
EXHIBIT B

ASSET PURCHASE AGREEMENT

Execution Version

ASSET PURCHASE AGREEMENT

By and Between

The Township of Lower Makefield, Bucks County

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of September 17, 2020

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September ____, 2020 (the “Effective Date”), is made and entered into by and between the **Township of Lower Makefield**, Bucks County, a body corporate and politic, organized under the laws of the Commonwealth of Pennsylvania (the “Seller”), and **Aqua Pennsylvania Wastewater, Inc.**, (the “Buyer”), a Pennsylvania corporation.

WITNESSETH:

WHEREAS, the Seller, acting by and through its board of supervisors (the “Seller Board”), owns that certain sanitary wastewater collection and treatment system (the “System”) that provides sanitary wastewater service to various customers in the Township of Lower Makefield, Pennsylvania, and portions of Falls Township, Bucks County, Pennsylvania, as set forth on Schedule A (the “Service Area”); and

WHEREAS, prior to the Closing, the Seller intends to (i) terminate the Municipal Sewer Authority of the Township of Lower Makefield (the “Authority”) pursuant to Sections 5619 and 5622 of the Pennsylvania Municipal Authorities Act, (ii) take ownership of the System, to the extent any parts of the System or System improvements are not already owned by the Seller, and (iii) assume all obligations of the Authority, to the extent any obligations of the Authority exist and are outstanding on the Effective Date;

WHEREAS, Buyer is a regulated public utility that furnishes water and wastewater service to the public in various counties throughout Pennsylvania; and

WHEREAS, Buyer, in reliance upon the representations, warranties and covenants of the Seller in this Agreement, desires to purchase and acquire from the Seller, and the Seller, in reliance upon the representations, warranties and covenants of Buyer in this Agreement, desires to sell, transfer and convey to Buyer all of the assets of the System (other than the Excluded Assets), and in connection therewith, Buyer has agreed to assume certain ongoing obligations and liabilities of the Seller related to such acquired assets, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties, covenants, and agreements in this Agreement, the receipt and sufficiency of which are acknowledged, intending to be legally bound, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms, as used in this Agreement (unless otherwise specified in this Agreement), have the meanings set forth in this Article I:

“**Acquired Assets**” has the meaning specified in Section 2.01.

“**Affiliate**” means, when used to indicate a relationship with a specified Person, means a Person that, directly or indirectly, through one or more intermediaries has a 10% or more voting or economic interest in such specified Person or controls, is controlled by or is under common control with (which include, with respect to a managed fund or trust, the right to direct or cause the direction of the management and policies of such managed fund or trust as manager, advisor, supervisor, sponsor or trustee pursuant to relevant contractual arrangements) such specified Person, and a Person is deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (and for purposes of this definition, a managed fund or trust is deemed to be an Affiliate of the Person managing, supervising, sponsoring or advising such fund or trust and a limited partner in a managed fund or trust is deemed to be an Affiliate of such fund or trust and of the Person managing, supervising, sponsoring or advising such fund or trust).

“**Agreement**” has the meaning specified in the Preamble to this Agreement (and includes all Schedules and Exhibits referred to herein), as amended, modified and supplemented from time to time in accordance with the terms hereof.

“**ALTA**” has the meaning specified in Section 2.03.

“**Assigned Contracts**” has the meaning specified in Section 2.01(c).

“**Assignment and Assumption Agreement**” has the meaning specified in Section 13.02(c).

“**Assumed Liabilities**” has the meaning specified in Section 2.04(a).

“**Authorizations and Permits**” mean all licenses, permits, franchises, authorizations, certificates, registrations, consents, orders, adjudications, variances, waivers and approvals currently in effect issued or granted by Governmental Authorities, including without limitation, environmental permits, operating permits and approvals that are held by the Seller that primarily relate directly or indirectly to the operation of the System, including those set forth in Schedule 4.13.

“**Business Day**” means any day that is neither a Saturday, a Sunday nor a day observed as a holiday by either the Commonwealth of Pennsylvania or the United States government.

“**Buyer**” has the meaning specified in the Preamble of this Agreement.

“**Buyer Fundamental Representations**” has the meaning specified in Section 8.01.

“**Buyer Indemnified Persons**” has the meaning specified in Section 8.02.

“**CERCLA**” means the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended.

“**Closing**” means the consummation of the sale and purchase of the Acquired Assets and assumption of the Assumed Liabilities, the release/waiver of liabilities and the other transactions contemplated by this Agreement, all in accordance with the terms and conditions of this Agreement and as provided for in Article XIII.

“**Closing Date**” has the meaning specified in Section 13.01.

“**Closing Effective Time**” has the meaning specified in Section 13.01.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Confidential Information**” means any information about Buyer, Seller or the System related to the transactions contemplated by this Agreement; provided, however, that such term does not include information which the receiving Party can demonstrate (a) is generally available to or known by the public other than as a result of improper disclosure by the receiving Party, (b) is obtained by the receiving Party from a source other than the disclosing Party, provided that such source was not bound by a duty of confidentiality to the disclosing Party with respect to such information, or (c) is legally in the public domain.

“**Corrective Action Plan**” means that Corrective Action Plan submitted by the Seller to the PaDEP on September 21, 2017, which was approved by means of the Seller’s Act 537 Plan on November 5, 2018.

“**Customer Sewer Laterals**” has the meaning specified in Section 2.02(b).

“**Easements**” means all easements, rights of way, licenses, use agreements, occupancy agreements, leases and other agreements and appurtenances for and over the real property of third parties that are necessary for and used in connection with the operation of the System or to provide continuous rights of way for the Acquired Assets (including access thereto).

“**Effective Date**” has the meaning specified in the Preamble.

“**Environment**” means soil, surface waters, ground waters, land, stream sediments, flora, fauna, surface or subsurface strata and ambient air.

“**Environmental Claims**” means all notices of investigations, warnings, notice letters, notices of violations, Liens, orders, claims, demands, suits or administrative or judicial actions for any injunctive relief, fines, penalties, third party claims, or other claims asserting violations of Environmental Requirements or responsibility for Environmental Liabilities.

“**Environmental Conditions**” means the Release of Hazardous Materials or the presence of Hazardous Materials on, in, under or within any property (including the presence in the Environment), other than the presence of Hazardous Materials in locations and at concentrations that are naturally occurring.

“**Environmental Liabilities**” means any legal obligation or liability arising under Environmental Requirements or related to or arising out of any Environmental Condition, including those consisting of or relating to any (a) duty imposed by, breach of or noncompliance

with any Environmental Requirements; (b) environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of Hazardous Materials); (c) Remedial Action undertaken by any Person; (d) bodily injury (including illness, disability and death, and regardless of when any such bodily injury occurred, was incurred or manifested itself), property damage (including trespass, nuisance, wrongful eviction and deprivation of the use of real or personal property), or other losses or damages incurred by any other Person (including any employee or former employee of such Person); (e) any injury to, destruction of, or loss of natural resources, or costs of any natural resource damage assessments; (f) exposure of any Person to any Hazardous Materials; and (g) the presence or Release of any Hazardous Materials.

“Environmental Requirements” mean all present Laws (including common law), regulations, legally binding or otherwise enforceable requirements and Authorizations and Permits relating to human health, pollution, or protection of the Environment (including ambient air, surface water, ground water, land surface or surface strata), including (i) those relating to emissions, discharges, Releases, or threatened Releases of Hazardous Materials, and (ii) those relating to the identification, generation, manufacture, processing, distribution, use, treatment, storage, disposal, release, recovery, transport or other handling of Hazardous Materials. Without limiting the foregoing, the term **“Environmental Requirements”** includes (1) CERCLA; the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Sections 11001-11050; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901-6992k (**“RCRA”**); the Safe Drinking Water Act, 42 U.S.C. Sections 300f to 300j-26; the Toxic Substances Control Act, 15 U.S.C. Sections 2601-2692; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 5101-5127; the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251-1387; the Oil Pollution Act of 1990, 33 U.S.C. Sections 2701--2761; the Clean Air Act, 42 U.S.C. Sections 7401-7671q; the Atomic Energy Act of 1954, as amended, 42 U.S.C. Sections 2011 et seq.; the Low Level Radioactive Waste Policy Act, as amended, 42 U.S.C. Section 2021b et seq.; the Occupational Safety and Health Act, 29 U.S.C. Sections 651-678, and the regulations promulgated pursuant to the above-listed federal statutes, and (2) counterpart Laws and regulations promulgated or issued by any state or local Governmental Authority, specifically including the Pennsylvania Storage Tank and Spill Prevention Act of 1989 (35 Pa. C.S.A. § 6021.101 *et. seq.*).

“EPA” means the United States Environmental Protection Agency, or a successor Governmental Authority with substantially similar power and authority thereto.

“Equipment and Machinery” means (i) all the equipment, tangible personal property, machinery, office furniture and equipment, fixtures, tooling, spare maintenance or replacement parts, environmental testing equipment, and vehicles owned or leased by the Seller (including all leases of such property), which are primarily used in the operation of the System, (ii) any rights of the Seller to warranties applicable to the foregoing (to the extent assignable), and licenses received from manufacturers and Seller of any such item, and (iii) any related claims, credits, and rights of recovery with respect thereto, including those set forth on Schedule 4.10.

“Excluded Assets” has the meaning specified in Section 2.02.

“Excluded Liability” or **“Excluded Liabilities”** means all liabilities other than Assumed Liabilities.

“Files and Records” means all files and records of the Seller primarily relating to the System, whether in hard copy or magnetic or other format including customer and supplier records, customer lists (both current and prospective), customer billing records, manuals, books, files, records, engineering data, procedures, systems, instructions, drawings, blueprints, plans, designs, specifications, equipment lists, parts lists, equipment maintenance records, equipment warranty information, plant plans, specifications and drawings, sales and advertising material, computer software, and records relating to the System, and whether stored on-site or off-site.

“Final Order” means a Governmental Approval by a Governmental Authority as to which (a) no request for stay of the action is pending, no such stay is in effect and if any time period is permitted by statute or regulation for filing any request for such stay, such time period has passed, (b) no petition for rehearing, reconsideration or clarification of the action is pending and the time for filing any such petition has passed, (c) such Governmental Authority does not have action under consideration on its own motion and (d) no appeal to a court or administrative tribunal or a request for stay by a court or administrative tribunal of the Government Authority’s action is pending or in effect and the deadline for filing any such appeal or request for stay has passed.

“Governmental Approval” means any consent, approval, authorization, notice, filing, registration, submission, reporting, order, adjudication or similar item of, to or with any Governmental Authority.

“Governmental Authority” or **“Governmental Authorities”** means any court, department, commission, board, bureau, municipality, municipal authority (established pursuant to the Pennsylvania Municipal Authorities Act of the Commonwealth of Pennsylvania), agency or instrumentality of the United States, any state, county, city or political subdivision thereof, or any foreign governmental body, including without limitation, the PaPUC, the EPA, PaDEP, and Seller Board.

“Hazardous Materials” means any solid, liquid, gas, odor, heat, sound, vibration, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic substance, hazardous waste, residual waste, solid waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Requirements or which is classified as hazardous or toxic under applicable Environmental Requirements (including gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation).

“Indemnified Party” means any Buyer Indemnified Persons or Seller Indemnified Persons, as applicable, entitled to indemnification pursuant to Article VIII.

“Indemnifying Party” means a Party which is obligated to indemnify the Buyer Indemnified Persons or the Seller Indemnified Persons, as applicable, pursuant to Article VIII.

“Insurable Claim” has the meaning specified in Section 6.02(e).

“Knowledge” when used to qualify or limit a Party’s representations or warranties means the knowledge of such Party’s Representatives who are engaged in a material way in the performing the functions of such Party with respect to which the representations are made, after conducting a reasonable investigation and inquiry with respect to the subject matter of the representation.

“Law” means any applicable law, statute, regulation, ordinance, rule, order, judicial, administrative and regulatory decree, judgment, adjudication, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority, as may be in effect at the relevant time or times in the context in which the term is used.

“Liability Cap” has the meaning specified in Section 8.05(c).

“Lien” means any lien in a fixed and ascertainable monetary sum, or any pledge, mortgage, deed of trust or security interest securing a fixed and ascertainable monetary sum, or any charge or claim in a fixed and ascertainable monetary sum. In addition, in connection with Real Property, any item otherwise falling within the definition of a “Lien” must be filed of record by the responsible Party in accordance with the terms of this Agreement.

“Loss” means any and all losses, liabilities, obligations, damages, penalties, interest, Taxes, claims, actions, demands, causes of action, judgments, reasonable attorneys’, consultants’ and other professional fees, and all other reasonable costs and expenses sustained or incurred in investigating, preparing or defending or otherwise incident to any such claim, action, demand, cause of action or judgment or the enforcement of a Party’s rights under Article VIII; except that **“Losses”** do not include punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party in respect of a Third Party Claim.

“Material Adverse Effect,” means a material adverse effect on the business, financial condition or results of operations of the System; provided, however, that no effect arising out of or in connection with or resulting from any of the following will be deemed, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general economic conditions or changes therein; (ii) financial, banking, currency or capital markets fluctuations or conditions (either in the United States or any international market and including changes in interest rates); (iii) conditions affecting the real estate, financial services, construction, water utility or sewer utility industries generally; (iv) any existing event, circumstance, condition or occurrence of which the Buyer has Knowledge as of the Effective Date; (v) any action, omission, change, effect, circumstance or condition contemplated by this Agreement or attributable to the execution, performance or announcement of this Agreement or the transactions contemplated by this Agreement; and (vi) negligence, intentional misconduct or bad faith of the Buyer or its Representatives.

