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May 2, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

Re: Joint Application of Riemer Natural Gas, LLC, Herman Riemer Gas Company, and the Estate of Anna Pearl Riemer for: a Certificate or Certificates of Public Convenience Evidencing the Pennsylvania Public Utility Commission's Approval of: the Transfer by Sale of tangible and intangible assets of Herman Riemer Gas Company, a Public Utility Providing Natural Gas Distribution Service in Pennsylvania, from the Estate of Anna Pearl Riemer to Riemer Natural Gas, LLC; Approval of Certain Affiliated Interest Filings; and, All Other Approvals Or Certificates Appropriate, Customary or Necessary Under the Public Utility Code to Carry Out The Transactions Described in the Application; Docket No. A-2017-_____; **JOINT APPLICATION**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Joint Application of Riemer Natural Gas, LLC, Herman Riemer Gas Company, and the Estate of Anna Pearl Riemer (collectively the "Joint Applicants"). The Application fee is submitted via epay. The Joint Applicants request pursuant to 52 Pa. Code § 1.34 that the approvals sought in this Application be considered related transactions which qualify for a single filing fee.

Sincerely,

Whitney E. Snyder
Counsel for Riemer Natural Gas, LLC

WES/jld
Attachments

other approvals and certificates appropriate, customary, or necessary under the Public Utility Code to carry out the transactions contemplated in this Application in a lawful manner.

2. The contact information for Buyer is:

Riemer Natural Gas, LLC
Andrew Smith
President
P.O. Box 156
Herman, PA 16039

3. Riemer Natural Gas, LLC's attorney is:

Whitney E. Snyder
Hawke McKeon & Sniscak LLP
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(717) 236-1300

Riemer Natural Gas, LLC's attorney is authorized to receive all notices and communications regarding this Application.

4. The contact information for Seller is:

James Riemer
Administrator
Estate of Anna Pearl Riemer

5. Herman Riemer Gas Company and the Estate of Anna Pearl Riemer's attorney is

Tricia S. Baldridge, Esq.
Tucker Arensberg, P.C.
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Pittsburgh, PA 15222
tbaldridge@tuckerlaw.com
(412) 594-3948

II. DESCRIPTION OF THE APPLICANTS

6. Herman Riemer Gas Company is a sole proprietorship wholly owned by the Estate of Anna Pearl Riemer, currently established at Estate No. 10-09-0466 in the Office of the

Register of Wills of Butler County, Pennsylvania and is subject to regulation by the Commission. Herman Riemer Gas Company furnishes natural gas distribution service to approximately 634 customers in a certificated service territory which includes Buffalo Township, Butler County, in western Pennsylvania. Herman Riemer Gas Company's tariffs, Annual Reports, and certificates of public convenience, which are on file with the Commission, are incorporated herein by reference.

7. Herman Riemer Gas Company currently has five employees and expends approximately \$108,000 for salary and benefits related to these employees. Its offices are located at 134 Winfield Road, Sarver, PA. Herman Riemer Gas Company also currently has one affiliated interest agreement whereby it pays James and Dale Riemer \$19,200 per year rent for the office space of Herman Riemer Gas Company (Lease AIA). *See* Docket No. G-2013-2358465.

8. Riemer Natural Gas, LLC is a Pennsylvania LLC duly organized and existing under the laws of the Commonwealth of Pennsylvania. It was incorporated in 2016 to facilitate the purchase of Herman Riemer Gas Company. The President and sole shareholder is Andrew Smith, who is also the owner and sole shareholder of (1) Herman Oil and Gas Company,¹ a natural gas distribution utility certificated by the Commission that furnishes natural gas distribution service to approximately 425 customers in a certificated service territory in Butler County, in western Pennsylvania; (2) SME Well Services LLC, a non-utility company that furnishes natural gas and other pipeline related services; and (3) AES Specialized Services LLC,

¹ Mr. Smith acquired Herman Oil and Gas Company in 2013 pursuant to Commission order in Docket No. A-2013-2354081.

a non-utility company that furnishes administrative and pipeline construction and maintenance services.

9. Seller, the Estate of Anna Pearl Riemer, is the owner and operator of Herman Riemer Gas Company. James Riemer is the Executor of the Estate.

III. DESCRIPTION OF THE PROPOSED TRANSACTIONS

10. Pursuant to an Asset Purchase Agreement (“APA” or “Acquisition”) by and between Riemer Natural Gas, LLC and the Estate of Anna Pearl Riemer, dated as of March 16, 2017, a copy of which is attached hereto as **Attachment A**,² the Estate will sell and Riemer Natural Gas, LLC will purchase all of the tangible and intangible assets of Herman Riemer Gas Company for a base purchase price of \$ 90,577.74 (“Purchase Price”). The Purchase Price is not subject to a Closing date working capital adjustment. Upon Closing, Riemer Natural Gas, LLC will directly own the tangible and intangible assets of Herman Riemer Gas Company as set forth in the APA.

11. After closing Herman Riemer Gas Company will not acquire the Lease AIA. The offices of the business will be relocated to AES offices.

12. Immediately following the Closing of the proposed transaction, Herman Riemer Gas Company will cease to exist, and all of its operations will continue under Riemer Natural Gas, LLC.

13. The assets to be acquired include:

- a. Customer Accounts;
- b. Pipelines, gas transmission lines, certain wells listed in Schedule 1.1(a)(7), secondary transmission lines, meters, operating equipment, vehicles;
- c. files, accounts, records and ongoing customer good will;
- d. the business names and fictitious names including Herman Riemer Gas Company and Riemer Gas Company; and

² All Attachments are expressly made a part of this Joint Application.

e. confidential business information, contracts, easements, rights-of-way, instruments to which the ongoing business is a party, permits, licenses, registrations, certificates, orders and other variances or similar rights that have been issued by or obtained from any governmental, regulatory or administrative authority or agency for purposes of the business operation.

14. Upon the Closing of the proposed transaction, Riemer Natural Gas, LLC will operate pursuant to Herman Riemer Gas Company's Commission authorized tariff and charge duly authorized rates and terms of service approved by this Commission as a Pennsylvania natural gas public utility subject to the continuing jurisdiction of the Commission and without any reduction in the Commission's existing oversight or any diminishment in the authority of the Commission over the utility. The transaction will not adversely affect service, rates, or day-to-day operations of the utility.

15. The proposed transfer of Herman Riemer Gas Company will be nearly seamless as to retail service customers. Riemer Natural Gas, LLC will continue to provide natural gas utility service to Herman Riemer Gas Company's customer's, but will update Herman Riemer Gas Company's tariff to change the name of the utility and update billing information. The only changes visible to customers pursuant to the transaction will be changing the name of the utility and billing address.

16. Riemer Natural Gas, LLC and its affiliates will not incur debt for this transaction.

IV. REQUESTED COMMISSION APPROVALS

A. Change of Control

17. Public Utility Code Section 1102(a)(3), 66 Pa.C.S. § 1102(a)(3), requires the Commission to issue a certificate of public convenience, upon application, to authorize a "public utility or an affiliated interest of a public utility" to acquire from or transfer to [any other entity

by any means whatsoever] “the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.”

18. Riemer Natural Gas, LLC’s acquisition of in the tangible and intangible assets of Herman Riemer Gas Company constitutes a change in control of Herman Riemer Gas Company that requires Commission’s approval, evidenced by the Commission’s issuance of a certificate of public convenience.

(i) Riemer Natural Gas, LLC has requisite technical, legal and financial fitness.

