

Exhibit “I”

AGREEMENT OF WASTEWATER COLLECTION SYSTEM SALE

THIS AGREEMENT is made this 25th day of OCTOBER 2018, by and between, Jacobus Borough Sewer Authority, a municipal corporation of York County, Pennsylvania ("Authority") and The York Water Company, a public utility corporation organized under the laws of the Commonwealth of Pennsylvania, having its principal office in the City of York, York County, Pennsylvania ("York Water").

WHEREAS, the Authority is a duly organized municipal corporation that owns facilities used for and is engaged in the business of collecting and transporting wastewater from inhabitants in and around the Borough of Jacobus; and

WHEREAS, the Authority is willing to sell, and York Water is willing to purchase substantially all of the Wastewater Collection System of the Authority (as defined in Paragraph 2.1 of this Agreement); and

WHEREAS, York Water is a Pennsylvania public utility engaged in the business of collecting, treating, and disposing wastewater to the public in various portions of York County, Pennsylvania; and

WHEREAS, York Water is willing to operate such Wastewater Collection System, subject to York Water's regular rules, regulations and tariffs applicable from time to time to wastewater customers of York Water.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **SALE AND PURCHASE OF ASSETS.** At Closing (as defined in Paragraph 5 of this Agreement), subject to the terms and conditions of this Agreement, the Authority shall sell,

assign, transfer and convey to York Water and York Water shall purchase the Assets (as defined in Paragraph 2 of this Agreement) for the Purchase Price (as defined in Paragraph 3 of this Agreement).

2. DESCRIPTION OF ASSETS. The term "Assets" means the Wastewater Collection System, as defined in Paragraph 2.1 of this Agreement.

2.1. Description of Wastewater Collection System. The term Wastewater Collection System means all of the real property, physical property, equipment and facilities comprising the existing Wastewater Collection System owned and operated by the Authority, with attendant easements (if any), rights-of-way (if any), personal property, fixtures and equipment, all as more fully described on **APPENDIX A** hereto attached and made a part hereof.

2.2. Excluded Assets. There is excluded from the sale and the Authority reserves unto itself all funds designated as funds of the Authority including, specifically, any checking accounts, savings accounts, accounts receivables, insurance, and other investments related to the Wastewater Collection System and the provision of wastewater services by the Authority.

3. PURCHASE PRICE. The Authority agrees to sell, assign, transfer and convey the Assets, and York Water agrees to purchase the Assets, for the consideration of Two Million One Hundred Thousand (\$2,100,000.00) Dollars less an amount equal to the total amount of prepaid tapping fees paid to the Authority for all reserved capacity as evidenced by any reservation of capacity agreements, a list of which is set forth on **APPENDIX A.1**. The Authority will take all actions necessary to authorize the sale of the Wastewater Collection System to York Water, and will prosecute all such actions in good faith and with due diligence.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS.

4.1. **Title.** The Authority represents and warrants to York Water that it has good title to its Wastewater Collection System as defined in Section 2 and described in **APPENDIX A** free and clear of all liens and encumbrances except existing easements, conditions and restrictions, if any, that do not materially impact the operation of the Wastewater Collection System.

4.2. **Current Service.** The Authority represents and warrants to York Water that it is presently serving approximately 686 wastewater customers on a regular basis and holds 767 Equivalent Dwelling Units (EDUs) of conveyance and treatment capacity with the Springfield Township York County Sewer Authority.

4.3. **Compliance with Statutes and Regulations.** The Authority represents and warrants to York Water that to the best of its knowledge it complies with any and all applicable statutes and regulations relevant to the operation of the Wastewater Collection System.

4.4. **Outstanding Obligations.** Any existing refunding arrangements, agreements or contracts have been disclosed to York Water and shall remain the obligation of the Authority with the exception of the Intergovernmental Agreement dated August 16, 1995 and the First Supplemental dated July 19, 2006 between the Authority and Springfield Township York County Sewer Authority, which shall be assigned to York Water.

