparatus for regulating the rate of discharge and/or treating the wastes at his or its expense prior to discharge as the Company may deem necessary. Such consent will stipulate the location and type of metering device to be used for measuring the quantity of such wastes discharged to the sewage system, and will also stipulate the method and frequency of sampling such wastes. Each analysis will be made on a composite of twenty-four (24) hourly (or a larger number of more frequent) samples of wastes collected over a singly twenty-four (24) hour day; the volume of each of the samples will be proportional to the rate of Waste flow. The average suspended solid content or acid equivalent of the wastes for the quarter will be calculated in such a manner as to be as truly representative of the entire quarterly flow and composition of the waste as possible. Particular care will be exercised to insure that the difference in character or composition of the wastes during the week ends or nights when industrial operations are at a minimum, are properly considered in arriving at quarterly averages.

3. **Prohibited Discharges for the Clarion Wastewater Operations:** The Company reserves the right to refuse connection to its Sanitary Sewer and/or to compel the discontinuance of the use of any system, or to require pre-treatment of Wastes by any Customer, in order to prevent the discharge of any Wastes to the Sanitary Sewer system which may be deemed harmful to the Sanitary Sewer system, or to have an adverse effect on the sewage treatment processes. Except from the written consent of the Company, there shall be excluded from the sewage system but not limited to, any wastes having suspended solids (SS) in excess of 300 mg/L, 5 day Biochemical Oxygen Demand (BOD5) in excess of 300 mg/L, a chlorine demand in excess of 25 mg/L and Wastes having any or all of the following characteristics:
- (a) Wastes containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation.
  - (b) Wastes having a temperature in excess of 120 degrees F. or less than 32 degrees F that enters the Sanitary Sewer or Wastes entering the plant that increase the temperature of the Wastewater at the headworks of the plant to exceed 104 degrees F.
  - (c) Wastes having a pH lower than 6.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
  - (d) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
  - (e) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, dairy products, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.

- (f) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
- (g) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
- (h) Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit.
- (i) Wastes containing other matter detrimental to the operation of a sewage treatment plant or Sanitary Sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.
- (j) Wastes containing fats, wax, tar, grease or oil of petroleum origin, whether emulsified or not, in excess of one hundred mg/L, or petroleum oil, non biodegradable cutting oil or petroleum products of mineral oil origin in amounts that will cause interference or pass through at the wastewater treatment facilities.
- (k) Wastes containing an average concentration of oils and greases, of the Hydrocarbon variety or any Freon extractables which are not biodegradable in excess of 10 mg/L.
- (l) Wastes containing more than 10 mg/L of any of the following gases: hydrogen sulfide; sulfur dioxide; nitrous oxide; or any of the halogens.

- (m) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation. Toxic pollutants or substances shall include but not limited to Wastewater containing cyanide, chromium, cadmium, mercury, copper, nickel, or materials listed as hazardous materials.
- (n) Any waste containing toxic substances in quantities sufficient to interfere with the biochemical/biological processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.
- (o) Any waste containing radioactive isotopes or other radioactive materials.
- (p) Sludges resulting from the treatment of concentrated solutions that are not acceptable for discharge to the Sanitary Sewer.
- (q) Effluent limitations promulgated as categorical standards, 40 C.F.R. Chapter 1, Subchapter N and 40 C.F.R. 403.6 shall apply in any instance where they are more stringent than those in this section.
- (r) The local limits in this section may be supplemented with more stringent limitations if the Company determines that the limitations in subsection (a) through (p) above may not be sufficient to protect the operation of the sewerage system or to enable the water pollution control plant to comply with water quality standards or effluent limitations specified in the Company's NPDES permit.
- (s) Waste introduced into the Sanitary Sewer with any pollutants which cause pass through or interference; whether or not the customer is subject any other national, state, or local pretreatment standards or requirements.
- (t) Waste containing any color which may not be removed in the wastewater treatment process.
4. **Disposal of Wastes From Septic Tanks and Cesspools:** No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's Sanitary Sewer, except as designated by the Company.

5. **Penalties:** The Company reserves the right to terminate water and/or wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.
6. **Damages:** In the event of any damage to the Company's wastewater system caused by a Customer, or a Customer's representative, such damage shall be immediately reported to the Company and said Customer shall reimburse the Company for the costs of such repairs, testing, consulting and all other costs associated with the damage.

Any user violating any of the provisions of these Rules and Regulations shall become liable to the Company for all expenses, losses, or damages occasioned by the Company by reason of such violation, whether incidental or consequential.