19. Riemer Natural Gas, LLC is financially and legally fit and has the required technical and managerial fitness to operate Herman Riemer Gas Company. As the President and sole shareholder of Herman Oil and Gas Company, a currently certificated Pennsylvania public utility, Andrew Smith’s fitness is presumed by law to be continuing.³ Since Andrew Smith acquired Herman Oil and Gas in 2013, only one non-rate case related formal complaint has been filed, and it was amicably resolved through settlement, and no Commission fines or penalties have been imposed.

(ii) Legal Fitness

20. Riemer Natural Gas, LLC and Andrew Smith are legally fit to own and operate Herman Riemer Gas Company. Riemer Natural Gas, LLC and Andrew Smith are in compliance in all material respects with federal law and state law in the jurisdictions in which they operate.

³ *South Hills Movers, Inc. v. Pa. Pub. Util. Comm’n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992) (once certificated there is a presumption of fitness for further application purposes); *In re: Application of Pennsylvania Power & Light Company, PFG Gas, Inc. and North Penn Gas Company*, Docket Nos. A-120650F006, A-122050F0003 (Order Entered July 24, 1998) (adopting ALJ’s decision concluding a continuing presumption of fitness exists for further application purposes).

Neither Riemer Natural Gas, LLC nor Andrew Smith have been prosecuted, indicted, or investigated for criminal activity.

(iii) Financial Fitness

21. Andrew Smith and Riemer Natural Gas, LLC are financially fit and will have substantial financial resources available to operate the utility.

(iv) Technical or Managerial Fitness

22. Andrew Smith, president and sole shareholder of Buyer owns and operates a regulated natural gas utility in Pennsylvania, Herman Oil and Gas Company, and has a history of providing quality utility service in the rural area served in Butler County, which borders the territory Herman Riemer Gas Company serves in Butler County. Buyer intends to retain the separate utility company existence of Herman Riemer Gas Company via Riemer Natural Gas, LLC as a direct, wholly-owned Pennsylvania public utility subsidiary, and thus an affiliate of Herman Oil and Gas Company.

23. The sale will not affect the ability to deliver safe and reliable service to customers. The Asset Purchase Agreement provides for an orderly transition for Herman Riemer Gas Company's assets and utility business to Buyer, and the utility's customers will now have available to it the expertise of the personnel who own and work for Buyer's other utility, Herman Oil and Gas, and its non-utility affiliates some of which already provide service to Herman Riemer Gas Company. In particular, to facilitate an orderly transition, Herman Riemer Gas Company, Herman Oil and Gas Company, and SME Well Services and AES Specialized Services simultaneous with Closing and the Acquisition by Riemer Natural Gas, LLC will enter into affiliated interest agreements that will be in effect upon Commission approval after Closing, as described below.

24. Among the resources of Andrew Smith and Herman Oil and Gas, Riemer Natural Gas, LLC will obtain the affirmative benefit of substantial experience and expertise in operating a natural gas public utility in Pennsylvania. Riemer Natural Gas, LLC will retain Herman Riemer Gas Company's existing tariffs, customers, service territories and other public service obligations. This structure will affirmatively benefit customers by ensuring continuity of safe and reliable service for Herman Riemer Gas Company customers and enable a smooth transition of ownership to a new owner with greater management capability and wider experience in providing service. In evaluating integration of operations, Riemer Natural Gas, LLC will review the practices of Herman Riemer Gas Company and will utilize a deliberate approach⁴ and "best practices" as appropriate to produce greater efficiencies and/or improved customer service. Such method will provide affirmative benefits for customers.

B. Affiliated Interest Agreements

25. In connection with the approval of this Application and conditioned and effective upon Closing, Riemer Natural Gas, Herman Oil and Gas, SME Well Services, and AES Specialized Services request Commission approval of three affiliated interest agreements in the form shown in **Attachments B - D** so these necessary operations and service agreements are in place in advance of the Closing.

⁴ The deliberate approach is consistent with the Pennsylvania Supreme Court's holding in *MCI/Verizon* that identification of best practices and quantification of resulting synergy savings is not required for approval of an application for acquisition of a utility. *Popowsky v. Pa. Pub. Util. Comm'n*, 937 A.2d 1040 (Pa. 2007). As recognized by the Presiding Officer in the *UGI/Southern Union* Initial Decision, it is reasonable and prudent for the parties to undertake a deliberate, "best practices" analysis after the transaction is consummated, and any issues that arise during or after this process can and should be addressed at that time, not at the application approval stage. See *Application of UGI Utilities, Inc., UGI Utilities Newco, Inc. and Southern Union Co.*, Docket No. A-120011F2000 *et al.*, Initial Decision, slip op. at 31-34 (July 21, 2006) (Colwell, ALJ).

26. The Agreement at **Attachment B** is between Herman Oil and Gas Company and Riemer Natural Gas, LLC (Herman Oil and Gas Agreement). Under this Agreement, Herman Oil and Gas Company will provide administrative services, customer service, and office space per the allocation methods described in the Agreement.

27. The Agreement at **Attachment C** is between SME Well Services LLC and Riemer Natural Gas, LLC (SME Well Services Agreement). Under this Agreement, SME Well Services will provide natural gas supply per the allocation methods described in the Agreement.

28. The Agreement at **Attachment D** is between AES Specialized Services LLC and Riemer Natural Gas, LLC (AES Agreement). Under this Agreement, AES will provide administrative and pipeline construction and maintenance services per the allocation methods described in the Agreement.

V. BENEFITS OF THE TRANSACTION IN THE PUBLIC INTEREST

A. No Adverse Impact Upon Retail Competition and Employees.

29. Under Section 2210(a)(1) of the Public Utility Code, the Commission is required to consider whether a proposed acquisition or disposition of assets or securities of natural gas distribution companies is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power. 66 Pa.C.S. § 2210(a).

30. Given the modest number of customers currently served by Herman Riemer Gas Company (approximately 634 retail and gas customers in total), Buyer's acquisition of Herman Riemer Gas Company will not result in the unlawful exercise of market power or anticompetitive or discriminatory conduct.

31. Given its small size, Herman Riemer Gas Company is not required to implement retail gas choice in its service territory.

32. Under Section 2210(a)(2) of the Public Utility Code, the Commission is required to consider the impact that a proposed acquisition or disposition of assets or securities of natural gas distribution companies may have on the employees of the natural gas distribution company. 66 Pa.C.S. § 2210(a)(2). In this transaction two of Herman Riemer Gas Company's employees (James Riemer and his wife Dale Riemer) are retiring from their years of service to ratepayers in operating the company and providing managerial oversight and administrative services. Herman Riemer's other two full-time employees, who provide field services, will become employees of Riemer Natural Gas, LLC, continuing in their current positions and helping to provide a seamless transition in this acquisition. Herman Riemer also employs one part-time employee who works approximately 320 hours per year whose position will be eliminated. The affiliated interest agreements with Herman Oil and Gas, SME Well Services, and AES will provide all other employees and services necessary to operate Riemer Natural Gas, LLC and if any additional employees are necessary, Riemer Natural Gas, LLC submits that it will employ Pennsylvanians, and will use Pennsylvania businesses vendors, when possible, to provide service. Thus, the transaction will promote the policy at the core of Section 2210(a)(2).