4.5. **Delinquency.** The Authority represents and warrants that it is not delinquent or in default on any loan.

4.6. **Litigation.** The Authority represents and warrants that there is no litigation of any nature, pending or threatened against or involving the Authority seeking to restrain or enjoin, or restraining or enjoining, the sale of the Wastewater Collection System to York Water or the execution and delivery by the Authority of this Agreement or the Closing Documents.

The Authority has received no notice and has no knowledge of any action, claim or proceeding

pending or threatened against it or the Authority which questions the validity of the Agreement or actions of the Authority to be taken hereunder.

4.7. **Authorization to Sell.** The Authority consents to the sale and transfer of the Wastewater Collection System to York Water by official and proper action taken by the Authority at a regularly scheduled public meeting held on October 24, 2018 and as further represented by execution of this Agreement. The Authority has taken all actions necessary to authorize the execution of a Bill of Sale and other Closing documents necessary to complete this transaction.

4.8. **Representations of York Water.** York Water represents that it is properly licensed and authorized by the Commonwealth of Pennsylvania and Public Utility Commission and has the full right, power and authority to execute, deliver and carry out the terms of this Agreement and to consummate the transaction contemplated on its part as buyer herein once approval has been granted by the Commission to provide wastewater service to the Authority. The individuals who have executed this Agreement and other documents herein on behalf of York Water have the authority to legally bind the Company in the present Agreement. This Agreement and all other agreements and documents executed in connection herewith by York Water, upon due execution and delivery thereof, shall constitute the valid binding obligation of York Water, enforceable in accordance with their respective terms, except as enforcement may be limited by law or equity.

4.9 **Provision of Service by York Water.** The Authority will take all necessary action to permit York Water to provide Wastewater Collection within the Service Territory.

4.10 **Continuance of Representations and Warranties.** The parties hereto agree that the foregoing respective representations and warranties shall be true as of the date of the Agreement and as of the Closing, subject, however, to any changes after the date of the

Agreement because of any action expressly contemplated by this Agreement or otherwise approved in writing by both parties. The Authority further agrees that its representations and warranties to York Water in this Agreement shall survive closing for a period of two (2) years.

5. **CLOSING.** The Closing shall take place within 30 days after all conditions set forth in Paragraph 6 have been met.

6. **CONDITIONS TO CLOSING.** The obligation of York Water to proceed to Closing is subject to fulfillment of the following further conditions:

6.1. **Regulatory Approvals.** This Agreement is subject to York Water receiving all requisite permits and approvals for the transaction contemplated by this Agreement, as required, from the Pennsylvania Public Utility Commission ("Commission"), the Pennsylvania Department of Environmental Protection ("DEP"), and any and all other applicable authorities having jurisdiction. York Water shall initiate and timely prosecute in good faith and with due diligence, at its sole expense, necessary proceedings to obtain such permits and approvals. The Authority agrees to provide such information, documents and assistance as may be reasonably requested by York Water in order to obtain such approvals.

7. **CLOSING DOCUMENTS.** At the Closing, The Authority shall sell, transfer, assign and convey to York Water the property described on **APPENDIX A** and shall deliver or cause to be delivered the following documents:

7.1. **Bill of Sale** for the real property, personal property, assignments of the easements and rights-of-way, if any. The Authority's real property assets are identified on **APPENDIX A**.

7.2. **Certificates** duly signed by the Authority Chair and Authority Secretary to the effect that the representations and warranties set forth in Paragraph 4 hereof are true and correct as of the Closing.

7.3. **Certified copies of all Resolutions** of the Authority **and certified copies of all Ordinances** of Jacobus Borough that relate to the provisions of this Agreement, together with certifications that said Resolutions and Ordinances are in full force and effect and were duly adopted.

7.4. **Copies of operating records** relating to the Wastewater Collection System as may be reasonably required by York Water including, but not limited to, a copy of the customer list stating the names and addresses of all wastewater users and documentation substantiating the methodology and Authority's conclusion for assigning Equivalent Dwelling Unit (EDU) equivalency for multi-EDU properties.