“Missing Easements” means, as of any particular date, each Easement that is for or used in connection with the operation of the System or to provide continuous and unimpeded rights of

way for the Acquired Assets (including access thereto) that either (a) has not been obtained by Seller and is for or used in connection with the operation of the System or (b) if such Easement has been obtained by Seller, such Easement is unrecorded or such Easement is not sufficient to operate the System as currently conducted.

“MMA Agreement” means that agreement dated September 1, 1977 by and among Municipal Authority of the Borough of Morrisville, Borough of Yardley, Yardley Borough Sewer Authority, Township of Lower Makefield and Municipal Sewer Authority of the Township of Lower Makefield providing for the treatment and disposal of sewage and waste collected by the Yardley Authority and Lower Makefield Authority by the Morrisville Authority, as amended from time to time.

“Outside Date” means 365 days after the date the application to the PaPUC is accepted as complete by the PaPUC and the statutory six (6) month consideration period is initiated for a regulated utility.

“PaDEP” means the Pennsylvania Department of Environmental Protection, or any successor Governmental Authority with substantially similar powers thereto.

“PaPUC” means the Pennsylvania Public Utility Commission, or any successor Governmental Authority with substantially similar powers thereto.

“Party” means Buyer or the Seller and the term “Parties” means collectively Buyer and the Seller.

“PCB Equipment” means PCB equipment as defined in 40 C.F.R. Part 761.

“Pending Development Plan” means any project for the development of real property which is the subject of a subdivision or land development plan that has been submitted to Seller for approval, or for which Seller already has granted approval but which has yet to be constructed, pursuant to the Pennsylvania Municipal Planning Code as of the Effective Date (and as updated before the Closing Date).

“Permitted Liens” means (a) Liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property and Easements as disclosed on Schedule 4.09; (c) other than with respect to Real Property owned by Seller, Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (d) other imperfections of title or Liens, if any, that have not had, and would not have, a Material Adverse Effect; and (e) any encumbrances identified in the Title Commitment not identified in the Objection Notice in accordance with the procedures and deadlines prescribed in Section 6.02(a).

“Person” means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Authority.

“**Purchase Price**” has the meaning specified in Section 3.01.

“**Real Property**” means those certain parcels of land, with buildings, improvements and Equipment and Machinery thereon or therein, that are part of the System and fee simple title to which owned by Seller.

“**Regulated Asbestos Containing Material**” means regulated asbestos containing material as defined by 40 C.F.R. § 61.141.

“**Release**” means any actual or threatened spilling, leaking, pumping, pouring, injecting, emptying, discharging, emitting, escaping, leaching, dumping, disposal, or release or migration of Hazardous Materials into the Environment, including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Materials.

“**Remedial Action**” means any and all actions to (a) investigate, clean up, remediate, remove, treat, contain or in any other way address any Hazardous Materials in the Environment, (b) prevent the Release or threat of Release or minimize the further Release of any Hazardous Materials so it does not migrate or endanger public health or welfare or the indoor or outdoor Environment, and (c) perform pre-remedial studies and investigations and post-remedial monitoring, maintenance and care. The term “**Remedial Action**” includes any action which constitutes (i) a “removal”, “remedial action” or “response” as defined by Section 101 of CERCLA, 42 U.S.C. §§ 9601(23), (24), and (25); (ii) a “corrective action” as defined in RCRA, 42 U.S.C. § 6901 et seq.; or (iii) a “response” or “interim response” as defined in the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. §6020.103.

“**Representative**” means, with respect to any Party, any director (including, in the case of Seller, any member of the Seller Board), officer, employee, official, lender mortgagee, financier, provider of any financial instrument (or any agent or trustee acting on their behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, contractor, other Person for whom such Person is at law responsible or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its “Representative.”

“**Schedules**” means the disclosure schedules delivered by Seller and Buyer, respectively, concurrently with the execution and delivery of this Agreement, and as may be supplemented and updated pursuant to Sections 9.03 and 10.04. Any disclosure set forth on any particular Schedule is deemed disclosure in reference to all Schedules comprising the Schedules to which such disclosure is reasonably apparent.

“**Seller**” has the meaning specified in the Preamble of this Agreement.

“**Seller Board**” has the meaning specified in the recitals to this Agreement.

“**Seller Fundamental Representations**” has the meaning specified in Section 8.01.

“**Seller Indemnified Persons**” has the meaning specified in Section 8.03.

“**Seller Permits**” means the permits set forth on Schedule 4.13.

“Seller’s Benefit Obligations” means all material obligations, arrangements, or practices, whether or not legally enforceable, to provide benefits, other than salary or wages to present or former directors, employees or agents, (other than obligations, arrangements and practices that are Seller’s Plans), that are owed, adopted or followed by the Seller. “Seller’s Benefit Obligations” also include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies and fringe benefits within the meaning of Code §132.

“Seller’s Plans” means each voluntary employees’ beneficiary association under Section 501(c)(9) of the Code whose members include any Personnel, any “employee benefit plans” within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, or any other retirement, profit sharing, stock option, stock bonus, deferred compensation (including any “nonqualified deferred compensation plan” within the meaning of Section 409A of the Code), severance, sick leave or other material plan or arrangement providing benefits to current or former Personnel, in each case, if either currently in effect or terminated within the last six (6) years, to which the Seller is a plan sponsor or to which the Seller otherwise contributes or has contributed within the last six (6) years, or in which the Seller otherwise participates or has participated within the last six (6) years.

“Service Area” has the meaning specified in the recitals to this Agreement.

“Supplies” means all lubricants, spare parts, fuel, chemicals, raw materials, and other supplies and inventory, and all rights to warranties received from suppliers with respect to the foregoing, and related claims, credits, and rights of recovery with respect thereto.

“System” has the meaning specified in the recitals to this Agreement and includes the Acquired Assets and excludes the Excluded Assets.

“System Improvements” has the meaning specified in Section 7.08(a).

“Taxes” means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, permit fees, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, parking, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, levy, impost, stamp tax, duty, fee, withholding or similar imposition of any kind payable, levied, collected, withheld or assessed at any time, including any interest, penalty or addition thereto, whether disputed or not.

“Threshold Amount” has the meaning specified in Section 8.05(a).

“Title Commitment” has the meaning specified in Section 6.01.

“Title Company” has the meaning specified in Section 6.01.

“Title Policy” has the meaning specified in Section 2.03.

“UCC Search” has the meaning specified in Section 6.04.

“Unscheduled Real Property” has the meaning specified in Section 6.06.

“Utility Valuation Expert” means an expert that has applied and has been approved by the PaPUC and is currently, at the time of this Agreement, on the list of approved appraisers maintained by the PaPUC.

ARTICLE II.

TERMS OF PURCHASE AND ASSUMPTION OF LIABILITIES

Section 2.01. Purchase and Sale of Acquired Assets

Subject to the terms and conditions set forth in this Agreement, at Closing, Buyer shall purchase from the Seller and the Seller shall sell, transfer, assign and deliver to Buyer, free and clear of all Liens except for Permitted Liens, all of Seller's right, title and interest in and to all assets, facilities, business, goodwill, properties and rights of the Seller of every kind and description, whether tangible or intangible, real, personal or mixed, wherever situated, in each case used in, held for use in, or acquired or developed for use in, the System, or otherwise related to, or arising out of the operation or conduct of the System (whether or not any such assets have any value for accounting purposes or are carried or reflected on the books or financial records of the Seller), but in all cases other than the Excluded Assets (the foregoing collectively referred to as the "Acquired Assets"), including:

(a) all real property and appurtenant interests necessary for the operation of the System, including without limitation (i) good and marketable fee simple title to the Real Property as set forth on Schedule 4.09, and (ii) all Easements, including without limitation those identified on Schedule 4.09;

(b) all sanitary wastewater related treatment and conveyance facilities, including but not limited to the Seller's (i) assets set forth on Schedule 2.01(b), (ii) sewage lift and pump stations, and (iii) all collection system mains (whether gravity or force mains), laterals (from the collection system main to the edge-of-road or curb-line when the main is located within a public right-of-way or the edge of an easement where the main is located within private property), generators, manholes, and other related appurtenances and any billing and collections related assets necessary to own and operate the System;

(c) all contracts, licenses and leases identified on Schedule 4.14 to which the Seller is a party, including without limitation, all construction contracts, surety bonds, operation and maintenance agreements, management agreements, reserved capacity agreements, architect agreements and consultant agreements, relating to vehicles and other items of personal property (the "Assigned Contracts");

(d) all Supplies;

(e) all personal property and fixed assets, including all Equipment and Machinery, auxiliary equipment and plant equipment, including without limitation those items set forth on Schedule 4.10;

(f) all prepaid expenses and security deposits paid by Seller;

(g) all Files and Records;

(h) all Authorizations and Permits of or held by the Seller (to the extent transferrable to Buyer under Law), including all Authorizations and Permits which are environmental permits, the Seller Permits, other operating permits and those items set forth on Schedule 4.13; and

(i) all goodwill of the System.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SELLER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY REGARDING ANY REPRESENTATION REGARDING THE FUTURE PROFITABILITY OR FUTURE EARNINGS PERFORMANCE OF THE ACQUIRED ASSETS OR THE SYSTEM OR ANY FUTURE RATEMAKING THAT MAY BE ALLOWED BY THE PAPUC FOR ANY OF THE ACQUIRED ASSETS. NOTWITHSTANDING THE FOREGOING, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE VALID UNTIL THE TIME OF CLOSING.

Section 2.02. Excluded Assets

Notwithstanding anything in the Agreement to the contrary, the Acquired Assets do not include the following (the "Excluded Assets"):

- (a) all contracts, licenses and leases that are not Assigned Contracts;
- (b) any and all connecting facilities originating from Seller's terminus point of collection facilities at the edge-of-road or curb-line or edge of an easement to and throughout the customer's property (the "Customer Sewer Laterals"), including any grinder pumps;
- (c) any and all piping and fixtures internal to each individual customer structure (whether residential, commercial, industrial or other customer classes/types);
- (d) the seals, organizational documents, minute books, Tax returns, books of account or other records having to do with the organization of Seller and all employee-related or employee benefit-related files or records;
- (e) cash (including any cash resulting from the payment to the Seller for EDUs received on or before the Closing Date) and cash equivalents, including accounts receivable and existing financial security guaranteeing installation of public improvements (including sewer facilities);
- (f) all insurance policies of Seller and all rights to applicable claims and proceeds thereunder;
- (g) all rights to any action, suit or claim of any nature available to or being pursued by Seller, whether arising by way of counterclaim or otherwise;
- (h) all assets, properties and rights used by Seller other than those which primarily relate to the ownership and operation of the System;
- (i) the assets, properties and rights specifically set forth on Schedule 2.02(i);

(j) all municipal separate storm sewer system (“MS4”) assets and stormwater assets of the Seller (and any related NPDES permits); and

(k) the rights which accrue or will accrue to Seller under this Agreement and any related agreement, exhibit or schedule.

Section 2.03. Sale Free of Liens

After Buyer fulfills its obligations pursuant to Section 3.01(a), on the Closing Date, the Acquired Assets will be free and clear of all Liens other than Permitted Liens. The Seller shall convey such Acquired Assets by appropriate special warranty or other deed (subject to Section 6.02(c)), bills of sale, endorsements, assignments and other instruments of transfer or conveyance described in the Agreement, or by transfer documents satisfactory in form and substance reasonably acceptable to Buyer and Seller and their counsel in their reasonable discretion. At Closing, Buyer shall cause the Title Company to insure the Real Property, at the Title Company’s filed rates, as a good and marketable title, free and clear of all Liens and exceptions to coverage, except for the Permitted Liens, pursuant to an owner’s policy of title insurance on the American Land Title Association’s (“ALTA”) Owner’s Form 2006, subject to the terms of Section 6.02 (the “Title Policy”).

Section 2.04. Assumption of Liabilities

(a) On the terms and subject to the conditions set forth in this Agreement and excluding the Excluded Liabilities, Buyer shall assume and agrees to pay, perform and discharge when due any and all liabilities and obligations of the Seller (1) arising under the Seller Permits (arising from, related to, or based on events or circumstances occurring on or after the Closing Date), (2) arising under the Corrective Action Plan on or after the Closing and (3) arising out of or relating to the System or the Acquired Assets on or after the Closing, defined as the following:

(i) All liabilities and obligations under the Assigned Contracts (which contain all capacity rights with other municipal entities for treatment of sewage) and Authorizations and Permits resulting from events that occur or conditions that arise on or after the Closing;

(ii) any litigation initiated against Seller related to the System or the Acquired Assets resulting from events that occur on or after the Closing;

(iii) all liabilities and obligations for Taxes relating to the System, its operation, the Acquired Assets and the Assumed Liabilities attributable to the period beginning on the Closing Date; and

(iv) all other liabilities and obligations arising out of or relating to Buyer’s ownership or operation of the System and the Acquired Assets on or after the Closing (all of the aforementioned liabilities in this Section 2.04(a) are referred to as the “Assumed Liabilities”).

(b) Buyer neither assumes nor takes liability for any Excluded Liabilities. For the avoidance of doubt, all liabilities and obligations related to Seller's Plans and Seller's Benefit Obligations are Excluded Liabilities.

Section 2.05. **Further Assurances** At any time and from time to time after the Closing Date, the Seller shall, upon the request of Buyer, and Buyer shall, upon the request of the Seller, at the cost of requesting Party, promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate, (a) the sale, conveyance, transfer, assignment and delivery hereunder of the Acquired Assets to Buyer, (b) the assumption by Buyer of any of the Assumed Liabilities, (c) performance by the Parties of any of their other respective obligations under this Agreement, (d) the vesting in Buyer of all right, title and interest in the Acquired Assets and the System as provided in this Agreement, and (e) any other matters reasonably requested by a Party to carry out the provisions, purposes and intent of this Agreement.