B. Affirmative Public Benefits of the Acquisition

33. In *City of York v. Pa. P.U.C.*, 449 Pa. 136, 295 A.2d 825 (1972), the Pennsylvania Supreme Court provided the legal standard for approval of public utility acquisitions and mergers:

[A] certificate of public convenience approving a merger is not to be granted unless the Commission is able to find affirmatively that public benefit will result from the merger [T]hose seeking approval of a utility merger [are required to] demonstrate more than the mere absence of any adverse effect upon the public [T]he proponents of a merger [are required to] demonstrate that the merger will affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way.

34. In *Popowsky v. Pa.P.U.C.*, 937 A.2d 1040 (2007), the Pennsylvania Supreme Court interpreted the Public Utility Code and the City of York standard as satisfied by a simple preponderance of benefits and that such standard can be shown by a likelihood or probability of public benefits that need not be quantified or guaranteed. As explained below, the acquisition of Herman Riemer Gas Company by Riemer Natural Gas, LLC clearly meets or exceeds this standard.

35. The transfer will result in synergy savings. Under the AES Agreement, post-transaction Riemer Natural Gas, LLC will provision office space, billing and recordkeeping, and customer service from AES, which currently provides these services to the public utility Herman Oil and Gas. This may create significant savings as Herman Riemer Gas Company currently has expenses for lease of office space and employee salaries and benefits of its own, which will in part be eliminated and replaced with an allocation of these expenses from AES. In addition, the affiliated relationship between these companies in conjunction with Mr. Smith's leadership will provide significant other efficiencies for Riemer Natural Gas, LLC, including increased access to capital for infrastructure and technological improvements.

36. The transaction will promote safety and environmental concerns associated with Herman Riemer Gas Company's wells. Upon acquiring the wells, Riemer Natural Gas, LLC will examine and consider whether potential well issues need remedied. Some of Herman Riemer Gas Company's wells may be in need of remediation, and if left unchecked could create environmental concerns and cost issues effecting ratepayers. Riemer Natural Gas, LLC's commitment to examine this issue is a substantial benefit to ratepayers, safety, and the environment.

37. The transaction will benefit Seller, customers, and the economy through Mr. Smith's expanding natural gas focused business committed to providing service at just and reasonable rates in this rural area. James and Dale Riemer who are currently responsible for managing and administering Herman Riemer Gas Company have served ratepayers for many years and will now retire, transferring the utility to Mr. Smith's business, where ratepayers will receive the benefit of economies of scale, synergies with other utility and non-utility functions, and an innovative and growing company. Mr. Smith's expanding business and provision of natural gas service in the area will continue to benefit the local economy through acquiring the assets of Herman Riemer Gas Company.

38. Andrew Smith, president and sole shareholder of Riemer Natural Gas, LLC and Herman Oil and Gas Company has a successful history of serving rural Butler County in territory that neighbors Herman Riemer Gas Company's territory and will continue this excellent service post-transaction at Herman Riemer Gas Company. As mentioned above, since Mr. Smith acquired Herman Oil and Gas in 2013, the company has only had one non-rate case related formal complaint since that acquisition. In addition, Mr. Smith has taken steps at Herman Oil and Gas to improve infrastructure, recordkeeping, billing, and customer service at Herman Oil and Gas since acquiring the Company. After the proposed transfer, Mr. Smith will review the operations of Herman Riemer Gas Company to see if similar improvements should be made there.

39. The transfer and change of name will provide clarity to customers and the Commission. In the past there has been confusion by both customers and the Commission concerning Herman Riemer Gas Company and Herman Oil and Gas Company, where bill payments, complaints and/or Commission filings and notices have been submitted to one

company but concerned the other company, presumably because of the proximity of the companies and the shared word “Herman” in each companies’ names. Post-transaction, Riemer Natural Gas, LLC will have a wholly distinguishable name from Herman Oil and Gas. Moreover, under their common ownership and operations, if any confusion between the two companies exists, it will be simpler to remedy.

40. All of the affirmative benefits discussed herein are in the public interest and warrant approval of the application.

C. Seamless Transition to Customers and No Adverse Effect on Service and Rates

41. The transfer of will have no adverse effect on service, and as explained above, Riemer Natural Gas, LLC expects to implement improvements in service over time.

42. The proposed Acquisition does not change any duly filed and effective rate. These rates will remain in effect and will be amended from time-to-time in accordance with law.

VII. MISCELLANEOUS PROVISIONS

43. In addition to approval from the Commission, Riemer Natural Gas, LLC will acquire all necessary approval or transfers of permits that may be required from the Department of Environmental Protection.

44. All Commission general assessments against Herman Riemer Gas Company have been paid.

45. Since Herman Riemer Gas Company will no longer exist as an entity and no longer provide natural gas distribution service, Joint Applicants request the Commission approve abandonment by Herman Riemer Gas Company and the Estate of Anna Pearl Riemer of all

natural gas distribution service and cancel its certificate of public convenience upon closing of the transaction.

46. Joint Applicants also request all other approvals and certificates appropriate, customary, or necessary under the Public Utility Code to carry out the transactions contemplated in this Application in a lawful manner.

IX. CONCLUSION

WHEREFORE, for all the foregoing reasons, Joint Applicants, Herman Riemer Gas Company, Riemer Natural Gas, LLC, the Estate of Anna Pearl Riemer and James and Dale Riemer, respectfully request that the Commission grant as applicable all necessary and customary approvals and issue the certificates of public convenience under the Public Utility Code to:

1. Transfer the assets of Herman Riemer Gas Company from the Estate of Anna Pearl Riemer to Riemer Natural Gas, LLC;
2. Approve the Affiliated Interest Agreements contained in this Application;
3. Approve Herman Riemer Gas Company and the Estate of Anna Pearl Riemer's abandonment of service and termination of its certificate of public convenience; and
4. Grant the Joint Application and any and all approvals necessary to carry out the transactions contemplated in this Application.

Respectfully submitted,



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Harrisburg, PA 17101
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(717) 236-1300

Attorney for Riemer Natural Gas, LLC

Date: May 2, 2017

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*Attorney for Herman Riemer Gas Company
and the Estate of Anna Pearl Riemer*

Respectfully submitted,

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Attorney for Riemer Natural Gas, LLC

Date: May 1, 2017



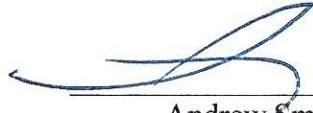
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*Attorney for Herman Riemer Gas Company
and the Estate of Anna Pearl Riemer*

VERIFICATION

I, Andrew Smith, President of Riemer Natural Gas, LLC, hereby state that the facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



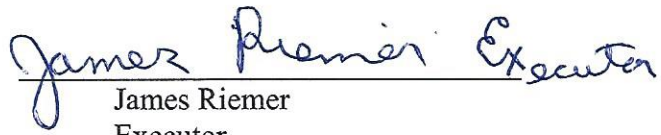
Andrew Smith
President
Riemer Natural Gas, LLC

Date: May 1, 2017

VERIFICATION

I, James Riemer, Executor of the Estate of Anna Pearl Riemer, hereby state that the facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).


James Riemer
Executor
Estate of Anna Pear Riemer

Date: May 1, 2017

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into, as of March 16 2017, by and among:

The Estate of Anna Pearl Riemer, as the owner and operator of a business entity commonly known as, and doing business within the Commonwealth of Pennsylvania as, the Herman Riemer Gas Company and/or Riemer Gas Company, with James H. Riemer as the executor of such estate (hereinafter the "Estate" or "Seller" and the "Executor" respectively);

and

Riemer Natural Gas, LLC, a Pennsylvania limited liability company with an office located at P. O. Box 156, Herman, PA 16039, its successors and assigns (hereinafter the "Buyer").