#### **Section G- Line Extensions**

1. When an extension to serve a Customer is required or requested, such extension will be made under the terms of a "Sewer Main Extension Agreement" or a "Sewer Main Extension Deposit Agreement".
2. Customer shall contribute all facilities required for the Company to directly connect the Customer to the Sanitary Sewer. This includes pumping stations, vaults, manholes, mains or any other apparatuses where applicable. The Company shall have the right to locate the facilities as required to meet the long term system needs of the Customers.
3. Customer shall also pay a capacity reservation fee to the Company for each proposed equivalent dwelling unit.
4. **Size of Main and Other Facilities:** The Company shall have the exclusive right to determine the type and size of mains 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, estimated or actual cost figures in the Sewer Main Extension Agreement or Sewer Main 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 Sewer Main Extension Agreement or Sewer Main Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate.

5. **Length of Extension:** In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the property line or right-of-way, which is equidistant from the side property lines of the last lot for which service was requested except where the Company, in its sole opinion, determines that it is necessary to extend beyond the last lot and connect to an existing main to provide adequate and reliable wastewater service. A street service connection will be provided only for customer service laterals that extend at right angles from the curb line in a straight line to the premises to be served.
6. **Offsite Development Marketing Contracts:** Where it is prudent, reasonable and in the public interest, the Company may, at its option enter into offsite development marketing contracts which depart from the standard terms of the "Sewer Main Extension Agreement" or "Sewer Main Extension Deposit Agreement". These marketing agreements shall become effective 30 days after the Company has filed a copy thereof with the Pennsylvania Public Utility Commission, or in the event that the Commission institutes an investigation, at such time as the Commission grants its approval thereof.

#### Section H- Service Continuity

1. **Regularity of Service:** The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.
2. **Liability for Damages:**
- (a) **Limitation of Damages for Service Interruptions:** The Company's liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents 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 cannot and does not guarantee that such will not occur.

- (b) **Responsibility for Customer Facilities:** The Company shall not be liable for any loss or damage caused by reason of any break, blockage, 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 employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer's service lateral or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.
- (c) When the Company incurs costs and the blockage or defect is determined to be on the customer's service lateral, the Company may request reimbursement and the Customer is responsible to reimburse the Company for associated costs.

#### **Section I- Waivers**

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

#### **Section J- Amendment of Commission Regulations**

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

#### **Section K - Industrial and Commercial Service Limitations.**

1. **Pretreatment:** All Industrial/Commercial Waste proposed for discharge into the Sanitary Sewer shall be categorized to determine the degree of pretreatment, if any, necessary in order that the Waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to regulate and set limitations on any Waste discharge into its Sanitary Sewer by regulating the rate of any Waste discharge into its Sanitary Sewer and/or by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.

2. **IPP:** At such time as an Industrial Pretreatment Program (IPP) is required by the United States Environmental Protection Agency (EPA), Pennsylvania Department of Environmental Protection (DEP), or the Company implements an IPP, the Company shall develop and enforce the IPP in accordance with applicable regulations.

3. **Customer Limitations:** Customers specifically agree that service applies exclusively for Domestic Wastewater. If any Customer discharges Industrial or Commercial Waste that:

- (a) the existing wastewater treatment plant is unable to satisfactorily treat; or,
- (b) is not in compliance with any discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or,
- (c) is more costly to treat than typical Domestic Wastewater; or,
- (d) requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical Domestic Wastewater,

then the Customer shall provide, at the Customer's own expense, such pretreatment deemed necessary by the Company before such Waste is discharged into the Sanitary Sewer. No Commercial or Industrial Waste, whether pretreated or not, may be discharged without prior written authorization from the Company. The Company reserves the right to set the applicable discharge limits on any waste stream entering its collection system. An Industrial/Commercial Waste Pretreatment Agreement will need to be executed prior to allowing the discharge to occur.

4. **Company Limitations:** The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate Industrial or Commercial Waste.

5. **Flow Limitations:** The Company reserves the right to control quantities and rate of discharge of such Industrial and Commercial Wastes on the basis of 24 hours per day and 7 days per week.

6. **Grease, Oil, Sand Traps, and interceptors:** The Company reserves the right to require the installation of grease, oil, sand traps or interceptors at the Company's discretion when necessary for the proper handling of liquid wastes containing grease in excessive amounts, any flammable wastes, sand, or other harmful ingredients. All traps/interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease, oil, sand traps or interceptors shall be installed in all new filling stations, garages, restaurants, and other new facilities wherein heavy discharge of grease, oil, sand is to be expected. Owners of grease, oil, sand traps or interceptors are required to clean out the device on a regular basis to maintain good operation of the trap. The Company reserves the right to require owners of grease, oil, sand traps or interceptors to submit records of cleaning to the Company at the Company's discretion.
7. **Specific Dangers:** In general, any Waste provided by a Customer will be considered harmful to the Company's Sanitary Sewer and any other facility if it may cause any of the following damaging effects:
- (a) chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
  - (b) mechanical action that will destroy the sewer structures;
  - (c) restriction of the hydraulic capacity of the sewer structures;
  - (d) restriction of the normal inspection or maintenance of the sewer structures;
  - (e) danger to public health and safety; or
  - (f) obnoxious condition contrary to public interest.