7.5. **A favorable opinion of the solicitor** for the Authority to the effect that to the best of the solicitor's knowledge:

- i. The Authority has the legal capacity to sell its Wastewater Collection System as contemplated by this Agreement; and that this Agreement has been duly executed and delivered by the Authority;
- ii. The Closing Documents have been duly executed and delivered;
- iii. The Authority has duly complied with the provisions of the Pennsylvania Authority Code applicable to this transaction; and
- iv. To the best of the solicitor's knowledge, there is no litigation or proceedings pending or threatened against the Authority, which relate adversely to the Authority's ability (a) to conduct its business, (b) to transfer its assets or (c) to consummate the transactions contemplated by this Agreement.

7.6. **Covenants of Further Assurances** to the effect that the Authority shall from time to time take such further actions and execute and deliver such other documents and

instruments at the request and cost of York Water as may be necessary or desirable to give full force and effect to the provisions of the Agreement.

8. PLACEMENT OF UTILITY FACILITIES IN PUBLIC ROAD RIGHTS-OF-WAY. The Authority agrees to assign to York Water the Authority's use, without charge, of the streets, highways, and alleys of Jacobus Borough for the laying, maintenance, use, repair, and relaying of such laterals, collectors, pipes, manholes, and other facilities deemed necessary or desirable by York Water for the collection and transportation of wastewater in Service Territory; provided, however, that York Water shall lay, maintain, use, repair and relay such facilities in accordance with the requirements set forth in the Borough's Street Occupancy Ordinance , as may be amended from time to time, and subject to Authority inspection, and shall restore such streets, highways and alleys to the similar condition existing prior to performing any such work; and provided further, that nothing contained herein or in the grant of such franchise shall be deemed in derogation of the police power of the Authority.

9. COVENANTS OF YORK WATER. York Water hereby covenants and agrees as follows:

9.1 Rates to Customers. York Water shall bill monthly for wastewater service and adopt the wastewater rate set by the Authority and in effect at the time of execution of this Agreement. Said rates are monthly rates as described in APPENDIX B. York Water shall maintain the monthly rates described in APPENDIX B for a period of three (3) years from the execution date of this Agreement or until adjusted from time to time by the Commission, whichever is later.

9.2 Service Territory. York Water agrees to provide wastewater service to the Service Territory that includes all current customers and the Borough of Jacobus ("Service Territory").

9.3 Insurance Coverage. As of the date of Closing, York Water agrees to secure all necessary insurance coverage for the ownership and operation of the Wastewater Collection System.

9.4 Assignment of agreements. As of the date of Closing, York Water agrees to the assignment of the aforementioned agreement with Springfield Township Municipal Authority and all of the obligations and payments thereunder.

10. COMMISSION. No broker's, finder's or agent's fees or commission shall be due or payable by York Water for or in connection with this Agreement for either the sale or the purchase of the Authority Wastewater Collection System. York Water represents that it has had no dealing with any broker, or agent in connection with this transaction except elected or appointed officers of the Authority.

11. REGULAR COURSE OF BUSINESS.

11.1. Conduct of Business. At all times between the dates of this Agreement and the Closing, the Authority agrees to conduct its business of providing wastewater collection and transportation service to its wastewater customers and the operation of its Wastewater Collection System and to keep the books relating thereto in the ordinary manner and regular and customary course of business and the Authority further agrees not to dispose of any of the assets of said Wastewater Collection System without the prior written consent of York Water, and further agrees not to enter into any collection system extension agreements that call for the Authority to make the extension at its cost, or changes to the system or any other material change or agreement without prior written approval of York Water, except further, as to all of the foregoing, as may be necessary or appropriate in order to comply with applicable law. The Authority will not terminate or fail to renew any of its insurance coverage prior to Closing. At

all times between the dates of this Agreement and the Closing, the Authority shall continue as the certified operator in responsible charge of the Wastewater Collection System.