RECITALS:

WHEREAS, the Estate is the owner and operator of a natural gas company commonly known as the "Herman Riemer Gas Company" and/or "Riemer Gas Company" (collectively, "the Company"), located at 134 Winfield Road, Sarver, Butler County, Pennsylvania, a regulated public utility in Pennsylvania under 66 Pa. C.S. 101 *et seq.*, subject to Pennsylvania Public Utility Commission ("PUC") jurisdiction, that operates two related lines of business: (1) a gas distribution business (the "Distribution Business") that delivers natural gas to residential and commercial customers for their internal use via a network of gas distribution lines; and (2) a gas drilling business (the "Drilling Business") that owns gas leases, gas wells and well heads and extraction equipment for the purpose of extracting underground natural gas for delivery of such natural gas to and through the Distribution Business;

WHEREAS, in connection with its operation of the Distribution Business and the Drilling Business the Estate is the owner, operator and/or possessor of real estate, leases, contracts, customer lists, accounts due and receivable, equipment and inventory as more specifically described herein;

WHEREAS, subject to the terms and conditions of this Agreement, the Buyer desires to obtain certain tangible and intangible business assets and easements and rights of way from the Estate related to the Distribution Business and the Drilling Business, which together shall be referred to as the "Business";

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained, and intending to be legally bound hereby, the parties to this Agreement agree as follows.

**ARTICLE I
THE TRANSFER**

1.1 Transfer of Assets.

(a) Transfer of Certain Personal Property. The Estate shall transfer and deliver to the Buyer, and the Buyer shall receive from the Estate on the Closing Date and under the terms of this Agreement, all of the assets described in this Section 1.1(a) and those assets described in Sections 1.1(b) and 1.1(c) below (which together shall be referred to as the "Acquired Assets"), to the extent owned by the Estate and able to be transferred to the Buyer:

- (1) The Estate's residential service accounts and related contracts for the provision of natural gas, described in Schedule 1.1(a)(1);
- (2) The Estate's commercial service accounts and related contracts for the provision of natural gas, described in Schedule 1.1(a)(2);
- (3) The Estate's wholesale, public and agricultural service accounts and related contracts for the provision of natural gas, described in Schedule 1.1(a)(3);
- (4) The Estate's pipelines (plastic and metal), gas transmission lines, secondary transmission lines, and related equipment from supply input point to the point of delivery to customer used by the Business;
- (5) The Estate's meters and regulators at point of customer service, point of supply input and elsewhere throughout the Estate's pipeline system as used in the Business;
- (6) The Estate's operating equipment, tools and related equipment, pertaining to the Business, and the Estate's two vehicles described in Schedule 1.1(a)(6);
- (7) All the gas wells (hereinafter the "Gas Wells") listed in Schedule 1.1(a)(7), together with all well heads, pipe fittings, leased fixtures, extraction equipment, leased equipment of the Estate used in the Business in connection with the Gas Wells; and
- (8) All the files, documents, books, records or other materials owned by the Estate which are associated with the construction, design, placement, operations, utilization, of the Acquired Assets (defined above) and the Business to the extent required by the Buyer ("Files");
- (9) All rights under any leases or subleases and all leasehold interests owned by the Estate in furtherance of the operation of

ATTACHMENT A

the Gas Wells and the Distribution Business (the "Leases"), plus all rights under all other contracts or agreements related to the Business to which the Estate is a party (including without limitation the Huntley Agreement, as defined in Section 1.1(e)) (collectively, the "Assigned Contracts");

- (10) All permits, licenses, registrations, certificates, orders, approvals, franchises, variances and similar rights ("Permits") issued by or obtained from any governmental, regulatory or administrative authority or agency, court or arbitral tribunal in connection with the Business;
- (11) All accounts receivable of the Estate as described in Section 2.8 (a) hereof; and
- (12) All customer deposits that are listed in Schedule 1.1(a)(12) as of the Closing Date pursuant to Section 4.7 hereof.

(b) Transfer of Business Name and Intangibles. In addition to the above-referenced Acquired Assets, the Estate shall transfer, assign and deliver to the Buyer on the Closing Date and under the terms of this Agreement, all right, title and interest in and to the following Acquired Assets related to the Business, to the extent owned by and transferable by the Estate, including without limitation:

- (1) The fictitious names "Riemer Gas Company" and "Herman Riemer Gas Company" as have been utilized and maintained by the Estate and/or the Business;
- (2) All, trademarks, service marks, trade drafts, logos, trade names and business names and registrations and applications for registration thereof, trade secrets and confidential business information, processes and techniques used in connection with the Business (collectively, together with the fictitious names, the "Intellectual Property").

(c) Easements and Rights of Way. In addition to the Acquired Assets transferred pursuant to Section 1(a) and 1(b), above, the Estate shall convey, assign and transfer to the Buyer on the Closing Date under the terms of this Agreement all of the Estate's easements and rights of way related to the Business to the extent owned by and transferable by the Estate ("Easements").

(d) Acquired Assets and Absence of Liens. Except as provided in Section 1.1(e), below, all of the assets described in Sections 1.1(a), 1.1(b) and 1.1(c) above shall comprise the Acquired Assets. As of the Closing Date (as defined in Section 1.3, below) all of the Acquired Assets shall be free and clear of all liens, encumbrances, security interests, and mortgages ("Liens").

(e) Excluded Assets. Notwithstanding anything contained herein to the contrary, the Estate shall not convey to the Buyer, and the term "Acquired Assets" shall not include, any interests conveyed to Huntley & Huntley Energy Exploration, LLC under

the terms of that certain Letter Agreement for the Sale of Deep Rights dated May 27, 2015, by and between the Estate and Huntley & Huntley Energy Exploration, LLC, a copy of which is attached hereto as Exhibit A (the "Huntley Agreement").

1.2 Purchase Price.

(a) **Payments.** The purchase price to be paid by the Buyer for the Acquired Assets shall be Ninety Thousand Five Hundred Seventy-Seven Dollars and Seventy-Four Cents (\$90,577.74) (the "Purchase Price"). The parties agree that the Buyer shall pay to the law firm of Tucker Arensberg, P.C. the sum of Ten Thousand Dollars (\$10,000.00) simultaneously with the execution of this Agreement, to be held by Tucker Arensberg, P.C. in accordance with the terms set forth in Section 1.2(b) below. The remainder of the Purchase Price shall be paid at the Closing (as defined in Section 1.3 below).

(b) Tucker Arensberg shall hold and distribute the amount paid to it pursuant to Section 1.2(a), above (the "Escrowed Funds") pursuant to the following terms:

(1) The Escrowed Funds shall be held in Tucker Arensberg's normal non-interest bearing escrow account.

(2) If the Closing occurs within the time period provided in this Agreement, including Section 5.11 hereof, the Escrowed Funds shall be distributed to the Estate at the Closing as part of the Purchase Price.

(3) If the Closing fails to occur within the time period provided in this Agreement (including Section 5.11 hereof) because the Estate has breached this Agreement, the Buyer shall notify Tucker Arensberg in writing that the Buyer is terminating this Agreement because of the Estate's breach (specifying the breach) and shall send a copy of such notice to the Estate, and, unless the Estate delivers a written objection to Tucker Arensberg within ten (10) days after the Buyer's delivery of its notice, Tucker Arensberg shall deliver the Escrowed Funds to the Buyer.