The Company may terminate service as per Section C if any of these specific dangers, or other dangers, as determined by the Company are caused by the Customer.

**8. Surcharge for Industrial/Commercial Wastes:**

- (a) In the event that the Company consents to accept into the Sanitary Sewer system Industrial/Commercial Wastes containing more than 300 milligrams per liter by weight (mg/L) of suspended solids and/or 300 mg/L of 5 day biochemical oxygen demand, otherwise prohibited under this Section, there is hereby imposed for such service in addition to the sanitary sewage quantity, a surcharge for the Suspended Solids and 5 day Biochemical Oxygen Demand (BOD5) contained in said wastes in excess of 300 mg/L and a chlorine demand in excess of 25 mg/L in accordance with the following schedule:
- (i) \$0.10 per pound of BOD5 in excess of 300 mg/L.
  - (ii) \$0.06 per pound of Suspended Solids in excess of 300 mg/L.
  - (iii) Actual chlorine cost per pound of chlorine demand in excess of 25 mg/L.
  - (iv) \$0.10 per pound for COD levels above 525 mg/L.
- (b) In the event the Company elects to accept Industrial/Commercial Wastes having a pH below 6.0, the total acid equivalent of such wastes, expressed as 100% sulfuric acid shall be considered as one pound of Suspended Solids. For purposes of calculating Surcharges, the total sum computed by adding the acid equivalent so determined to the actual Suspended Solids content shall be considered to be the Suspended Solids content of the acidic wastes. The charges for treatment of such acidic wastes shall be subject to the same Surcharges as above set forth for wastes containing excessive solids.

**Section L. Privilege to Investigate/Right of Access**

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause.

**Section M. Sewer Capacity Allocation Policy for the Clarion  
Wastewater Operations**

1. The Company shall maintain a "waiting list" of names of individuals requesting sewer capacity.
2. Individuals who wish to be placed on the list must make their request in writing indicating the following information:
  - A. name
  - B. address
  - C. phone number
  - D. location of proposed tap(s)
  - E. number of edu's required
  - F. proposed use of building
  - G. approximate date needed
3. Sewer capacity (tap) requests may be submitted any time after July 1<sup>st</sup> of the year preceeding the year in which the tap is to be utilized.
4. Once the sewer capacity reservation (tap)fee and inspection fee is paid and the sewer permit issued the permittee has six (6) months to put the tap into service. At the time the tap is placed into service the following conditions must be met: 1) the building or structure must be substantially completed, 2) the lateral shall be constructed and tapped into the main sewer line, and 3) the permittee shall commence paying monthly sewer bills.
5. If the conditions outlined in item #4 are not met within the allotted six month period, the sewer permit shall be revoked and the sewer capacity reservation (tap) fee and inspection fee forfeited. The Company shall notify the permittee of such action, in writing.
6. Having one's name on the waiting list shall constitute having an "option" to obtain sewer capacity in the subject year. After the 1<sup>st</sup> of each year the Company may sell sewer capacity to individuals not on the waiting list or to individuals not at the top of the waiting list to the extent that the sale of the sewer capacity when added to the total number of edu's on the waiting list (or ahead of that individual on the list) does not exceed the total number of edu's available to be added to the system during that year. If the sale of the sewer capacity (and resulting edu's) would result in the potential of exceeding total allowable edu's, when considered in conjunction with the

total edu's requested on the waiting list (or ahead of the applicant on the list), the sale could not be made until those individuals on the waiting list (or ahead on the list) are contacted. At that point, the Company shall determine the availability of edu's by contacting the individuals on the waiting list beginning with the first person and working down the list.

The individual will be asked if they wish to exercise their option to obtain sewer capacity.

If they would, they will have five (5) days to submit an application for sewer permit and pay the designated sewer capacity reservation (tap) fee and inspection fee, at which time the six month "clock" begins. If they elect not to exercise their option at the time of notification their name will be dropped from the waiting list. To place their name back on the waiting list for future consideration they will need to provide another written request (see item #3).

Hamiltonban Township Municipal Authority  
 Consolidated Condensed Statement of Income  
 December 31, 2012 (Unaudited)  
 (Dollars in thousands)

<b>Operating Revenue</b>	
Sewer Charges	\$ 128
Other Operating Income	\$ -
<b>Total Operating Revenue</b>	<u>\$ 128</u>
Other Revenue	<u>\$ -</u>
<b>Total Income</b>	<u>\$ 128</u>
<b>Operating Expense</b>	
Operations and Maintenance	\$ 78
Administration	\$ -
Depreciation	\$ 28
<b>Total Operating Expense</b>	<u>\$ 106</u>
<b>Non-Operating Expense</b>	
Interest Income	\$ -
Taxes	\$ 4
Interest Expense	\$ 13
<b>Total Non-Operating Expense</b>	<u>\$ 17</u>
<b>Total Expense</b>	<u>\$ 123</u>
<b>Net Income</b>	<u><u>\$ 5</u></u>