Section 2.06. **Certain Transfers; Assignment of Contracts**

(a) Notwithstanding anything to the contrary in this Agreement, and subject to the provisions of this Section 2.06(a), Section 2.06(b) and Section 12.01(b), to the extent that the sale, transfer, assignment, conveyance and delivery, or attempted sale, transfer, assignment, conveyance and delivery, to Buyer of any Assigned Contract or other Acquired Asset would result in a violation of Law, or would require the consent, authorization, approval or waiver of any Person (other than the Parties), including any Governmental Authority, and such consent, authorization, approval or waiver has not been obtained before the Closing, this Agreement shall not constitute a sale, transfer, assignment, conveyance and delivery, or an attempted sale, transfer, assignment, conveyance and delivery, thereof (any such Acquired Asset, a "Nonassignable Asset"). Following the Closing, the Seller, the Seller and the Buyer shall use its commercially reasonable efforts (at the cost and expense of the Party that is responsible for compliance with such Law or obtaining such consent, authorization, approval or waiver), and shall cooperate with each other, to obtain any such required consent, authorization, approval or waiver, or any release, substitution, novation or amendment required to sell, transfer, assign, convey and deliver any such Nonassignable Asset to Buyer; except that in no event will Buyer be required to pay any consideration therefor. Once such consent, authorization, approval, waiver, release, substitution or amendment is obtained, the Seller shall sell, transfer, assign, convey and deliver to Buyer the relevant Acquired Asset to which such consent, authorization, approval, waiver, release, substitution or amendment relates for no additional consideration. Any applicable sales, transfer and other similar Taxes in connection with such sale, transfer, assignment, conveyance and delivery shall be paid one-half (50%) by Buyer and one-half (50%) by the Seller.

(b) Until such time as a Nonassignable Asset is transferred to Buyer pursuant to this Article II, Buyer and the Seller shall cooperate in any commercially reasonable and economically feasible arrangements (such as subleasing, sublicensing or subcontracting) to provide to the Parties the economic and, to the extent permitted under Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as the Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and

the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, the Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.14 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.14 identifying such contract, and such contract will thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.14 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract will be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL CONSIDERATION

Section 3.01. Purchase Price and Additional Consideration

The purchase price for the Acquired Assets is Fifty Three Million Dollars (\$53,000,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay Three Million Dollars (\$3,000,000) to Seller as a deposit on account of the Purchase Price (the "Deposit") upon the earlier to occur of: (1) the third business day following Buyer's receipt of notice from the PaPUC that the application to the PaPUC for the transaction contemplated by this Agreement has been conditionally accepted; and (2) December 15, 2020. The Deposit shall be governed as follows:

(i) Subject to subparagraph (ii) below, Seller shall be free to use the Deposit upon receipt as it determines in Seller's sole discretion.

(ii) In the event that this Agreement is terminated for any reason, Seller shall return the Deposit to Buyer within ninety (90) days following the effective date of termination per Section 14.01, provided, however, if the Agreement is terminated by Seller pursuant to Section 14.01(c), then Seller shall be permitted to offset against Seller's obligation to refund the Deposit any damages recoverable by Seller per the terms of this Agreement.

(iii) The obligation to refund the Deposit hereunder shall be a general obligation of Seller and shall not be subject to the Threshold Amount or the Liability Cap set forth in Section 8.05.

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures set forth in Section 3.01(c), Buyer shall pay to the Seller at Closing by wire transfer of immediately available funds the balance of the Purchase Price (i.e., after accounting for the Deposit) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(c) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater customers' services for the period on or after the Closing Effective Time, and the Seller is entitled to all such billings before the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to credit the Purchase Price for the appropriate Party on the Closing Date.

Section 3.02. **Fair Consideration**

The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

Section 3.03. **Transfer Taxes**

Any and all deed stamps or transfer Taxes which may be due the Commonwealth of Pennsylvania or any political subdivision in connection with the sale, transfer, assignment, conveyance and delivery hereunder of the Acquired Assets to Buyer (collectively, "Transfer Taxes"), will be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. The terms hereof shall survive Closing.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller makes only the specified representations and warranties as to each of them which are set forth in this Article IV.

As a material inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated by this Agreement, the Seller represents and warrants, as of the

Effective Date (except to the extent any of the following representations and warranties specifically apply to or relate to another date, in which event such representations and warranties shall be true and correct as of such other date), as follows:

Section 4.01. **Organization**

The Seller is a body corporate and politic, duly organized and existing under the laws of the Commonwealth of Pennsylvania.

Section 4.02. **Power and Authority**

The Seller (i) duly adopted the ordinance(s) or resolutions authorizing the transactions contemplated by this Agreement, which is in full force and effect, (ii) duly authorized and approved the execution and delivery of this Agreement and (iii) duly authorized and approved the performance by the Seller of its obligations contained in this Agreement. The Seller has all requisite power and authority to own, lease and operate the Acquired Assets and the System and have the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms of this Agreement.

Section 4.03. **Enforceability**

This Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity.

Section 4.04. **No Conflict or Violation**

The execution and delivery of this Agreement by the Seller, the consummation of the transactions contemplated by this Agreement and the performance by the Seller of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Seller under (i) any Law or (ii) any agreement, instrument or document to which the Seller is a party or by which it is bound.

Section 4.05. **Consents and Approvals**

Schedule 4.05 sets forth a list of each consent, waiver, authorization or approval of any Governmental Authority, or of any other Person, and each declaration to or filing or registration with any Governmental Authority required in connection with the execution and delivery of this Agreement by the Seller or the performance by the Seller of its obligations hereunder.

Section 4.06. **Undisclosed Liabilities**

Except as set forth in Schedule 4.06, there are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Acquired Assets or the System that would be required to be set forth on a balance sheet prepared under generally accepted accounting principles

applicable to municipalities, other than liabilities incurred in the ordinary course that could not reasonably be expected to have a Material Adverse Effect.

Section 4.07. **Absence of Certain Changes or Events**

Except as set forth on Schedule 4.07, since December 31, 2017, there has not been any transaction or occurrence that has resulted or is reasonably likely to result in a Material Adverse Effect and the Seller has operated and maintained the System since December 31, 2017 in the ordinary course.

Section 4.08. **Tax Matters**

Except as set forth in Schedule 4.08 or as would not have a Material Adverse Effect, (i) the Seller has timely paid all Taxes that may have been or may be due and payable by the Seller on or before the Closing Date, arising from the ownership or operation of the Acquired Assets or the System on or before the Closing Date; (ii) no Taxing authority has asserted any claim against the Seller for the assessment of any additional Tax liability or initiated any action or proceeding which could result in such an assertion; and (iii) the Seller has made all withholding of Taxes required to be made under all Laws and regulations, including without limitation, withholding with respect to compensation paid to employees, and the amounts withheld have been properly paid over to the appropriate Taxing authorities.

Section 4.09. **Real Property and Easements**

Schedule 4.09 identifies all of Seller's rights in and to Real Property and Easements Seller owns and uses in the operation of the System. Seller does not lease (as lessee) any real property that is used in the operation of the System. There are no pending condemnation proceedings relating to any of the Real Property or Easements. Seller has not received any written threats of any condemnation proceedings and, to the Knowledge of Seller, no such proceedings are threatened. Seller has not received any written notices of any violations of any Law from any Governmental Authority with respect to the Real Property or the Easements which has not been cured in all material respects and, to Seller's Knowledge, no such violations of Law exist. With respect to the Real Property (i) there are no leases, options, rights of reversions or other rights of use or rights to acquire the Real Property held by third parties, (ii) Seller is in sole possession of the Real Property, and (iii) to Seller's Knowledge there are no encroachments either way across the boundary of the Real Property, nor any dispute with adjacent real property owners over the location of boundaries or potential claims adverse to title. With respect to each Easement, (i) there are no leases, options, rights of reversions or other rights of use or rights to acquire the Easement held by third parties, and (ii) to Seller's Knowledge there are no disputes with adjacent real property owners of the owners of the real property encumbered by the Easement over the location of boundaries or potential claims adverse to title.

Section 4.10. **Equipment and Machinery**

All Equipment and Machinery included in the Acquired Assets is set forth on Schedule 4.10. Except as set forth in Schedule 4.10, the Seller has good title, free and clear of all Liens (other than the Permitted Liens and Liens which are released on or before Closing) to the Equipment and Machinery owned by Seller.

Section 4.11. Seller's Personnel

(a) The Seller has not, in the past five (5) years, effectuated:

(i) a "plant closing" (as defined in the Worker Adjustment and Retraining Notification Act ("WARN Act")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the System; or

(ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the System; nor has the System been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local Law.

None of the Personnel has suffered an "employment loss" (as defined in the WARN Act) during the previous six months.

Section 4.12. Environmental Compliance

Except as set forth in Schedule 4.12 or that otherwise could not be expected to have a Material Adverse Effect:

(a) To the Seller's Knowledge, the System as currently operated by the Seller and all operations and activities conducted by the Seller with respect to the System are in compliance in all material respects with all applicable Environmental Requirements.

(b) To the Seller's Knowledge, the Seller has generated, used, handled, treated, stored and disposed of all Hazardous Materials in (i) compliance in all material respects with all applicable Environmental Requirements and (ii) a manner that has not given, and could not reasonably be anticipated to give, rise to Environmental Liabilities.

(c) Except as has been disclosed to Buyer on Schedule 4.12, the Seller has not received notice of any Environmental Claims related to the System that have not been fully and finally resolved, and to the Knowledge of Seller no claims of Environmental Liabilities have been threatened allegedly arising from or relating to the System that have not been fully and finally resolved.

(d) To Seller's Knowledge, there has been no Release of Hazardous Materials at, on or from any part of the System or the Acquired Assets, in each case in a manner that violates any Environmental Requirements or has resulted in, or could reasonably be anticipated to give rise to, Environmental Liabilities which has not been appropriately resolved pursuant to applicable Environmental Requirements.

(e) No Lien or activity use limitation or institutional control has been recorded affecting any Acquired Assets by any Governmental Authority due to either the presence of any Hazardous Material on or off the Acquired Assets or a violation of any Environmental Requirement except as has been disclosed by Seller to Buyer.

(f) Seller is not aware of any underground storage tanks on or at any of the Acquired Assets. To the Seller's Knowledge, any underground storage tanks previously located at the Acquired Assets have been removed or otherwise closed, plugged and abandoned in compliance with applicable Environmental Requirements in effect at the time of such closure.

(g) To the Seller's Knowledge, there is no PCB Equipment on or at any of the Acquired Assets.

(h) To the Seller's Knowledge, there is no Regulated Asbestos Containing Material in or on the Acquired Assets.

(i) The Seller has delivered to Buyer (1) all material environmental site assessments pertaining to the System it is aware of, (2) all material compliance audits or compliance assurance reviews prepared within the previous five (5) years relating to compliance with Environmental Requirements by the System, and (3) all documents pertaining to, any known and unresolved Environmental Liabilities incurred in relation to the System, to the extent possessed by or under the reasonable control of the Seller.

Section 4.13. **Authorizations and Permits**

Schedule 4.13 sets forth the Authorizations and Permits of the Seller. The Seller has made true and complete copies of all Authorizations and Permits available to Buyer. Except as set forth on Schedule 4.13, the Seller is in compliance in all material respects with all terms, conditions and requirements of all Authorizations and Permits, except in each case where such violation or failure, individually or in the aggregate, would not have a Material Adverse Effect, and no proceeding is pending or, to the Knowledge of the Seller threatened relating to the revocation or limitation of any of the Authorizations or Permits, other than those revocations or limitations which do not individually or in the aggregate have a Material Adverse Effect.

Section 4.14. **System Contracts**

(a) Schedule 4.14 contains a complete and accurate list of all the Assigned Contracts.

(b) The Seller has made available to Buyer true and complete copies of all the contracts related to the System, including the foregoing Assigned Contracts.

(c) All of the Assigned Contracts specified in Schedule 4.14 are in full force and effect. Seller has not, nor to the Knowledge of the Seller has any other party thereto, breached any material provision of or defaulted under the material terms of, nor does any condition exist which, with notice or lapse of time, or both, would cause the Seller, or to the Knowledge of Seller, any other party, to be in default under any Assigned Contract.

Section 4.15. **Compliance with Law; Litigation**

(a) The Seller has operated and is operating the System in compliance, in all material respects, with all Laws, Authorizations and Permits and is not in breach of any Law, Authorization or Permit that would have a Material Adverse Effect on the operations of the System or on the

Buyer. There are no Authorizations or Permits from any Governmental Authority necessary for the operation of the System as currently being operated except for those Authorizations and Permits set forth on Schedule 4.13.

(b) Except as disclosed to the Buyer in the Schedules (as updated pursuant to Section 9.03), there are no facts, circumstances, conditions or occurrences regarding the System that could reasonably be expected to give rise to any environmental claims or governmental enforcement actions that could reasonably be expected to have a Material Adverse Effect, and there are no past, pending or threatened environmental claims or governmental enforcement actions against the Seller that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(c) There is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the Knowledge of the Seller, threatened against the Seller before or at the Closing Effective Time, which will have a Material Adverse Effect. As of the date of this Agreement, there is no action, suit or proceeding, at Law or in equity, or before or by any Governmental Authority, pending nor, to the Knowledge of the Seller, threatened against the Seller which could materially affect the validity or enforceability of this Agreement.

Section 4.16. **Broker's and Finder's Fees**

No broker, finder, or Person is entitled to any commission or finder's fee by reason of any agreement or action of Seller in connection with this Agreement or the transactions contemplated by this Agreement. Seller has employed Public Financial Management, Inc., as municipal advisor to provide transaction structuring advice and to provide Seller with municipal advice relating to the sale of the System. Seller is solely responsible to pay all fees owed to Public Financial Management, Inc. in connection with the transactions contemplated by this Agreement.