(4) If the Closing fails to occur within the time period provided in this Agreement (including Section 5.11 hereof) because the Buyer has breached this Agreement, the Estate shall notify Tucker Arensberg in writing that the Estate is terminating this Agreement because of the Buyer's breach (specifying the breach) and shall send a copy of such notice to the Buyer, and, unless the Buyer delivers a written notice of objection to Tucker Arensberg within ten (10) days after the Estate's delivery of its notice, Tucker Arensberg shall deliver the Escrowed Funds to the Estate.

(5) In all other events Tucker Arensberg shall deliver the Escrowed Funds as instructed by the Buyer and the Estate in a writing signed by both parties or pursuant to a final and non-appealable order of court.

(6) The parties hold Tucker Arensberg harmless and indemnify Tucker Arensberg equally for any expense or loss (including reasonable attorneys fees) related to claims made in connection with this Asset Purchase Agreement under this

Section 1.2(b), unless the loss or expense arises in connection with Tucker Arensberg's acts or failures to act amounting to recklessness or intentional misconduct.

1.3 Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place no later than thirty (30) days after the last to occur of (1) the approval by the Public Utilities Commission of this Asset Purchase Agreement and (2) the receipt of all other consents or approvals necessary for the transfer of the Acquired Assets, and shall take place at a date and time to be mutually agreed upon by all parties (the "Closing Date"). The parties hereto acknowledge and agree that they intend for the Closing Date to occur on or before November 1, 2017.

(b) At the Closing:

(1) The Estate shall execute and deliver to the Buyer a Bill of Sale in the form reasonably acceptable to Buyer and the Estate, any required blanket assignments and such other instruments of conveyance as the Buyer and the Estate may reasonably agree in order to effect the transfer, conveyance and assignment to the Buyer of all of the Estate's interest in the Acquired Assets;

(2) Buyer and Estate shall each execute and deliver an Assignment and Assumption Agreement in a form reasonably agreeable to the Buyer and the Estate whereby, among other things, the Buyer shall agree to assume all of the Assumed Liabilities described in Section 1.6 hereof,

(3) The Estate shall deliver to the Buyer any other executed certificates, instruments and documents, each dated the Closing Date necessary to transfer to the Buyer all of the Estate's right, title and interest in and to the Acquired Assets, which certificates, instruments and documents, together with the Bill of Sale and Assignment and Assumption Agreement described in Section 1.3(b)(1) and Section 1.3(b)(2) above, shall be called the "Transfer Documents";

(4) The Estate shall deliver to the Buyer, or otherwise put the Buyer in possession, constructive possession or control of, all of the Acquired Assets of a tangible nature; and

(5) Buyer shall deliver the total amount of the Purchase Price in accordance with Section 1.2 in immediately available funds.

1.4 Allocation/responsibility for administrative expenses and taxes. The parties agree that, to the extent that either has retained or utilized the services of legal counsel, realtors, accountants, engineers or other administrative entities, they shall each be solely liable and responsible for their own incurred costs and expenses without contribution from one another. Further, the parties expressly acknowledge that any sales or transfer taxes associated with the transfer of the assets or property shall be split equally between the Buyer and the Estate.

ATTACHMENT A

1.5 Assumption of Assumed Liabilities. The Buyer hereby assumes the following obligations and liabilities of the Estate:

- (a) All obligations arising after the Closing related to the Huntley Agreement, the Leases and the Assigned Contracts;
- (b) All obligations to comply with the terms of all Permits after the Closing;
- (c) All other obligations that are assumed pursuant to Section 1.4;
- (d) Any accrued vacation, severance or similar benefits that the Estate may owe to those employees of the Business that are hired by the Buyer, as more fully detailed in Schedule 1.6 (d);
- (e) All obligations related to plugging the Gas Wells listed in Schedule 1.1(a)7;
- (f) All of the Company's accounts payable, as listed in Schedule 1.5(f) to the extent not paid in the ordinary course at the Closing Date and accounts payable incurred by the Business from the date on which Buyer has reviewed outstanding accounts payable as reflected in Buyer's notice to Seller through the Closing Date in the ordinary course;
- (g) All obligations to preserve and return those customer deposits that are listed as of the Closing Date on Schedule 1.1(a)(12) pursuant to Section 4.7; and
- (h) Any other obligation of the Business that relates to the ownership of the Acquired Assets or operation of the Business after the Closing (together with the items set forth in Sections 1.5(a) through 1.5(g), the "Assumed Liabilities").

1.6 Limit on Assumption of Liabilities. Except as provided in Section 1.4 and Section 1.5, above, the Buyer shall not assume or become responsible for any and all liabilities or obligations of the Estate that relate to the Estate's operation of, or ownership of, the Acquired Assets before the Closing.

1.7 Further Assurances. At any time and from time to time after the Closing, at the request of either party, and without further consideration, each party to this Agreement shall cooperate with the requesting party in executing and delivering such other instruments of transfer, conveyance, assignment or assumption, and shall take such action as the requesting party may reasonably determine is necessary, to transfer the Acquired Assets to the Buyer and/or to cause the Buyer to assume the Assumed Liabilities; provided that such actions shall not result in the cooperating party's suffering any additional material expense or incurring any additional material liability.

**ARTICLE II
REPRESENTATIONS AND WARRANTIES OF
THE ESTATE AND DISCLAIMER**

James Howard Riemer represents and warrants, to the best of his knowledge and with no duty of inquiry, as follows:

2.1 Authority. James Howard Riemer is the duly appointed and serving Executor of the Estate. The Estate has all requisite power and authority to execute and deliver this Agreement and any Transfer Documents and to perform the Estate's obligations hereunder. This Agreement, and all Transfer Documents executed by the Estate are legally binding on and enforceable against the Estate and all persons holding an interest in the Estate. Neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will (a) violate any provision of any documents creating or governing the Estate, (b) violate in any material respect any law applicable to the Estate, the Company or any of their respective properties or assets, or (c) violate, conflict with, result in a breach of, or constitute a default under, any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other contract to which Estate or the Company is a party or by which the Estate or the Company or any of their respective properties or assets may be bound.

2.2 Warranty of Title. The Estate makes no warranty as to title to any parcels represented by the Leases, nor does it warrant its title to, or ownership of, the Leases, the Gas Wells and the Easements, other than the representation that, at the Closing, the Leases, the Gas Wells and the Easements will be free and clear of any liens or encumbrances of any persons claiming under or through Estate, and that the Leases are, to the knowledge and belief of Estate, being "Held by Production" (i.e. "HBP"). Buyer is acquiring all of the Estate's Leases that are currently possessed and/or utilized by the Estate in connection with the operation of the Business, to the extent that such Leases are transferable and the Buyer is not prohibited from acquiring such Leases. Except for the warranties set forth in the preceding two sentences, the Estate disclaims any representation or warranty with respect to accuracy or completeness of any title opinion or title information or HBP status relating to the Leases, the Gas Wells and the Easements, and Buyer acknowledges that it has been given full access to the records of the Estate for its own due diligence in connection with such matters and is relying entirely on its own due diligence related to the ownership, transferability and validity of the Gas Wells, the Leases and the Easements, as well as any parcels related to such items.

2.3 Tax Matters. The Estate has timely filed (timely being understood to include all property granted extensions) all returns required to be filed by it with respect to all federal, state and local and foreign income, payroll, withholding, excise, sales, personal property, use, business and occupation, franchise and occupancy, real estate, or other taxes (all of the foregoing taxes including interest and penalties thereon and including estimated taxes, being hereinafter collectively the "Taxes") and has paid all Taxes shown to have become due pursuant to such returns and has paid all other Taxes for which it has received a notice of assessment or demand for payment or has otherwise been

made aware of a deficiency. All such returns or reports are true and correct in all material respects.