11.2. **Final Bill.** On the date of Closing, the Authority will bill its customers for all wastewater furnished by it prior to the Closing and shall retain all funds received for wastewater collection furnished as of that date. To the extent possible, the closing date shall be on or about the last working day of the calendar month following receipt of all permits necessary for York Water to operate the Wastewater Collection System, including, but not limited to, a Certificate of Public Convenience from the Commission, but no less than 30 days from the issuance of such permit unless both parties agree to an alternate closing date. York Water will bill its customers within the Service Territory for all wastewater collection after the date of Closing and shall retain all funds received for wastewater service from that date forward.

12. **ASSUMPTION OF LIABILITIES.** It is understood and agreed that York Water is purchasing assets and does not assume any obligations or liabilities of the Authority except as specifically provided herein. The Authority will indemnify and hold York Water harmless from any liability or claim arising from the Authority's obligations or liabilities not expressly assumed by York Water.

13. **RISK OF LOSS.** Except as otherwise provided in this Agreement, the Authority assumes all risks of destruction, loss, or damage to the Wastewater Collection System due to fire or other casualty up to the date of Closing. In the event any of the Wastewater Collection System shall be destroyed or damaged prior to the date of Closing, the part or parts so destroyed or damaged shall be replaced or repaired by the Authority at its sole cost and expense, except as otherwise provided in this Agreement, and unless York Water agrees that the purchase price provided herein may be reduced by an amount equal to the estimated cost of replacement or repair of the part or parts so destroyed or damaged; provided, however, if any

such destruction or damage shall, in the opinion of York Water, be so extensive as to materially and adversely affect the operating condition of the Wastewater Collection System, then, and in that event, York Water shall not have any obligations whatsoever to the Authority by reason hereof.

14. ACCESS AND INFORMATION. The Authority will give to authorized representatives of York Water, upon reasonable notice, full access during normal business hours throughout the period prior to the Closing to the assets, inventory, books, contracts, extension agreements, and records of the Authority relating to the Wastewater Collection System, and furnish York Water during such period with all such material and information relating thereto as York Water may reasonably request.

15. RIGHTS OF THE PUC, DEP AND OTHER REGULATORY AGENCIES. York Water is regulated by the PUC as well as other governmental agencies. Nothing in this Agreement is intended to supersede, expand, or limit any powers of these regulatory agencies. In all conflicts between this Agreement and another regulatory agency, the regulatory agency requirements shall supersede this Agreement.

16. CAPTIONS. The paragraph captions contained in this Agreement shall not be construed as part of the Agreement, but are used merely for ready reference purposes.

17. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

18. CONSTRUCTION. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

19. 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:

If to The Authority, to:

Mr. Roger Coleman
Chairman
Jacobus Borough Sewer Authority
126 N. Cherry Lane
Jacobus, PA 17407

If to York Water, to:

Jeffrey R. Hines
President and CEO
The York Water Company
130 East Market Street
York, PA 17401

20. **DEFAULT.** Time shall be of the essence with respect to performance of any obligation arising under this Agreement. Should either party violate or fail to fulfill and perform any of the terms and conditions of this Agreement, the non-breaching party may elect to proceed against the breaching party for either actual damages incurred by the non-breaching party or to pursue specific performance of this Agreement.

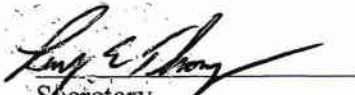
21. **RECORDING.** This Agreement shall not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record.

22. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the Authority and York Water. There are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this sale. Further, this Agreement shall not be altered, amended, changed or modified except in writing executed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officials and officers as of the date first above written.