Section 4.17. **Title to the Acquired Assets; Sufficiency**

(a) Except as set forth on Schedule 4.17(a), the Seller has good and marketable title to, valid leasehold interest in or valid licenses to use, all of the Acquired Assets, free and clear of all Liens, other than Permitted Liens and Liens which will be fully and unconditionally released at or before Closing. The use of the Acquired Assets is not subject to any Liens, other than Permitted Liens, and such use does not encroach on the property or the rights of any Person.

(b) Except as set forth on Schedule 4.17(b), the Acquired Assets are sufficient for, and constitute all the assets, properties, business, goodwill and rights of every kind and description, and services required for, the continued conduct and operation of the System by Buyer in substantially the same manner as currently conducted and operated by Seller. Except for the Excluded Assets and except as set forth on Schedule 4.17(b), (i) the Acquired Assets, taken as a whole, comprise all the assets, properties, business, goodwill and rights of every kind and description used or held for use in, or useful or necessary to the operation of the System as currently operated by Seller, and (ii) there are no assets, properties, business, goodwill, rights or services used in the conduct or operation of the System that are owned by any Person other than Seller that will not be licensed or leased to Buyer under valid, current license arrangements or leases. None of the Excluded Assets are material to the System.

Section 4.18. **Pending Development Plans**

Schedule 4.18 sets forth a full and complete list of all Pending Development Plans as of the Effective Date. Each Pending Development Plan, if consummated, could result in additional customers and a corresponding reduction of available treatment capacity. Seller provides no assurances whatsoever that any development or expansion of the Service Area associated with any Pending Development Plan will actually be undertaken or completed. The Parties expect that Schedule 4.18 will change from time to time between the Effective Date and Closing, and the Seller shall provide updates to Schedule 4.18 pursuant to Section 9.03.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes only the representations and warranties which are set forth in this Article V.

As a material inducement to the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer represents and warrants to the Seller, as of the Effective Date and as of the Closing Date (except to the extent any of the following representations and warranties specifically apply or relate to another date, in which event such representations and warranties shall be true and correct as of such other date), as follows:

Section 5.01. **Organization**

The Buyer is duly organized, validly existing and in good standing under the laws of the state of its organization.

Section 5.02. **Authorization and Validity of Agreement**

The Buyer has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof. This Agreement has been duly authorized, executed and delivered by the Buyer and constitutes a valid and legally binding obligation of the Buyer, enforceable against it in accordance with the terms hereof, subject only to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity.

Section 5.03. **No Conflict or Violation**

The execution and delivery of this Agreement by the Buyer, the consummation of the transactions contemplated by this Agreement and the performance by the Buyer of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a material breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Buyer under (i) any Law, (ii) any material agreement, instrument or document to which the Buyer is a party or by which it is bound or (iii) the articles, bylaws or governing documents of the Buyer.

Section 5.04. **Consents and Approvals**

Schedule 5.04, sets forth a list of each consent, waiver, authorization or approval of any Governmental Authority, or of any other Person, and each declaration to or filing or registration with any Governmental Authority required in connection with the execution and delivery of this Agreement by Buyer or the performance by Buyer of its obligations hereunder.

Section 5.05. **Broker's and Finder's Fees**

No broker, finder or third party is entitled to any commission or finder's fee in connection with this Agreement or the transactions contemplated by this Agreement.

Section 5.06. **Financial Wherewithal**

Upon Closing, and after giving effect to the consummation of the transactions contemplated by this Agreement and the incurrence of any indebtedness in connection therewith, Buyer shall have the financial ability and will have sufficient working capital for its needs and anticipated needs to operate the System as a certificated public utility system regulated by the PaPUC authorized, among things, to provide wastewater utility services to retail residential, commercial and industrial customers in the System.

Section 5.07. **Sufficient Funds**

Buyer has sufficient funds available to consummate the transactions contemplated by this Agreement, to pay the Purchase Price in accordance with Article III and expenses related to the transactions contemplated by this Agreement, and on and after Closing, to generally provide ownership, operation and capital for the operations and capital needs of the System following the Closing, and assuring that the customers of the System will receive safe, adequate and reliable wastewater service equal to or better than such customers would have received without the transactions contemplated by this Agreement and at all times consistent with Law.

Section 5.08. **Independent Decision**

Except as expressly set forth in this Agreement, Buyer acknowledges that (a) Seller has not made any representation or warranty, express or implied, as to the accuracy or completeness of the System or information provided to Buyer, and (b) Seller shall not be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer, or Buyer use of, any information regarding the System or Acquired Assets that has been furnished or made available to Buyer and its Representatives. Buyer acknowledges that other than as expressly set forth in this Agreement or any other related agreement, instrument or certificate, Seller expressly disclaims any warranty of income potential, operating expenses, or costs of operation of any Acquired Assets or the System.

Section 5.09. **Scheduled Matters**

Buyer acknowledges that: (a) the inclusion of any matter on any Schedule is not an admission by Seller that such listed matter is material or that such listed matter has or could have a material adverse effect or constitutes a material liability with respect to the Acquired Assets; (b) matters reflected in the Schedules are not necessarily limited to matters required by this Agreement to be

reflected in such Schedules; and (c) such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature.

Section 5.10. Independent Investigation

Buyer acknowledges that it has conducted an independent investigation of the financial condition, assets, liabilities, properties and projected capital needs and operations of the System in making its determination as to the propriety of the transaction contemplated by this Agreement and, in entering into this Agreement and related agreements, has relied solely on the results of its investigation and on the representations and warranties of the Seller expressly contained in Article IV of this Agreement.

Section 5.11. Litigation

The Buyer is not in breach of any Law that could have a material adverse effect on the operations of the System or the Buyer. Neither the Buyer nor any Affiliate of the Buyer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors, or on any other list of Persons with which the Seller may not do business under Law: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. Except as set forth on Schedule 5.11, there is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the Knowledge of the Buyer, threatened against the Buyer before or at the Closing Effective Time, which will have a material adverse effect on (i) the transactions contemplated by this Agreement or (ii) the validity or enforceability of this Agreement.

ARTICLE VI.

TITLE TO REAL ESTATE; EASEMENTS

Section 6.01. Evidence of Title

Subject to Section 6.06, with respect to all Real Property, Buyer shall obtain, at its sole cost and expense, a commitment for an owner's policy of title insurance on the ALTA Owner's Form 2006 (the "Title Commitment"), issued by a title insurance company selected by Buyer and licensed to insure title to real property by the Commonwealth of Pennsylvania (the "Title Company"), having an effective date after the Effective Date. Following the Effective Date, Buyer shall order the Title Commitment from the Title Company and shall provide Seller evidence of the same. Notwithstanding anything to the contrary in Section 6.02(a), Buyer shall not be entitled to send an Objection Notice with respect to any parcel of Real Property and the Title Commitment for the same if, within thirty (30) Business Days after the Effective Date, Buyer has not ordered the Title Commitment from the Title Company for such parcel of Real Property and provided with Seller evidence of the same.

Section 6.02. Objections to Title

(a) Notice of Objections. Within thirty (30) days of Buyer's receipt from the Title Company of a Title Commitment for any of the parcels of Real Property, Buyer shall deliver to Seller a true, correct and complete copy of the Title Commitment and true, correct, complete and legible copies of any and all exception documents listed in the same, along with Buyer's notice to Seller of any of the exceptions to title set forth on Schedule B of such Title Commitment to which Buyer objects (such notice of Buyer being referred to as the "Objection Notice") provided such exceptions (a) are not Permitted Liens, (b) pertain to the Buyer or any requirements, conditions or obligations of the Buyer, (c) are matters of record and set forth in the Title Commitment and adversely restrict or prevent the use of the Real Property in the operation of the System and (d) are not standard Title Company exceptions (such as the "survey" exception) (such exceptions objected to in the Objection Notice, provided the same are not as described in (a) through and including (d) aforesaid, being referred to as the "Title Objection Items"). The Buyer shall include a true, correct and complete copy of the Title Commitment and true, correct, complete and legible copies of any and all exception documents listed in the same in the Objection Notice. If Buyer provides the Seller with an Objection Notice, the Seller shall use its commercially reasonable efforts to have all of the Title Objection Items cured, satisfied or released of record, or insured over, by the Title Company (individually, "Cure" and collectively, "Cured") before or as of the Closing. At or before the Closing, the Seller shall deliver written evidence to Buyer, in form and substance reasonably satisfactory to Buyer, evidencing that Seller has Cured all such Title Objection Items. For avoidance of doubt, Buyer acknowledges that no item listed in clauses (a) through and including (d) aforesaid, may be objected to by Buyer as a Title Objection Item.

(b) Liens. Without limiting the Seller's obligations pursuant to Section 6.02(a), before or as of the Closing, the Seller shall, at its cost and expense, to Cure any Lien encumbering the Real Property which can be Cured by the payment of money (other than Permitted Liens).

(c) Title Endorsements/Survey. Buyer shall pay for any endorsements required by the Buyer or any mortgagee of the Buyer to Buyer's Title Policy. If any survey is required by Buyer or its mortgagee, either as a condition to any such endorsement or otherwise, the Buyer shall obtain it at its sole cost and expense. If Buyer obtains a survey of any or all of the Real Property and desires the deed to contain the legal description based on such survey, if the same is not identical to the legal description contained in Seller's deed of record, Seller is not obligated to include the same in the deed to Buyer unless the survey is certified to Seller and such description is included in the deed on a "quitclaim" basis only and without warranty of title.

(d) License at Closing. If requested by Buyer, Seller shall provide Buyer with a license agreement granting Buyer a license in all of Seller's rights to access Real Property in order to allow Buyer to operate and maintain the System until such time as Buyer is provided title to such Real Property as provided for in this Agreement. For the avoidance of doubt, Seller shall provide such title as soon as reasonably practicable in accordance with Section 6.01.

(e) Insurable Claims. To the extent any Claim for Losses under Article VIII constitutes an Insurable Claim, Buyer shall assert the Insurable Claim and use its commercially reasonable efforts to obtain recovery for such Insurable Claim against the Title Company (which shall include commencing litigation and diligently prosecuting such Insurable Claim to a Final Order) before pursuing a Claim for Losses under Article VIII. If at any time following a non-favorable Final Order that substantially denies the relief sought by Buyer from the Title Company in connection

with the Insurable Claim (each a “Non-Favorable Judgment”), Buyer may, following such Non-Favorable Judgment, to pursue the Seller with a Claim for Losses under Article VIII (any such Claim against the Seller following an attempted Insurable Claim against the Title Company being a “Residual Title Claim”). Notwithstanding anything to the contrary in Article VIII, Buyer may assert a Claim for Losses based upon a Residual Title Claim for a sixty (60) day period after the Non-Favorable Judgment. For purposes of this Section 6.02(d), an “Insurable Claim” means a Claim that: (i) arises out of Buyer’s discovery of a title defect or encumbrance with respect to any of the Real Property following the Closing that materially restricts or prevents the use of such Real Property in the operation of the System; and (ii) constitutes a claim against the Title Company under Buyer’s Title Policy. Buyer acknowledges that any and all Claims which Buyer could otherwise bring as a breach of a covenant of title under the special warranty deed to the Real Property shall be included within the Claim for Losses under Article VIII and is subject to the terms of this Section 6.02(d).

Section 6.03. Title Expenses

Irrespective of whether the transactions described by this Agreement are consummated and Closing occurs, Buyer shall pay all costs and expenses of obtaining the Title Commitment, Title Policy and any survey.

Section 6.04. UCC Search; Releases

Not later than ninety (90) days after the Effective Date, Buyer shall obtain at its sole cost and expense a Uniform Commercial Code search against Seller covering any of the personal property or fixtures included among the Acquired Assets from the Office of the Secretary of the Commonwealth of Pennsylvania and the Recorder of Bucks County, Pennsylvania (the “UCC Search”). On or before the Closing Date, Seller shall at its sole cost and expense obtain releases of any and all Liens in any of the Acquired Assets other than Permitted Liens. The Seller shall provide the form of the releases of such Liens to Buyer on or before the Closing Date.

Section 6.05. Easements.

(a) Promptly after the Effective Date and before the Closing, the Seller will, at its sole cost and expense, cause and abstractor selected by the Seller and reasonably acceptable to Buyer and the Title Company (the “Abstractor”), to perform a search of the public land records of Bucks County, based on the Seller’s records and plans of the System (and such other sources of information as are reasonably related thereto), by searching the grantee index in the names of the Seller and such other searches as the Abstractor may reasonably make, to (i) identify and provide Buyer with title information on any and all recorded Easements (including information related to any Liens or encumbrances on Seller’s title thereto), and (ii) together with the Seller, identify all Missing Easements. During the process, as the Abstractor provides written search results to the Seller (including updated versions of the Abstractor Search Result Chart), the Seller will promptly provide the same to Buyer for its review, and, without limiting the foregoing, the Seller shall, or shall cause the Abstractor to, provide Buyer with periodic updates (which shall occur no less frequently than bi-weekly) on the status of the activities set forth in the previous sentence.