2.4 Ownership and Condition of Tangible Personal Property. The Estate is transferring the tangible personal property that makes up the Acquired Assets, free and clear of all Liens of any persons claiming under or through Estate. The Estate makes no warranty with respect to the condition, fitness for use or ownership of the tangible personal property making up any part of the Acquired Assets, and such tangible personal property is being transferred "as is, where is." Buyer agrees that it is relying entirely on Buyer's own due diligence in connection with such items of tangible personal property.

2.5 Accounts Receivable. Buyer is acquiring all accounts receivable of the Distribution Business. Attached hereto as Schedule 2.5 is an Accounts Receivable Report which identifies outstanding customer accounts as of the date on which Buyer has reviewed outstanding accounts payable as reflected in Buyer's notice to Seller. Schedule 2.5 shall be updated on or as of the Closing Date. Buyer makes no warranty as to the collectability of such Accounts Receivable.

2.6 Litigation. Schedule 2.6, which is attached hereto and made a part hereof, identifies, and contains a brief description of, (a) any unsatisfied judgment, order, decree, stipulation or injunction and (b) any claim, complaint, action, suit, proceeding, hearing or investigation of or in any governmental entity or before any arbitrator to which the Estate is a party or, to the knowledge of the Estate, is threatened to be made a party. None of the complaints, actions, suits, proceedings, hearings, and investigations set forth in Schedule 2.6 could result in the imposition of any liability on the Buyer or have a material adverse effect on the assets, business, and financial condition, results of operations or future prospects of the Buyer or the post-closing operations of the Business or the Acquired Assets. Except as set forth on Schedule 2.6, (1) there are no pending or, to the knowledge of Seller, threatened actions or proceedings, at law or in equity, by or before any governmental authority against Seller or the Company or any of their respective properties or assets that (a) challenge the validity or enforceability of this Agreement or seek to enjoin or prohibit the consummation of the transactions contemplated by this Agreement or (b) if adversely determined, would, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business or the Acquired Assets, and (ii) there is no outstanding injunction, order, judgment or decree by or with any governmental authority, to which the Company or any of its properties or assets is subject, which would, individually or in the aggregate, reasonably be expected to have a materially adverse effect on the Company or the Acquired Assets.

2.7 Employees. Schedule 2.7 is a list of all of the employees of the Estate who are employed in the Distribution Business (along with the position and the annual rate of compensation of each such person).

2.8 Liabilities. Neither the Company nor the Acquired Assets are subject to any liabilities of which Executor has knowledge that would reasonably be expected to have a

material adverse effect on the Business or the Acquired Assets if determined adversely to the Company.

2.9 Licenses and Permits. The Company or Estate possesses or holds all licenses, permits and authorizations of governmental authorities required under applicable law for the conduct of its business as now conducted. All such licenses, permits, and authorizations are in full force and effect, and neither Seller nor the Company has received written notice asserting any violation of any such license, permit or authorization. The Company is in material compliance with laws applicable to it or any of its assets, properties or operations.

2.10 Contracts. The Estate is not in material breach of, or default under, any contract that will be transferred to Buyer pursuant to this Agreement, and, to the knowledge of the Executor, no other party to any such contract is in material breach thereof or default thereunder. True and complete copies of all such Contracts including all amendments and modifications thereof have been made available to Buyer.

2.11 Environmental Matters. To the Knowledge of Seller, the Company is in compliance in all material respects with all applicable Environmental Laws, and possesses and is in compliance with all material Environmental Permits required under such laws, for the conduct of its business operations as currently conducted, and no written notice, demand, request for information, citation or complaint has been received by the Company from and, to the Knowledge of Seller, no action or proceeding is pending or threatened by, any Governmental Authority against the Company, with respect to any applicable Environmental Law. This warranty is being made as of the date of execution of this Agreement and as of the Closing Date.

Other than the representations and warranties set forth in this Article II, the Executor disclaims making any representation or warranty with respect to this Agreement or the Transaction contemplated hereby.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE BUYER AND DISCLAIMER

The Buyer represents and warrants to the Estate as follows:

3.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

3.2 Authorization of Transaction. The Buyer has all requisite power and authority to execute and deliver this Agreement and the Transfer Documents and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transfer Documents by the Buyer and the performance of this Agreement and the consummation of the transactions contemplated hereby and thereby by the Buyer have been duly and validly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly and validly executed and delivered by the

Buyer and constitutes a valid and binding obligation of the Buyer, enforceable against it in accordance with its terms.

3.3 Non-contravention. Neither the execution and delivery of this Agreement or the Transfer Documents by the Buyer, nor the consummation by the Buyer of the transactions contemplated hereby or thereby, will (a) conflict or violate any provision of the charter or By-laws of the Buyer, or (b) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer or any of its properties or assets.

3.4 Broker's Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

Other than the representations and warranties set forth in this Article III, Buyer disclaims making any representation or warranty with respect to this Agreement or the Transaction contemplated hereby.

ARTICLE IV COVENANTS

4.1 Proprietary Information. From and after the Closing, the Estate shall hold in confidence, and shall use its best efforts to have all of its agents hold in confidence, all knowledge, information and documents of a confidential nature or not generally known to the public with respect to the Distribution Business, the Leases, the terms of this Agreement and the Buyer (including without limitation the financial information, technical information or data relating to the Distribution Business, the Leases and the names of customers and/or lessors of the Distribution Business) and shall not disclose or make use of the same without the written consent of the Buyer, except to the extent that such knowledge, information or documents shall have become public knowledge other than through a breach of this Agreement by the Estate or shall otherwise be required to be disclosed.

4.2 Sharing of Data.

(a) The Estate shall have the right for a period of seven years following the Closing to have reasonable access to those books, records and accounts, including financial and tax information, correspondence, production records, employment records and other records that are transferred to the Buyer pursuant to the terms of this Agreement, to the extent that any of the foregoing are needed by the Estate in order to comply with its obligations under applicable securities, tax, environmental, employment or other laws and regulations. The Buyer shall not destroy any such books, records or accounts without first providing the Estate with the opportunity to obtain or copy such books, records or accounts.

(b) Promptly upon request by the Estate made at any time during the seven-year period following the Closing Date, the Buyer shall authorize the release to the Estate of all files pertaining to the Estate, the Acquired Assets, leases or the business

ATTACHMENT A

operations of the Estate held by any federal, state, county or local authorities, agencies or instrumentalities to the extent that any of the foregoing are needed by the Estate in order to comply with its obligations under applicable securities, tax, environmental, employment or other laws and regulations.

4.3 Use of Name. The Estate agrees not to use the name "Herman Riemer Gas Company," "Riemer Gas Company" or any name reasonably similar thereto after the Closing Date in connection with any business related to, competitive with, or an outgrowth of, the Business as conducted by the Estate on the date of this Agreement.

4.4 Employees. Buyer agrees to employ Jeff Riemer and David F. Cedzo for a period of two years after the Closing at their current compensation, provided that Buyer may terminate such employment for cause. The term "Cause" shall mean: (a) the employee's continuing failure to perform his duties as an employee (provided that such duties are similar to the duties performed prior to the Closing) after being given a written notice of such failure and a reasonable opportunity to cure his failure; (b) the misappropriation (or attempted misappropriation) of any of the Employer's funds or property; (c) the conviction of, the indictment for, or the entering of a guilty plea with respect to, a felony, or the equivalent thereof, or (d) failure to comply with PUC safety rules and regulations including, but not limited to, satisfactory fulfillment of drug and alcohol screening tests. Effective as of the Closing, the Estate shall terminate the employment of each of its employees who are working in the Business.