ATTEST:

JACOBUS BOROUGH SEWER AUTHORITY

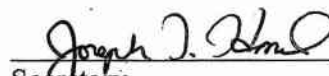

Secretary

By: Roger W. Coleman
Chairman

(SEAL)

ATTEST:

THE YORK WATER COMPANY


Secretary

By: Jeffrey R. Hines
Jeffrey R. Hines, President and CEO

(SEAL)

APPENDIX A – ASSETS

- A. All sanitary pressure sewer, sanitary gravity sewer, sewage force main, sanitary laterals (from the collection facilities of the Authority to the sewer to edge of right-of-way or street), curb boxes and appurtenant fixtures and equipment in place and used in the wastewater collection system.
- B. All wastewater lift (pumping) stations, if any, and vaults, if any, valves and manholes presently in place in the wastewater collection and pumping system.
- C. York County Parcel ID Number 72000010002A000000
- D. York County Parcel ID Number 72000GI0117E000000
- E. York County Parcel ID Number 720000500490000000
- F. York County Parcel ID Number 72000FI0043A000000
- G. York County Parcel ID Number 72000GI0004N000000

Appendix A.1 to Agreement of Wastewater Collection System Sale

JACOBUS BOROUGH SEWER AUTHORITY

JULY 31, 2017

RESERVED EDU

Date	Property Owner	Location	No. EDU	Tap Fee	Amount	EDU	Note
			Reserved	Paid	Paid	Not Paid	
97/98	Paul L. Smith	Church St.	15	15	24250.35		Returned 7 on 11/10/09
97/98	JHA Properties	N. Main St.	8	6	9700.14	2	Formerly AMP
97/98	Ronald Gaynor	York Rd.	7	5	8083.45	2	Used 1 of 8 originally reserved
97/98	Mary Ann Lentz	E. Meadow St.	4	2	3233.38	2	
97/98	John Mchenry	Water St.	3	1	1616.69	2	
97/98	Lance Beard	Water St.	1	1	1616.69		
97/98/2012	William Acker	S. Main St.	16	2	1616.69		Paid \$1800 12/18/09 for additional EDU
97/98	Keith Klinedinst	9 York Rd.	1	1	1800		
97/98	UCC Church	Franklin/United	1	0		1	Unclear if they can use the EDU
7/24/2000	Edna Criswell	Valley Rd.	1	1	1800		
9/22/2000	Bradley Peters	Maple St.	1	1	1800		Had 2 reserved, used 1
2/13/2001	DADDS Corp.	York Rd.	6	0		6	Meadow St. lot 104 to Habitat
12/18/2002	Jacobus Borough	S. Pleasant Ave.	2	2	3600		Purchased from Pauline Smith
1/30/2017	James & Debbie Loucks	Park St./Meadow St.	1	1	1800		Purchased from Craig Poff/Edward Poff
9/8/2004	Stephen Mitchell	E. Meadow St.	1	1	1800		
12/9/2004	Sam Jamison	Hidden Hill Farm Rd.	1	1	1800		
9/14/2007	Irene Rentzel	S. Main St.	1	1	1800		
5/12/2010	Kim Beard	S. Main St.	1	1	1800		Transferred from Keith Kohr Estate
7/11/2012	R. Seltz	225 N. Main St.	0	0			On line 7/1/2017
2/1/2013	James & Debbie Loucks	Park St	1	1	1800		Lot purchased from Jean poff
4/17/2015	DADDS Corp.	York Rd.	1	1	1800		Rear of 29 N. Main St.
9/11/2015	Jason Smith	S. Pleasant Ave.	1	1	1800		Purchased at Sept. meeting
		TOTAL	74	45		15	
9/15/2015	EDU Connected		691.5				
	EDU Connected + Reserved		765.5				
	EDU Allocated		767				By Sp Twp Treatment Plant
	Available EDU		1.5				

APPENDIX B – RATES

Authority's Current Monthly Rate

\$55 per EDU for the first 4,000 gallons of water plus \$5.00 per 1000 gallons above 4,000 gallons

York Water's Projected Monthly Rate

\$55 per EDU for the first 4,000 gallons of water plus \$5.00 per 1000 gallons above 4,000 gallons