(b) Notice of Objections. Within forty five (45) days of Buyer's receipt from the Seller (or the Abstractor) of the information described in 6.05(a), Buyer shall deliver to Seller notice identifying the Liens, restrictions and limitations on the Easements that, in Buyer's reasonable opinion, could materially and adversely restrict or prevent the use of the Easements in the operation of the System, (an "Easement Objection Notice"). Buyer shall not be permitted to include in its Easement Objection Notice any Liens, restrictions and limitations that: (a) are Permitted Liens, (b) pertain to the Buyer or any requirements, conditions or obligations of the Buyer, or (c) are matters of record and set forth in the Abstractor's search results that do not, in Buyer's reasonable opinion, materially and adversely restrict or prevent the use of the Easements in the operation of the System (specifically including mortgages or other instruments securing indebtedness incurred by the owner of the land burdened by the Easement) (such exceptions objected to in the Objection Notice, the "Easement Objection Items.") If Buyer provides the Seller with an Easement Objection Notice, the Seller shall use its commercially reasonable efforts to have the Easement Objection Items Cured, prior to or as of the Closing. At or prior to the Closing, the Seller shall deliver written evidence to Buyer, in form and substance reasonably satisfactory to Buyer, evidencing that Seller has Cured all objections identified in the Easement Objection Notice. In the event that Seller is unable to Cure any such Objection Item per this Section 6.05(b), Seller shall: (i) grant Buyer a license per Section 6.05(d); and (ii) Seller's obligation to assign such Easements to Buyer per Section 2.01(a) shall survive Closing.

(c) If during the process of Abstractor's review and investigation of the Bucks County land records, Seller determines, based on the Abstractor's investigation, that there is a Missing Easement, the Seller, at its cost and expense, shall take any and all actions (including the use of its power of condemnation) to obtain any such Missing Easements so that the same may be sold, assigned, transferred and conveyed to Buyer at the Closing pursuant to the terms and conditions of this Agreement. The Seller shall pay for all costs and expenses incurred in connection with obtaining each Missing Easement (including any consideration payable to the landowner in connection with condemnation, in lieu of condemnation or otherwise to obtain Missing Easements). If Seller has not obtained all Missing Easements by the date that is ninety (90) days after the date that Abstractor has completed his review of the County land records and delivered the last results of the same to Seller (the "Abstract Completion Date"), then the Seller, at its cost and expense, shall, as soon as reasonably practicable, commence and file in the Court of Common Pleas, Bucks County, a condemnation or eminent domain proceeding to obtain any and all such Missing Easements. For the purposes of clarity, upon obtaining each Missing Easement pursuant to this Section 6.05(c) (including upon the final resolution of a condemnation proceeding), each Missing Easement that has been acquired or obtained by the Seller is considered an Easement.

(d) License at Closing. Seller shall provide Buyer with a license agreement granting Buyer a license in all of Seller's rights to access Easement in order to allow Buyer to operate and maintain the System until such time as Buyer is provided title to such Easement as provided for in this Agreement.

Section 6.06. Unscheduled Property

The Parties acknowledge that the Seller may own interests in or have the legal right to use or occupy the Real Property and Easements that are necessary or essential to the operation of the System and that are not specifically identified in Schedule 4.09 (the "Unscheduled Real

Property”). If the Parties discover before or after the Closing Date, one or more parcels of Unscheduled Real Property, the discovering Party shall give notice of such discovery to the non-discovering Party. In addition to its obligations in Section 2.03, Seller shall convey, assign or otherwise transfer any rights to each parcel of Unscheduled Real Property, with no adjustment to the Purchase Price, in such a manner as to provide Buyer with reasonable assurances that Buyer will have the right to use or occupy the Unscheduled Real Property as it was used by Seller as of the Effective Date.

ARTICLE VII.

OTHER AGREEMENTS

Section 7.01. Taxes

Except as otherwise provided in this Agreement, the Seller shall pay any and all Taxes, if any, arising out of the ownership of the Acquired Assets and out of the operation of the System before the Closing Date.

Section 7.02. Cooperation on Tax Matters

The Seller shall furnish or cause to be furnished to Buyer, as promptly as practicable, whether before or after the Closing Date, such information and assistance relating to the System as is reasonably necessary for the preparation and filing by Buyer of any filings relating to any Tax matters.

Section 7.03. Rates

After Closing, Buyer shall charge the Seller’s sanitary wastewater rates (“Base Rates”), as reflected on Schedule 7.03, as Buyer’s initial base rates within the Service Area on and after the Closing Date. The Base Rates shall not be increased until after the second anniversary of the Closing Date. Buyer shall apply, at and after Closing, its then-existing miscellaneous fees and charges, rules and regulations for wastewater service as set forth in Buyer’s Tariff within Seller’s Service Area including Buyer’s Distribution System Improvement Charge and State Tax Adjustment Surcharge.

Section 7.04. Buyer Taxpayer

From and after the Closing Date, Buyer acknowledges that, upon conveyance of the Acquired Assets to Buyer, the Buyer will be subject to, among other Taxes, real estate Taxes, which Buyer shall pay when due.

Section 7.05. PaPUC Approval

(a) Promptly after the Effective Date, Buyer shall timely initiate and faithfully prosecute the necessary proceedings to obtain from the PaPUC (i) the issuance of certificates of public convenience to Buyer to provide wastewater services in the Service Area and (ii) the approval of the acquisition of the System by Buyer under terms and conditions that are reasonably

acceptable to Seller and Buyer. Seller shall cooperate with and assist Buyer in proceedings before the PaPUC.

(b) Buyer and Seller agree that the procedures for determining fair market value of the System and Acquired Assets outlined in subsection (a) of Section 1329 of Title 66 of the Pennsylvania Consolidated Statutes (“Section 1329”) shall be utilized and filed with the PaPUC as contemplated by Section 1329.

(c) The fees and expenses related to engaging the licensed engineer for such Section 1329 determination shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller.

(d) Buyer, in Buyer’s first base rate proceeding with respect to the System following the Closing, shall propose the use of statutory and regulatory mechanisms available to benefit the Buyer’s acquired customers for ratemaking purposes pursuant to Section 1311 of Title 66 of the Pennsylvania Consolidated Statutes.

Section 7.06. Remedies for Breach of Article VII Agreements

If Buyer breaches any of the covenants and agreements set forth in this Article VII, in addition to all other rights and remedies available at law or in equity, including specific performance and/or injunctive relief, Seller may commence proceedings before the PaPUC seeking enforcement of such covenants and agreements.

Section 7.07. Pending Development Plans

(a) Buyer and the Seller acknowledge that from the time of the Effective Date, the Seller shall continue to administer, and perform its duties and responsibilities with respect to the Pending Development Plans set forth on Schedule 4.18. For the avoidance of doubt, after the Closing Date, the Seller shall not seek to collect any EDU-related fees.

(b) Following the Effective Date, except with respect to the Planned Project, Seller shall not enter into any contract with a third party that contemplates the construction of new sanitary wastewater facilities, including, without limitation, pumping stations, force mains, manholes, or pipelines for service to future customers related to Pending Development Plans (collectively, “New System Assets”) without providing a draft of such contracts to Buyer for its review and approval as to the design and specifications before execution by the parties to such contracts. Buyer shall have fifteen (15) Business Days to review and approve such contracts, and Buyer’s failure to object in writing to any terms of such contracts within such fifteen (15) Business Day review period is deemed an approval of the same by Buyer.

Section 7.08. Act 537 Plan

(a) Buyer acknowledges that Seller has previously drafted and committed to an Act 537 Plan under the Pennsylvania Sewage Facilities Act (the “Plan”), which has been made available to Buyer. Buyer understands that the Plan contains obligations and commitments, as more fully set forth in the Plan to complete certain improvements and upgrades to the System (the “System Improvements”). Buyer shall accept and complete all of the System Improvements as Seller agreed to complete under the Plan.

(b) Buyer acknowledges Seller has jurisdiction over sewage facilities planning and sewer service through the Plan and its Act 537 planning program, zoning, subdivision and land development ordinances and comprehensive land use planning policies. Buyer and Seller shall cooperate with respect to current and future sewage facilities planning and sewer service consistent with the provisions of this Section 7.08.

(c) Subject to PaPUC approval of the Service Area as provided in Section 7.08, Buyer shall extend sewer lines and provided sewage collection and treatment services to properties within the Service Area in a manner consistent with the Plan and the Buyer's Tariff. Seller will confer with Buyer concerning any amendment to the Plan that would affect the provision of sewage collection and treatment services within the Service Area. Seller shall not propose or adopt any amendment to the Plan that would reduce the Service Area or divert wastewater flows generated from properties located within the Service Area from being served by the System without the approval of Buyer.

(d) Buyer will not request, pursue, or implement expansions of the System beyond the current Service Area (that would trigger a Plan amendment) without the prior written approval of Seller and the PaDEP. Seller shall promptly notify and confer with Buyer, and consider Buyer's comments, concerning any proposed Plan amendment (including any sewage facilities planning module) that would involve the provision of sewage collection and treatment services by the System to area or properties outside of the Service Area. With respect to any such potential Plan amendment, Seller and Buyer shall cooperate in evaluating alternatives for provision of sewage services to such areas consistent with the requirements of 25 Pa Code Ch. 71, including consideration of the technical feasibility, economic feasibility and cost effectiveness, consistency with the objectives and policies of plans and requirements of 25 Pa. Code Ch. 71.21(a)(5), consistency with municipal land use plans and ordinances, subdivision ordinances and other ordinances and plans for controlling land use and development, technically and administratively able to be implemented, and other factors required under Act 537 or under Buyer's Tariff.

(e) If Seller and Buyer each determine that the provision of sewage collection and treatment services by the System to certain areas or properties outside of the Service Area is technically feasible, economically feasible and cost effective, and meets all of the requirements set forth in Act 537 and 25 Pa. Code Ch. 71, the Seller shall amend the Plan to include such identified areas and properties in the Service Area. If Seller amends the Plan pursuant to this subsection and such amendment is approved by PaDEP, (i) Buyer shall request that the modified Service Area be approved by PaPUC; and (ii) subject to PaPUC approval of the inclusion of such modified Service Area, Buyer shall extend sewer lines and provide sewage collection services to properties within such Service Area in a manner consistent with the Plan and Buyer's Tariff.

Section 7.09. Utility Valuation Experts

Buyer and Seller shall each will be responsible for the costs associated with their respective Utility Valuation Expert for the preparation and completion of their respective Utility Valuation Expert's appraisal report and any additional work by their respective Utility Valuation Expert necessary to

assist in the processing and prosecution of the application to the PaPUC in regard to this transaction under Section 1329.

Section 7.10. Compliance and Operations Reports

After the Effective Date and through the Closing Date, Seller shall provide Buyer with periodic reports to the person designated by Buyer, disclosing the status of the operations and all material compliance and operational deficiencies.

Section 7.11. Covenant Survival

The covenants set forth in this Article survive Closing.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. Survival

All representations and warranties contained in this Agreement shall survive until twelve (12) months following the Closing Date, except that (a) the representations and warranties of the Seller set forth in Section 4.01 (Organization), Section 4.02 (Power and Authority), Section 4.03 (Enforceability) and Section 4.16 (Brokers' and Finders' Fees) (collectively, the "Seller Fundamental Representations") shall survive the Closing indefinitely or until the latest date permitted by Law, and (b) the representations and warranties of Buyer set forth in Section 5.01 (Organization), Section 5.02 (Authorization and Validity of Agreement), and Section 5.05 (Brokers' and Finders' Fees) (collectively, the "Buyer Fundamental Representations") shall survive the Closing indefinitely or until the latest date permitted by Law. The covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the shorter period explicitly specified therein, except that for such covenants and agreements that survive for such shorter period, breaches thereof shall survive indefinitely or until the latest date permitted by Law. Notwithstanding the preceding sentences, (x) any breach of representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentences, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought before such time, and (y) nothing contained in this Section 8.01 shall limit in any way any rights a Party may have to bring claims grounded in fraud, intentional misrepresentation or willful misconduct, which rights shall survive the Closing indefinitely.

Section 8.02. Indemnification by the Seller

To the maximum extent permitted by Law and subject to the terms and conditions of this Article VIII, the Seller shall indemnify, defend and hold harmless, Buyer and its successors and Affiliates and their respective employees, officers, directors, trustees and agents (the "Buyer Indemnified Persons"), from and against any and all claims for Losses arising from or relating to: (a) any material misrepresentation as to, or any material inaccuracy in, any of the representations

and warranties of the Seller contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by the Seller before the Closing pursuant to this Agreement (without regard to any materiality, Material Adverse Effect or related qualifications in the relevant representation or warranty (except where such provision requires disclosure of lists of items of a material nature or above a specified threshold)); (b) any material breach or material nonfulfillment of any of the covenants or agreements of the Seller contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by the Seller before the Closing pursuant to this Agreement; or (c) any Excluded Liability or Excluded Asset.

Section 8.03. **Indemnification by Buyer**

To the maximum extent permitted by Law and subject to the terms and conditions of this Article VIII, Buyer shall defend, indemnify and hold harmless the Seller and its successors and Affiliates and each of their respective employees, officers, directors and agents (the “Seller Indemnified Persons”) from and against any and all claims for Losses arising from or relating to: (a) any material misrepresentation as to, or any material inaccuracy in, any of the representations and warranties of Buyer contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by Buyer pursuant to this Agreement; (b) any material breach of any of the covenants or agreements of Buyer contained in this Agreement or in any exhibit, schedule certificate or other instrument or document furnished or to be furnished by the Buyer pursuant to this Agreement; (c) any Assumed Liability as and when payment and performance is due, including without limitation any liability related to any claims by any Governmental Authority; (d) Buyer’s actions involving Environmental Requirements, Hazardous Materials or environmental claims from and after the Closing Date; or (e) the ownership, operation or control of the Acquired Assets or the System from and after the Closing Date.