4.5 Government Approval. All parties hereto understand and acknowledge that the transfer of Acquired Assets under this Agreement may be subject to the review and approval of the local court having jurisdiction over the Estate and by applicable regulatory agencies of the Commonwealth of Pennsylvania. The Closing under this Agreement is expressly contingent upon the parties obtaining all required governmental and regulatory approvals for the contemplated acquisition. The Estate and the Buyer shall each exercise reasonable commercial efforts, including, but not limited to retaining counsel, to obtain the approval of the Pennsylvania Orphan's Court, if required, the Pennsylvania Public Utilities Commission, and such other governmental approvals as may be required, and the Closing shall be conditioned on the parties' receipt of such approvals; provided that the Buyer shall pay all reasonable expenses that are related to obtaining the required approvals of the Public Utilities Commission, except legal fees incurred by the Estate, and the Estate shall pay all reasonable expenses in connection with seeking Orphans' Court approval. Both parties shall cooperate in obtaining such approvals.

4.6 Allocation of Purchase Price. The Buyer and the Estate shall cooperate in good faith in agreeing to the allocation of the Purchase Price among the Acquired Assets in compliance with the applicable rules of the Internal Revenue Service, and each party to this Agreement shall timely file Form 8594 reflecting such agreed upon allocation.

4.7 Customer Deposits. Upon the execution of this Agreement the Estate shall have provided a complete list of the customer deposits then held by the Estate, including the date of receipt of each deposit. The Estate shall provide an updated list of customer deposits immediately before the Closing, and the Estate shall transfer such listed

deposits to the Buyer at the Closing by delivering such documents as may be required to effect such transfer. The Buyer agrees to assume all post-Closing obligations with respect to the preservation and return of such listed and transferred deposits.

4.8 Conduct of Business. Seller shall cause the Company to conduct its business in the ordinary course of business consistent with past practices except as otherwise provided in this Agreement, and use commercially reasonable efforts to: (1) preserve intact its present organization; (ii) maintain in effect all material licenses, permits or governmental approvals necessary to carry on its business as currently conducted; and (iii) preserve material existing relationships with its customers, suppliers and others having material business relationships with it.

ARTICLE V MISCELLANEOUS

5.1 Repair and Replacement. Buyer is acquiring the tangible assets of the Estate that are a part of the Acquired Assets (the "Acquired Tangible Assets") in an "as-is" condition and assumes sole liability for the condition of the Acquired Tangible Assets as of the Closing Date, and further assumes sole responsibility for the cost of maintaining, repairing and/or replacing all Acquired Tangible Assets. Buyer agrees to and shall indemnify and hold the Estate and the Executor harmless for any liability arising from the condition of the Acquired Tangible Assets from and after the Closing Date and for any all costs to repair replace the Acquired Tangible Assets.

5.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties to this Agreement and their respective successors and permitted assigns.

5.3 Entire Agreement. This Agreement (including the documents referred to herein and attached hereto) constitutes the entire agreement between the parties hereto and supersedes any prior understandings, agreements, or representations by or between the parties hereto, written or oral, that may have related in any way to the subject matter hereof.

5.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. Neither such party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party; provided that the Buyer may assign its rights, interests and/or obligations hereunder to an affiliate of the Buyer upon the reasonable consent of the Estate.

5.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures transmitted electronically shall have the same force and effect as original signatures.

5.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

5.7 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing to the address set forth hereinabove. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly delivered two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service, in each case to the intended recipient at the addresses set forth below:

To the Buyer:

Riemer Natural Gas, LLC
P. O. Box 156
Herman, PA 16039

To the Estate:

Estate of Anna Pearl Riemer
134 Winfield Road
Sarver, PA 16055

Either party to this Agreement may give any notice, request, demand, claim, or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail). Either party to this Agreement may change the address to which notices, requests, demands, claims, or other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

5.8 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the parties. No waiver by either party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

5.9 Specific Performance. Each party to this Agreement acknowledges and agrees that the other party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which it may be entitled, at law or in equity.

ATTACHMENT A

5.10 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

5.11 Time May Be of the Essence. If full performance of this Agreement is not completed by the date set forth herein, either party shall have the right after that date to declare time to be of the essence of this Agreement by giving written notice to the other party. Such notice shall contain a declaration that time is of the essence and shall fix the time, date and place of final settlement, which date may not be sooner than fifteen (15) days nor later than thirty (30) days following the effective date of giving such notice.

5.12 Recording. This Agreement shall not be recorded in full, except that a memorandum of this Agreement or other similar recorded notice, certificate or similar document, may be filed in the appropriate governmental office in order to provide public notice of the transfer of that portion of the Acquired Assets where recording of public notice is normally required.

5.13 Limitation of Liability. The Executor should not be personally liable under any representation, warranty, or covenant of this Agreement or any violation of the terms herein, except for a breach of warranty under Article 2 to the extent of his knowledge, limited by the amount of the purchase price of this Agreement, provided that the limit on personal liability shall not apply in cases of common law fraud.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

ATTACHMENT A

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ESTATE:

The ESTATE OF ANNA PEARL RIEMER
d/b/a/ HERMAN RIEMER GAS COMPANY and
RIEMER GAS COMPANY, INC.

By: _____
James Howard Riemer, Executor

BUYER:



Riemer Natural Gas, LLC

ESCROW AGENT:

Tucker Arensberg, P.C.

By: _____
(Solely for purposes of agreeing to Section 1.2(b))

ATTACHMENT A

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The ESTATE OF ANNA PEARL RIEMER
d/b/a/ HERMAN RIEMER GAS COMPANY and
RIEMER GAS COMPANY, INC.

By: James Howard Riemer, Executor
James Howard Riemer, Executor

BUYER:

Riemer Natural Gas, LLC

ESCROW AGENT:

Tucker Arensberg, P.C.

By: _____
(Solely for purposes of agreeing to Section 1.2(b))

ATTACHMENT A

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ESTATE:

The ESTATE OF ANNA PEARL RIEMER
d/b/a/ HERMAN RIEMER GAS COMPANY and
RIEMER GAS COMPANY, INC.

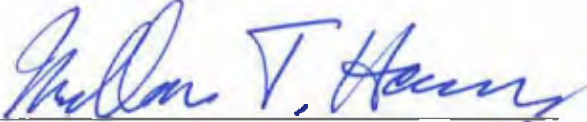
By: _____
James Howard Riemer, Executor

BUYER:

Riemer Natural Gas, LLC

ESCROW AGENT:

Tucker Arensberg, P.C.

By: 
(Solely for purposes of agreeing to Section 1.2(b))

ATTACHMENT B

Affiliate Supply Agreement

Between Riemer Natural Gas, LLC and Herman Oil and Gas, Inc.

This Affiliate Supply Agreement (Agreement) is entered into this __ day of _____, to become effective upon approval of the Pennsylvania Public Utility Commission (PUC), between Riemer Natural Gas, LLC, (Riemer) a Pennsylvania Public Utility, with offices at 137 Harris Rd., Butler, PA 16002 and Herman Oil & Gas, Inc, (Herman) with offices at 137 Harris Rd., Butler, PA 16002, (collectively the Parties).

WHEREAS, Riemer Natural Gas LLC is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 800 residential/commercial customers. Riemer is owned and operated by Mr. Andrew E. Smith, President. In addition, Mr. Smith also owns and operates Herman Oil & Gas, Inc, and has five full-time or contract employees; and

WHEREAS, Herman is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 425 residential/commercial customers. Herman is owned and operated by Mr. Andrew E. Smith, President; and

WHEREAS, Riemer obtains administrative services, customer service, and office space from Herman.

WHEREAS, Riemer and Herman are affiliated through common ownership and operation. Andrew E. Smith is both the sole shareholder and President of both Riemer and Herman; and

WHEREAS, Riemer desires to purchase from Herman and Herman desires to provide administrative services, customer service, and office space to Riemer under the terms set forth in this Agreement.

1. The Parties agree as follows:
2. **Sale.** Herman shall provide administrative services, customer service, and office space to Riemer.
3. **Purchase.** Riemer Shall purchase administrative services, customer service, and office space from Herman.
4. **Price.** Riemer shall pay Herman usual and customary rates for such services that will not exceed rates Herman charges for substantially similar services provided to Herman.
5. **Other Suppliers.** Riemer's use of Herman is not an exclusive arrangement and Riemer is free to seek and obtain administrative services, customer service, and office space from

ATTACHMENT B

other providers. Riemer may contract with a different Supplier (Substituted Supplier) without amending this Agreement if the Substituted Supplier is not a Riemer or Herman affiliate.

6. **Term.** The initial term of the Agreement is one year, beginning on the date of PUC approval. The Agreement will renew on a year-to-year basis, and Riemer may, in its sole discretion, amend the Agreement subject to amendment provisions in the Agreement.
7. **Amendment.** The Agreement may be amended in writing. No amendment shall be effective until approved by the PUC.

Andrew E. Smith, President
Riemer Natural Gas LLC.

Andrew E. Smith, President
Herman Oil and Gas Company, Inc.

Affiliate Supply Agreement

Between Riemer Natural Gas, LLC and SME Well Services, LLC.

This Affiliate Supply Agreement (Agreement) is entered into this __ day of _____, to become effective upon approval of the Pennsylvania Public Utility Commission (PUC), between Riemer Natural Gas, LLC (Riemer) a Pennsylvania Public Utility, with offices at 137 Harris Rd., Butler, PA 16002 and SME Well Services, LLC. (SME) with offices at 137 Harris Rd., Butler, PA 16002, (collectively the Parties).

WHEREAS, Riemer Natural Gas, LLC. (Riemer) is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 800 residential/commercial customers. Riemer is owned and operated by Mr. Andrew E. Smith, President. In addition, Mr. Smith also owns and operates Herman Oil & Gas, Inc, and has five full-time or contract employees; and

WHEREAS, SME Well Services LLC (SME) is a natural gas production company that produces and proposes to sell gas in Butler County to Riemer, among others. SME is owned and operated by Mr. Andrew E. Smith, President; and

WHEREAS, Riemer purchases approximately 36% of the natural gas required to meet customer demand from SME; approximately 64% from an unaffiliated main supplier (Main Supplier), presently Peoples Natural Gas (Peoples). Peoples' service is provided under its tariff approved by the PA PUC. Peoples is local utility that is connected to the Riemer system; and

WHEREAS, Riemer and SME are affiliated through common ownership and operation. Andrew E. Smith is both the sole shareholder and President of both Riemer and SME; and

WHEREAS, Riemer desires to purchase from SME and SME desires to sell to Riemer natural gas under the terms set forth in this Agreement.

The Parties agree as follows:

1. **Sale.** SME shall sell natural gas to Riemer.
2. **Purchase.** Riemer Shall purchase natural gas from SME.
3. **Price.** Riemer shall pay SME a rate no greater than 97% of the monthly invoiced price of natural gas that Riemer purchases from its Main Supplier.
4. **Quantity.** Riemer's monthly purchased quantity of natural gas from SME is the difference between Riemer's monthly customer usage, per MCF (1,000 cubic feet) as determined by Riemer, and the monthly invoiced quantities from Riemer's Main Supplier and Secondary Supplier.

ATTACHMENT C

5. **Other Suppliers.** Riemer may contract with a different Main Supplier or Secondary Supplier (Substituted Supplier) without amending this Agreement if the Substituted Supplier is not a Riemer or SME affiliate and the Substituted Supplier is a PUC registered supplier or PUC tariffed utility.
6. **Term.** The initial term of the Agreement is one year, beginning on the date of PUC approval. The Agreement will renew on a year-to-year basis, and Riemer may, in its sole discretion, amend the Agreement subject to amendment provisions in the Agreement.
7. **Amendment.** The Agreement may be amended in writing. No amendment shall be effective until approved by the PUC.

Andrew E. Smith, President
Riemer Natural Gas LLC.

Andrew E. Smith, President
SME Well Services LLC.

Affiliate Supply Agreement

Between Riemer Natural Gas, LLC and AES Specialized Services LLC.

This Affiliate Supply Agreement (Agreement) is entered into this __ day of _____, to become effective upon approval of the Pennsylvania Public Utility Commission (PUC), between Riemer Natural Gas, LLC, (Riemer) a Pennsylvania Public Utility, with offices at 137 Harris Rd., Butler, PA 16002 and AES Specialized Services LLC. (AES) with offices at 137 Harris Rd., Butler, PA 16002, (collectively the Parties).

WHEREAS, Riemer Natural Gas LLC, is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 634 residential/commercial customers. Riemer is owned and operated by Mr. Andrew E. Smith, President. In addition, Mr. Smith also owns and operates Herman Oil & Gas, Inc, and has five full-time or contract employees; and

WHEREAS, AES, is a pipeline construction and maintenance company that provides services in several counties of western Pennsylvania including Riemer, among others. AES is owned and operated by Mr. Andrew E. Smith, President; and

WHEREAS, Riemer purchases all of its administrative and pipeline construction and maintenance services from AES.

WHEREAS, Riemer and AES are affiliated through common ownership and operation. Andrew E. Smith is both the sole shareholder and President of both Riemer and AES; and

WHEREAS, Riemer desires to purchase from AES and AES desires to provide administrative and pipeline construction and maintenance services to Riemer under the terms set forth in this Agreement.

The Parties agree as follows:

1. **Sale.** AES shall provide administrative and pipeline construction and maintenance services to Riemer.
2. **Purchase.** Riemer Shall purchase administrative and pipeline construction and maintenance services from AES.
3. **Price.** Riemer shall pay AES usual and customary rates for such services that will not exceed rates AES charges for substantially similar services provided to other natural gas production companies and natural gas utilities in western Pennsylvania.
4. **Other Suppliers.** Riemer's use of AES is not an exclusive arrangement and Riemer is free to seek and obtain pipeline construction and maintenance services from other companies. Riemer may contract with a different Supplier (Substituted Supplier) without amending this Agreement if the Substituted Supplier is not a Riemer or AES affiliate.

ATTACHMENT D

5. **Term.** The initial term of the Agreement is one year, beginning on the date of PUC approval. The Agreement will renew on a year-to-year basis, and Riemer may, in its sole discretion, amend the Agreement subject to amendment provisions in the Agreement.
6. **Amendment.** The Agreement may be amended in writing. No amendment shall be effective until approved by the PUC.

Andrew E. Smith, President
Riemer Natural Gas LLC.

Andrew E. Smith, President
AES Specialized Services LLC.