Section 8.04. **Indemnification Procedure**

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a representative of the foregoing (a “Third Party Claim”) against such Indemnified Party with respect to which the Indemnifying Party may be obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt notice thereof. The failure to give such prompt notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or material defenses because of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party has the right to participate in, or by giving notice to the Indemnified Party (and subject to the other requirements herein) to assume the defense of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel (which counsel is reasonably acceptable to the Indemnified Party), so long as (i) the Indemnifying Party notifies the Indemnified Party, within ten (10) Business Days after the Indemnified Party has given notice of the Third Party Claim to the Indemnifying Party (or by such earlier date as may be necessary under

applicable procedural rules in order to file a timely appearance and response) that the Indemnifying Party is assuming the defense of such Third Party Claim, *provided*, that if the Indemnifying Party assumes control of such defense it must first agree and acknowledge in such notice that the Indemnifying Party is fully responsible (with no reservation of any rights other than the right to be subrogated to the rights of the Indemnified Party) for all Losses relating to such Third Party Claim, (ii) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently and at its own cost and expense, and (iii) the Third Party Claim (A) does not involve injunctive relief, specific performance or other similar equitable relief, any claim in respect of Taxes, any Governmental Authority, any criminal allegations, or any potential damage to the goodwill, reputation or overriding commercial interests of Buyer or its Affiliates, (B) is not one in which the Indemnifying Party is also a party and joint representation would be inappropriate or there may be legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party, or (C) does not involve a claim which, upon petition by the Indemnified Party, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend. The Indemnified Party shall reasonably cooperate in good faith in such defense. If the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 8.04(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party may, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party has the right, subject to Section 8.04(b), to pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Seller and Buyer shall reasonably and in good faith cooperate with one another in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 8.04(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give prompt notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within fifteen (15) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may

settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 8.04(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) **Direct Claims.** Any claim by an Indemnified Party with respect to any Loss which does not arise or result from a Third Party Claim (a “Direct Claim”) shall be asserted by the Indemnified Party giving the Indemnifying Party prompt notice thereof. The failure to give such prompt notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or material defenses because of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Losses that have been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During the thirty (30) day period, the Indemnified Party shall reasonably cooperate and assist the Indemnifying Party in determining the validity and amount of such Direct Claim. If the Indemnifying Party does not so respond within such thirty (30) day period, by delivery of notice disputing the basis or amount of the Direct Claim, the Indemnifying Party is deemed to have rejected such claim, in which case the Indemnified Party is free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such Direct Claim, the Parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute may be resolved by litigation in an appropriate court of jurisdiction determined pursuant to this Agreement.

Section 8.05. **Limitations on Indemnification Obligations**

(a) Subject to the other limitations contained in this Section 8.05, neither Buyer nor Buyer Indemnified Persons is entitled to indemnification pursuant to Section 8.02(a) (other than for an intentional breach of any agreement or covenant contained in this Agreement) unless the aggregate amount of Losses incurred by Buyer and Buyer Indemnified Persons under this Agreement exceeds One Percent (1%) of the Purchase Price in the aggregate (the “Threshold Amount”), in which case Seller shall then be liable for Losses in excess of the Threshold Amount; *provided, however*, that the foregoing limitations contained in this Section 8.05(a) shall not apply to any claims for indemnification based on fraud, intentional misrepresentation or willful misconduct or pursuant to Section 8.02(c).

(b) Subject to the other limitations contained in this Section 8.05 neither Seller nor the Seller Indemnified Persons is entitled to indemnification pursuant to Section 8.03(a) (other than for an intentional breach of any agreement or covenant contained in this Agreement) unless the aggregate amount of Losses incurred by Seller and Seller Indemnified Persons under this Agreement exceeds the Threshold Amount, in which case Buyer shall then be liable for Losses in excess of the Threshold Amount; *provided, however*, that the foregoing limitations contained in this Section 8.05(a) shall not apply to any claims for indemnification based on fraud, intentional misrepresentation or willful misconduct or pursuant to Sections 8.03(c)(d) and (e).

(c) Except in the case of fraud, intentional misrepresentation or willful misconduct (for which all applicable legal and equitable remedies will be available to Buyer), the Buyer Indemnified Parties shall only be entitled to assert claims under Section 8.02(a) (other than claims with respect to breaches of any of the Seller Fundamental Representations, which shall not be limited by this Section 8.05(c)) up to the aggregate amount of 5% of Purchase Price (the “Liability Cap”), which shall represent the sole and exclusive remedy of Buyer and the other Buyer Indemnified Parties for any such claims under Section 8.02(a) (other than claims with respect to breaches of any of the Seller Fundamental Representations, in the case of fraud, intentional misrepresentation or willful misconduct or pursuant to Section 8.02(c) which shall not be subject to the Liability Cap, but is capped at the Purchase Price).

(d) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss is limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds actually received and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses before seeking indemnification under this Agreement.

(e) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss will be reduced by an amount equal to any Tax benefit realized or reasonably expected to be realized as a result of such Loss by the Indemnified Party.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(g) Subject to the provisions of Sections 3.01, 7.06, 15.11 and any other provisions for equitable relief and/or specific performance, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article VIII. In furtherance of the foregoing, each Party waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Party and their Affiliates and each of their respective representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VIII. Nothing in this Section 8.05(g) limits any Parties’ right to seek and obtain any equitable relief and/or specific performance to which any Party is entitled pursuant to this Agreement.

Section 8.06. Knowledge of Breach

Seller will not be liable under this Article VIII for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had Knowledge of such inaccuracy or breach before the Closing Date.

ARTICLE IX.

PRE-CLOSING COVENANTS OF THE SELLER

Section 9.01. **Operation of the System**

Except as otherwise expressly permitted by this Agreement, as required by Law or with the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned), from the Effective Date until the Closing, the Seller shall (i) operate and manage the System only in the ordinary course of business in accordance with past practices and procedures, (ii) comply in all material respects with all Laws and Authorizations and Permits, (iii) use commercially reasonable efforts to maintain and preserve intact the business and assets of the System, including all of the Acquired Assets, and preserve the rights, franchises, goodwill and relationships of the Seller and the System and their customers, lenders, suppliers, regulators and others having business relationships with the Seller and the System; (iv) continue to collect accounts receivable, EDU Fees, and sewer rents in a manner consistent with past practice, without discounting such accounts receivable, EDU Fees, and sewer rents; (v) perform all of its obligations under all Assigned Contracts; and (vi) not take any action, or omit to take any action, that would cause to occur a fact, circumstance, condition or occurrence regarding the System or any of the Acquired Assets that could reasonably be expected to have a Material Adverse Effect.

Section 9.02. **Cooperation**

The Seller shall reasonably cooperate with Buyer and its employees, attorneys, accountants and other agents and, generally, act in reasonably good faith to timely carry out the purposes of this Agreement and the consummation of the transactions contemplated by this Agreement.

Section 9.03. **Supplements and Updates**

The Seller shall promptly deliver to Buyer any supplemental information updating the information set forth in the representations and warranties set forth in Article IV of this Agreement so that such representations and warranties as supplemented by such information will be true and correct as of the Closing Date (or such other date as provided in such representations and warranties) as if then made. Promptly upon having Knowledge of any facts which would constitute a breach of a representation or warranty as of the date made or a default in a covenant contained herein Seller shall advise Buyer of those facts.

Section 9.04. **Consents and Approvals**

Promptly after Effective Date, or as required by Law, except as provided in Section 7.05 or otherwise expressly provided in this Agreement, the Seller and, and when necessary, the Seller shall file all applications and reports that are required to be filed by Seller with any Governmental Authority as provided on Schedule 4.05 to the Buyer. The Seller shall also promptly provide all information that any Governmental Authority may require in connection with any such application or report. The Seller shall use its commercially reasonable efforts to obtain all required consents, waivers, authorizations or approvals of any Governmental Authority, or of any other Person in connection with the transactions contemplated by this Agreement. All authorizations of any

Governmental Authority necessary to consummate the transactions contemplated by this Agreement shall be in form and content reasonably satisfactory to Buyer and the Seller before Closing and must be final and non-appealable. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and the Seller may agree to proceed to consummate the transaction.

Section 9.05. Pending Development Plan Agreements and Future Developments

Seller shall enforce all of its rights and the counterparties' obligations under any agreements relating to Pending Development Plans in existence as of the Effective Date, which shall not be amended without notice to and the consent of Buyer, which consent shall not be unreasonably withheld and Buyer shall provide or withhold such consent to Seller within fifteen (15) days of notice from Seller or this consent requirement is deemed waived by Buyer after such date. After the Effective Date, Seller shall not enter into any new agreements (including Land Development Agreements and Financial Security Agreements) with landowners regarding the construction of any sewer facilities which, upon completion of construction, will be transferred to Buyer pursuant to Section 2.01 hereof without notice to and the consent of Buyer, which consent shall not be unreasonably withheld and Buyer shall provide or withhold such consent to Seller within seven (7) days of notice from Seller or this consent requirement is deemed waived by Buyer after such date. For the avoidance of doubt, any attempt by Buyer to withhold consent for entry into any amendment or new agreement by Seller pursuant to this Section 9.05 that is, in the opinion of Seller's solicitor, required pursuant to the Pennsylvania Municipal Planning Code is deemed unreasonable. Prior to Closing, Seller shall complete the dedication of all Assets (including but not limited to all assets listed in the engineer's assessment of tangible assets).

ARTICLE X.

PRE-CLOSING COVENANTS OF BUYER

Section 10.01. Actions Before the Closing Date

Buyer shall not take any action that will cause it to be in breach of any representation, warranty, covenant or agreement contained in this Agreement or cause it to be unable to perform in any material respect its obligations hereunder, and Buyer shall use its commercially reasonable efforts (subject to any conditions set forth in this Agreement) to perform and satisfy all conditions to Closing to be performed or satisfied by Buyer under this Agreement, including action necessary to obtain all consents and approvals of third parties required to be obtained by Buyer to effect the transactions contemplated by this Agreement.

Section 10.02. Consents and Approvals

Promptly after the execution of this Agreement, or as required by Law, except as otherwise expressly provided herein, Buyer shall file all applications and reports which are required to be filed by Buyer with any Governmental Authority as provided on Schedule 5.04. Buyer shall also promptly provide all information that any Governmental Authority may reasonably require in

connection with any such application or report. Buyer shall use its commercially reasonable efforts to obtain all consents, waivers, authorizations or approvals of any Governmental Authority, or of any other Person of any kind in connection with the transactions contemplated by this Agreement.

Section 10.03. Cooperation

Buyer shall reasonably cooperate with the Seller and its employees, attorneys, accountants and other agents and, generally, do such other acts and things in good faith as may be reasonable to timely carry out the purposes of this Agreement, including in obtaining the amendments set forth in Section 12.01(b) and the consummation of the transactions contemplated in accordance with the provisions of this Agreement.

Section 10.04. Supplements and Updates

Buyer shall promptly deliver to the Seller any supplemental information updating the information set forth in the representations and warranties set forth in Article V of this Agreement so that such representations and warranties as supplemented by such information will be true and correct as of the Closing Date (or such other date as provided in such representations and warranties) as if then made. At least three (3) Business Days before the Closing Date, Buyer shall advise the Seller of any facts which would constitute a breach of a representation or warranty as of the date made or a default in a covenant contained herein.

ARTICLE XI.

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

The obligation of the Seller to consummate the transactions provided for in this Agreement is subject to the satisfaction, at or before the Closing, of the following conditions, any one or more of which may be waived in writing by the Seller in its sole discretion:

Section 11.01. Consents and Approvals

The Seller must receive all required material, consents, waivers, authorizations or approvals of any Governmental Authority, or of any other Person and any other approvals necessary to consummate the transactions contemplated by this Agreement set forth in Schedule 5.04, including without limitation all required EPA and PaDEP approvals and all such Authorizations and Permits and Governmental Approvals must be final (and not subject to any appeal and any applicable appeal period having expired); and

Section 11.02. Representations and Warranties of Buyer

The representations and warranties made by Buyer in Article V which are (a) not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date (except for representations or warranties that speak of a specific date or time other than the Closing Date which shall be true and correct in all material respects as of such specified date) and (b) qualified by materiality shall be true and correct in all respects on and as of the Closing Date (except for representations or warranties that speak of a specific date or time other than the Closing Date which shall be true and correct in all respects as of such specified date), and the Seller must receive a

certificate to the effect of the foregoing from a duly authorized officer of Buyer dated as of the Closing Date.

Section 11.03. PaPUC Approval

PaPUC must issue a Final Order approving the acquisition of the System under terms and conditions that are reasonably acceptable to the Seller and Buyer. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and Seller may agree to proceed to consummate the transaction.

Section 11.04. No Injunctions

Neither the Seller nor Buyer shall be subject to any injunction, preliminary restraining order or other similar decree of a court of competent jurisdiction prohibiting the consummation of the transactions contemplated by this Agreement.

Section 11.05. Performance of the Obligations of Buyer

Buyer must have performed in all material respects all obligations required under this Agreement to be performed by Buyer on or before the Closing Date, and the Seller must have received a certificate to that effect from Buyer dated the Closing Date.

Section 11.06. Deliveries by Buyer

Buyer must deliver to the Seller all of the documents and items specified in Section 13.03.

Section 11.07. No Material Adverse Effect

There must not have occurred any event or condition which gives rise to a Material Adverse Effect with respect to the Acquired Assets or the System.

ARTICLE XII.

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligation of Buyer to consummate the transactions provided for in this Agreement is subject to the satisfaction, at or before the Closing, of the following conditions, any one or more of which may be waived in writing by Buyer in its sole discretion:

Section 12.01. Consents and Approvals

Buyer must receive:

(a) All required material, non-governmental third party consents and any other approvals necessary or advisable to consummate the transactions contemplated by this Agreement set forth in Schedule 4.05 and all consents, waivers, authorizations and approvals of any Governmental Authority required pursuant to Section 5.04, including without limitation all required EPA and PaDEP approvals/renewals and all such Authorizations and Permits and

Governmental Approvals must be final (and not subject to any appeal and any applicable appeal period having expired); and

(b) Notwithstanding Section 2.06, the Assigned Contracts set forth on Schedule 12.01(b), shall be amended on terms reasonably acceptable to Buyer.

Section 12.02. Representations and Warranties of Seller

The representations and warranties made by the Seller in Article IV this Agreement (disregarding all “materiality” and “Material Adverse Effect” or similar qualifications contained therein) must be true and correct on and as of the Closing Date (except for representations and warranties expressly stated to relate to a specific date, in which case each such representation and warranty shall be true and correct as of such earlier date), with only such exceptions as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and the Buyer must receive a certificate to that effect from the Seller dated as of the Closing Date.

Section 12.03. PaPUC Approval

PaPUC must issue a Final Order approving the acquisition of the System under terms and conditions that are reasonably acceptable to the Seller and Buyer. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and Seller may agree to proceed to consummate the transaction.

Section 12.04. No Injunctions

Neither the Seller nor Buyer are subject to any injunction, preliminary restraining order or other similar decree of a court of competent jurisdiction prohibiting the consummation of the transactions contemplated by this Agreement.

Section 12.05. No Material Adverse Effect

There must not have occurred any event or condition which gives rise to a Material Adverse Effect with respect to the Acquired Assets or the System.

Section 12.06. Deliveries by Seller

Seller must deliver to Buyer all of the documents and items specified in Section 13.02.

Section 12.07. Performance of the Obligations of Seller

Seller must have performed in all material respects all obligations required under this Agreement to be performed by Seller on or before the Closing Date, and Buyer shall have received a certificate to that effect from Seller dated the Closing Date.

ARTICLE XIII.

CLOSING

Section 13.01. Closing Date

The Parties shall cause the Closing to take place at a place in Pennsylvania that is mutually agreed upon by the Parties, at 10:00 a.m. eastern standard time on the earliest agreed upon date or within twenty (20) Business Days after the date upon which all the conditions precedent to Closing described in this Agreement have been fulfilled or waived and Buyer and the Seller receive the last of the required consents, waivers, authorizations and approvals from the Governmental Authorities, in each case, for the transactions contemplated by this Agreement, or at such other place and time, by such other method, or on such other date, as may be mutually agreed to by the Parties (the “Closing Date”). The Closing will be effective at 12:01 a.m., Township of Lower Makefield, PA time, on the Closing Date (the “Closing Effective Time”).

Section 13.02. Deliveries by the Seller

At the Closing, the Seller shall have delivered or cause to be delivered to Buyer executed copies of the following agreements, documents and other items:

- (a) A Bill of Sale transferring all of the Acquired Assets comprising personal property, in the form attached as Exhibit A;
- (b) Possession of the Acquired Assets, including without limitation, the Real Property, the Easements and an interest in the Missing Easements (including a license from Seller to Buyer);
- (c) A duly executed counterpart to an Assignment and Assumption Agreement with respect to the Assumed Liabilities (the “Assignment and Assumption Agreement”), in the form attached as Exhibit B;
- (d) The consents to transfer all of the Assigned Contracts, Authorizations and Permits (including environmental Authorizations and Permits), to the extent required hereunder and the amendment required pursuant to Section 12.01(b);
- (e) One or more special warranty or other deeds in recordable form reasonably acceptable to Buyer transferring fee simple title of Real Property;
- (f) Copies or originals of all Files and Records, materials, documents and records in possession of the Seller relating to the Real Property, the Easements or the Assigned Contracts;
- (g) Certificate of the Seller pursuant to Section 12.02 of this Agreement;
- (h) Certificate of the Seller pursuant to Section 12.07 of this Agreement;
- (i) Any documents duly executed by Seller required by the Title Company to issue final owner’s title policies in accordance with the procedures set forth in Article VI; and

(j) All such other instruments of conveyance or other documents as shall, in the reasonable opinion of Buyer and its counsel, be necessary to transfer to Buyer the Acquired Assets in accordance with this Agreement or to carry out the terms of this Agreement, duly executed and acknowledged by Seller and in a recordable form.

Section 13.03. **Deliveries by Buyer**

At the Closing, Buyer shall have delivered or caused to be delivered to the Seller, the following agreements, documents and other items:

- (a) Payment in full of the Purchase Price;
- (b) A duly executed counterpart to the Assignment and Assumption Agreement;
- (c) Certificate of Buyer pursuant to Section 11.02 of this Agreement;
- (d) Certificate of Buyer pursuant to Section 11.05 of this Agreement;
- (e) Evidence of PaPUC approval as provided in Section 11.03; and
- (f) All such other instruments of assumption as shall, in the reasonable opinion of Seller and its counsel, be necessary for Buyer to assume the Assumed Liabilities in accordance with this Agreement.

ARTICLE XIV.

TERMINATION

Section 14.01. **Events of Termination**

This Agreement may, by notice given in the manner hereinafter provided, be terminated and abandoned at any time before completion of the Closing:

- (a) By the mutual written consent of the Seller and the Buyer;
- (b) By the Seller or the Buyer if:
 - (i) the Closing shall not have occurred on or before the Outside Date; provided, however, the Buyer shall have the one-time right to extend the Outside Date for up to ninety (90) days if, in the Buyer's sole discretion, any such amount of time up to ninety (90) days is necessary to obtain a required Governmental Approval; or
 - (ii) any Governmental Authority shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the material transactions contemplated by this Agreement and such order, decree, ruling or other action will have become final and non-appealable; provided, however, that the Party seeking termination pursuant to this clause (b) of this Section 14.01 is not in breach

in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement;

(c) By the Seller (if Seller is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by the Buyer pursuant to the terms of this Agreement or of any representation or warranty of the Buyer contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following notice thereof by the Seller to the Buyer or if such breach cannot be cured and (ii) would result in a condition to Closing set forth in Article XI of this Agreement not being satisfied (which condition has not been waived by the Seller in writing), in which case any damages recoverable by Seller under this Agreement shall be capped at the amount of the Deposit; or

(d) By the Buyer (if Buyer is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by the Seller pursuant to the terms of this Agreement or of any representation or warranty of the Seller contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following notice thereof by the Buyer to the Seller or if such breach cannot be cured and (ii) would result in a condition to Closing set forth in Article XII of this Agreement not being satisfied (which condition has not been waived by the Buyer in writing).

This Agreement may not be terminated after completion of the Closing.

Section 14.02. **Effect of Termination**

If this Agreement is terminated by the Seller or the Buyer pursuant to Section 14.01, notice thereof will forthwith be given to the other and all further obligations of the Parties under this Agreement will terminate without further action by any Party and without liability or other obligation of any Party to any other Party hereunder; provided, however, that no Party will be released from liability hereunder if this Agreement is terminated and the transactions abandoned because of any willful breach of this Agreement.

ARTICLE XV.

MISCELLANEOUS

Section 15.01. **Confidentiality**

Except as and to the extent required by Law (including but not limited to the Pennsylvania Right-To-Know Act at 65 Pa § 67.101) or pursuant to an order of a court of competent jurisdiction and as required hereunder to obtain any and all required Governmental Approvals, no Party shall, directly or indirectly, disclose or use (and no Party shall permit its representatives to disclose or use) any Confidential Information with respect to any other Party furnished, or to be furnished, by such other Party or its shareholders, directors, officers, agents, or representatives to the other Party or its employees, directors, officers, agents or representatives in connection herewith at any time or in any manner other than in connection with the completion of the transactions contemplated by this Agreement and related transactions.

Section 15.02. **Public Announcements** Subject to Law or listing rules of an exchange on which Buyer's parent corporation's stock is listed, and except as otherwise set forth herein, the initial public announcement relating to the transactions contemplated herein will be mutually agreed upon and jointly made by the Parties. Subsequent public announcements by one Party are subject to review and approval by the other Parties before issuance, such approval not to be unreasonably withheld, conditioned or delayed.

Section 15.03. **Notices**

The Parties shall make all notices, other communications and approvals required or permitted by this Agreement in writing, stating specifically that they are being given pursuant to this Agreement and shall be addressed as follows:

in the case of the Seller:

1100 Edgewood Rd
Yardley, PA 19067
Attention: Township Manager
Fax:
with a copy to:

1100 Edgewood Rd
Yardley, PA 19067
Attention: Solicitor
Fax:

in the case of the Buyer:

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Attention: Marc A. Lucca, President
malucca@aquaamerica.com

with a copy to:

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Attention: Frances P. Orth, Vice President and Senior Managing Counsel
fpoorth@aquaamerica.com

or such other persons or addresses as a Party may from time to time designate by notice to the other Party. A notice, other communication or approval is deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after

ordinary office hours (time of place of receipt), the notice, other communication or approval is deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

Section 15.04. **Headings**

The article, section and paragraph headings in this Agreement are for reference purposes only and have no affect the meaning or interpretation of this Agreement.

Section 15.05. **Severability**

If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement remain in full force and effect and in no way be affected, impaired or invalidated.

Section 15.06. **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement. The Parties acknowledge and agree that (i) each has substantial business experience and is fully acquainted with the provisions of this Agreement, (ii) the provisions and language of this Agreement have been fully negotiated and (iii) no provision of this Agreement shall be construed in favor of any Party or against any Party because of such provision of this Agreement having been drafted on behalf of one Party rather than the other Party.

Section 15.07. **Amendments; Waivers**

This Agreement may be amended, changed or supplemented only by a written agreement signed by the Parties. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement will be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver of such right. No single or partial exercise of any such right precludes any other or further exercise of such right or the exercise of any other right.

Section 15.08. **Parties in Interest; Third Party Beneficiary**

This Agreement is not intended to and shall not be construed to create upon any Person other than the Parties any rights or remedies hereunder.

Section 15.09. **Anti-Assignment; Successors and Assigns**

Neither Party to this Agreement may assign any right or delegate any performance under this Agreement without the prior written consent of the other Party. A purported assignment or purported delegation without prior written consent is void. This Agreement is binding upon, and inures to the benefit of, the Parties and their respective permitted successors and assigns.

Section 15.10. **Governing Law; Jurisdiction**

The laws of the Commonwealth of Pennsylvania (without giving effect to its conflicts of law principles) govern all matters arising and relating to this Agreement, including torts. The Parties irrevocably agree and consent to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Bucks County, Pennsylvania, for the adjudication of any matters arising under or in connection with this Agreement. Any action initiated in court shall be filed and litigated (including all discovery proceedings) exclusively in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Bucks County, Pennsylvania, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 15.11. **Specific Performance**

The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties is entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 15.12. **Counterparts; Electronic Mail; Facsimile Execution**

This Agreement may be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. This Agreement will be effective when it has been executed by each Party and delivered to both Parties. To evidence the fact that it has executed this

Agreement, a Party may send a copy of its executed counterpart to the other Party by electronic mail or facsimile transmission. Such Party is deemed to have executed and delivered this Agreement on the date it sent such electronic mail or facsimile transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

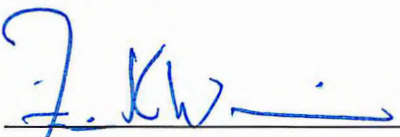
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SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the Effective Date.

TOWNSHIP OF LOWER MAKEFIELD,
BUCKS COUNTY

AQUA PENNSYLVANIA WASTEWATER,
INC.

By: 

By: _____

Printed: Fredric K Weiss


Printed: Marc A. Lucca

Its: Board Chair

Its: President

ATTEST:

ATTEST:

By: 
Name: Kurt M. Ferguson
Its: Township Manager

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the Parties have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the Effective Date.

TOWNSHIP OF LOWER MAKEFIELD,
BUCKS COUNTY

AQUA PENNSYLVANIA WASTEWATER,
INC.

By: _____

By:  _____

Printed: _____

Printed: Marc A. Lucca


Its:

Its: President

ATTEST:

ATTEST:

By: _____

By:  _____

Name:

Name: HEIDI H. MCINTYRE

Its:

Its: Ass't Secretary

ASSET PURCHASE AGREEMENT

By and Between

The Township of Lower Makefield, Bucks County,

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

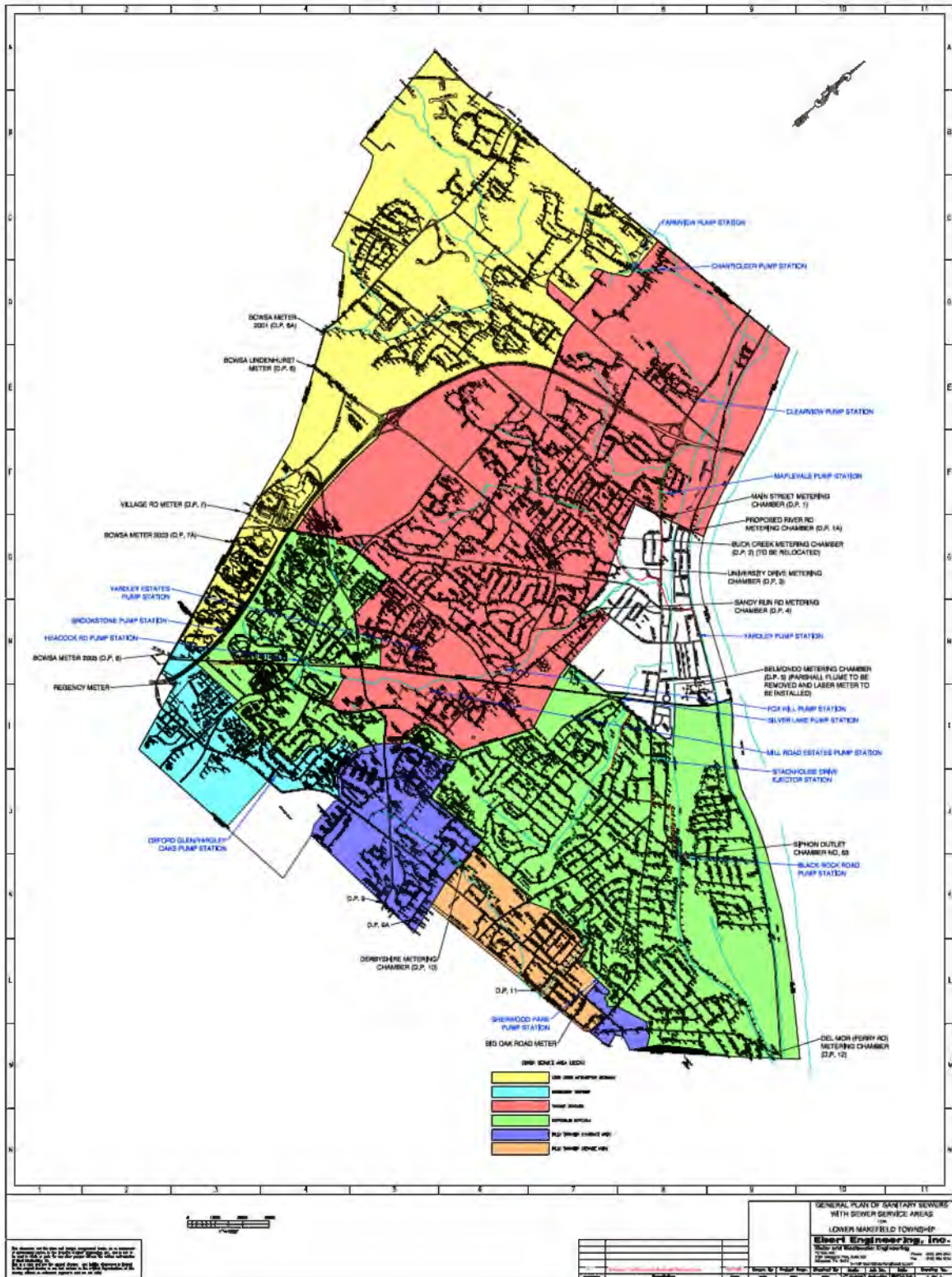
As Buyer

SCHEDULES AND EXHIBITS

Capitalized terms used in the Schedules which are not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement. The Schedules are to be read in their entirety. Nothing in the Schedules is intended to broaden the scope of any representation or warranty in the Agreement. The disclosure of any item, explanation, exception or qualification in any Schedule is disclosure of that item for all purposes for which disclosure is required under the Agreement when it is reasonably apparent from the context that such item, explanation, exception or qualification also relates to another Schedule irrespective of whether any cross reference is made or no Schedule is provided with respect to a representation. Other than as expressly set forth herein or when the Schedules reference agreements or other matters not documented in a separate writing, all descriptions of agreements, written materials or other matters appearing herein, are summary in nature and are qualified by reference to the complete documents, which have been supplied to the Buyer or its counsel.

SCHEDULE A

Service Area



Neshaminy Interceptor Service Area: There are four pump stations located within the Neshaminy Interceptor Service Area:

1. Farmview Pumping Station: a submersible pump station and services the surrounding residential developments.
2. Chanticleer Pumping Station: comprised of two submersible pumps and services the surrounding residential developments.
3. Brookstone Pumping Station: a wet well dry well configuration that services the Brookstone residential development. This pump station is equipped with two pumps.
4. Yardley Oaks Pumping Station: a wet well dry well pump station equipped with two pumps.

Yardley Service Area: There are five pump stations located within the Yardley Borough Service Area:

1. Clearview Pumping Station: this pump station is a tributary to Yardley Borough and ultimately to the Morrisville Wastewater Treatment Plant. It is a submersible pumping station and is located on Taylorsville Road. This services the Clearview Estates residential development.
2. Maplevale Pumping Station: a submersible pump station and services at the Estates at Prospect Mill, as well as some of the surrounding residential developments.
3. Fox Hill Pumping Station: a wet well dry well pump station.
4. Mill Road Estates: a wet well dry well pump station which services Mill Road Estates and the surrounding residential developments.
5. Yardley Estates Pumping Station: a wet well dry well pump station which services the Yardley Estates Development and surrounding residential developments.

Morrisville Service Area: There are five pump stations located within the Morrisville Borough Service Area, all of which are a wet well dry well configuration:

1. Heacock Road Pumping Station
2. Black Rock Road Pumping Station
3. Sherwood Park Pumping Station
4. Silver Lake Pumping Station
5. Stackhouse Drive Pumping Station

Falls Contract Service Area: The Falls Contract Service Area contains four flow meters. There are no pumping stations.

Schedule 2.02(i)

Excluded Assets

51 KW Generator and Pad located at the Stackhouse Drive Pump Station

One (1) 12" enclosed "Integrity" Trailer - HL 6X12 01380

One (1) Kohler Generator on Trailer - SN KOH0789983

One (1) Multiquip trailer mounted pump - Engine SN *PE4024R089952*, 4024TF281

One (1) 2011 Ford Econoline 11 Passenger Van (VIN: 1FBNE3BLXBDB10893)

One (1) 2019 Chevy Colorado Pickup Truck (VIN: 1GCGTCEN8K1246495)

One (1) 2019 Chevy Silverado 2500 HD Pickup Truck (VIN: 2GB2KSEGXK1151430)

One (1) 2015 GMC Sierra 3500 HD Pickup Truck (VIN: 1GT422EG1FF569135)

Schedule 4.05

Required Consents and Approvals

1. Pennsylvania Public Utility Commission (“PaPUC”) Approval of Transaction
2. PaPUC Approval of Consent to Assignment and Amendment to Sewer Service Agreements and Related Amendments
3. Pennsylvania Department of Environmental Protection (“PaDEP”) Approval of Sanitary Sewer Collection and Conveyance System Act 537 Plan recognizing transfer of wastewater collection system from Seller to Buyer
4. PaDEP Approval of Transfer of All WQM Permits

Schedule 4.06

Seller Liabilities

None.

Schedule 4.07

Events Having a Material Adverse Effect

None.

Schedule 4.08

Tax Matters

None.

Schedule 4.09

Real Property and Easements; Liens

Real Property:

- Black Rock Road Pump Station: located near the intersection of Black Rock Road and Ivy Lane
- Chanticleer Pump Station: located southeast of Dyers Lane
- Heacock Road Pump Station: located on the east side of Heacock Road just south of Heritage Oak Drive
- Oxford Glen / Yardley Oaks Pump Station: located at the intersection of Acorn Drive and Woodview Drive
- Sherwood Park Pump Station: located southeast of Essex Lane cul-de-sac
- Silver Lake Pump Station: located north of Oxford Road
- Stackhouse Drive Pump Station: located northeast of Stackhouse Drive

Easements:

- Deed of Easement dated 1995 between Russell Hinkel, Deborah Hinkel and Lower Makefield Township for a right-of-way easement
- Deed of Dedication for Pumping Station Area, Wynnewood V, Section 3, dated September 26, 1981 between Buckingham Developers, Inc. and the Township of Lower Makefield
- Legal description for a sanitary sewer easement through the property of Ralph Pisani and Berel Altami
- Declaration of Taking filed December 3, 1965 for a right-of-way on a lot of land running west of Taylorsville Rd. in Prospect Drive, from M.H. F534 to M.H. F506 in the Township of Makefield and a portion of Lake Shore Drive from M.H. E6 running s/e along Lake Drive over & through the land of Makefield Lakes Recreation Association, for a distance of 165.8 to land of Walter B. Churchill, et ux, Township of Lower Makefield
- Declaration of Taking filed June 18, 1965 for a right-of-way on a lot of land at Ferry & River Roads, and on lots of land on the n/e side of Penna. Canal owned by Arthur and Mary Gable Stryker, Henrietta R. Ellin and Jane S. Ellin, Madison Estates, Inc. and Hiram & Marion Gruenwald Rickert, h/w, Wm. J. Weinman & 1st Trenton Nat'l Bank, Trustees U/W Wm. A. Weinman, Dec'd.
- Declaration of Taking filed July 15, 1965 for a right-of-way on a lot located in Lower Makefield Township adjoining lands of Anna Kungl and Eleanor M. Erb, and a lot of land situate on Lot 61 at Berkley Drive, Lower Makefield Twp.
- Declaration of Taking filed August 19, 1965 for a right-of-way on lots of land located on the northerly side of Penna. Canal, a lot of land located on Buck Creek between Wilbur Rd and Knoll Drive, lots of land known as Nos. 52, 53, 54 on n/e side of Taylorsville Rd, and lots of land known as Nos. 54&55 on n/e side of Stackhouse Drive
- Declarations of Taking filed October 29, 1965 for the permanent right-of-way easements for (i) a portion of lot 30, Fairfield Terrace, on n/s of Stackhouse Drive; (ii) portion of lot located on w/s of Fiarway Drive; (iii) portion of lot located on e/s of Sandy Run Road, adjacent to lands of Haydo, Fox, Hand and Mancuso Twp; (iv) portion of lot 70, Milford Manor, on e/s of David Terrace; (v) portion of Lot 81, Milford Manor, on w/s of Esther Lane; (vi) Lot of land running from M.H. 234 in a northerly course along David Terrace and running from M.H. 221 to M.H. 224 in an easterly course along Irving Road

- Declarations of Taking filed May 24, 1965 for the permanent right-of-way easements for (i) lot of land located on n/e side of Penna. Canal; (ii) lot of land located on Penna. Canal; (iii) lot of land located at Buck & Quarry Roads; (iv) Lot of land at or near N. Delmorr Avenue
- Declarations of Taking filed June 17, 1966 for the permanent right-of-way easements for (i) lot of land on s/side of Pa. Canal from Black Rock Rd. to land of Conte; (ii) lot of land in bed of Oxford Road from MH E206 to MH E201; (iii) lot of land on n/side of Stackhouse Drive, lot 26, Fairfield Terrace; (iv) lot of land on s/side of Pa. canal from land of Cappa to land of Regler
- Declarations of Taking filed August 10, 1966 for the permanent right-of-way easements for (i) lots 36 & 37 on n/e side of Walnut Avenue; (ii) lot 28 on northeasterly side of Walnut Ave; (iii) lot 28, west acres on n/side of Glen Valley Road; (iv) lot 28, or portion of, West Acres, on n/side of Glen Valley Road; (v) lot 10, Tanglewood, on e/side of Wilfred Drive; (vi) lot 34, on n/side of Walnut Avenue; (vii) lot 35, on n/side of Walnut Avenue
- Declarations of Taking filed October 1965 for the permanent right-of-way easements for (i) lot of land no. 34 & 35 on north side of Crown Terrace; (ii) lot of land No. 36 on north side of Crown Terrace; (iii) lot of land No. 33, west acres; (iv) lot of land No. 37 on north side of Crown Terrace; (v) lot of land No. 38 on north side of Crown Terrace; (vi) lot of land No. 32 on south side of Pa. Canal; (vii) lot of land No. 31 on north side of Crown Terrace; (viii) lot of land No. 29 & 30 on south side of Penna. Canal; (ix) lot of land on Black Rock Road, and s/w side of Pa. Canal; (x) lot of land on south side of Pa. Canal from Black Rock Road to land of Conte; (xi) lot of land on south side of Pa. Canal from land of Cappa to land of Regler
- Declarations of Taking filed September 15, 1965 for the permanent right-of-way easements for (i) portion of Lot #144 located on the westerly side of Homestead Drive; (ii) portion of Lot #9 located on the westerly side of College Avenue; (iii) portion of Lot #6 located on the westerly side of College Avenue; (iv) portion of lot #10 located on the westerly side of College Avenue; (v) portion of lot #8 located on the westerly side of College Avenue; (vi) portion of lot #40 located on the northerly side of Crown Terrace; (vii) portions of lots #39 & 40 located on the northerly side of Crown Terrace; (viii) land located on the east side of Houston Rd through the land of Wm. A. Bauers, et ux; (ix) land located on the westerly side of Houston Road through to land of Paul Hancock, et ux; (x) lot of land located on southerly side of Pine Lane
- Declarations of Taking filed September 23, 1965 for the permanent right-of-way easements for (i) lot of land on the west side of Morningside Avenue from land of Croft to land of Weinstein; (ii) lot of land No. 63, Delavue Manor, on the w/side of Morningside Avenue; (iii) lot of land on the east side of Silver Lake from land of Covalesky to land of Wilson; (iv) lot of land No. 64, Delavue Manor, on the w/side of Morningside Avenue; (v) lot of land, No. 14, Penn Valley Manor on the s/side of Oak Hill Lane; (vi) lot of land, No. 41, River Glen, on the s/e side of Glen Drive; (vii) lot of land, lot 73, Sylvan Glen, on the s/side of South Drive; (viii) lot of land on the s/side of Pine Lane, lot 101; (ix) lot of land on the west side of Morningside Avenue, Delavue Manor; (x) lot of land on the Yardley Boro-Lower Makefield Twp Line, adjacent to land of Cold Spring Bleachery; (xi) lot of land on the west side of College Avenue, lots 2 & 3; (xii) lot of land running from Holland Dev. Co. over & through to lands of Scammell estate and the Yardley Boro-Lower Makefield Township Line
- Amendment to Declaration of Taking by the Municipal Sewer Authority of the Township of Lower Makefield (undated)
- Index of Right of Way Grants Given to the Municipal Sewer Authority of the Township of Lower Makefield (undated)
- Declaration of Taking by the Municipal Sewer Authority of the Township of Lower Makefield recorded in Deed Book 1829, page 118 on April 29, 1966 for the lot of land from MH A451 to Pa. canal in bed of Warwick Road, an undedicated street
- Declaration of Taking by the Municipal Sewer Authority of the Township of Lower Makefield recorded in Deed Book 1833, page 466 on June 17, 1966 for (i) lot of land on s/side of Pa. Canal

from Black Rock Road to land of Conte; (ii) lot of land in bed of Oxford Road from MH E206 to MH E201; (iii) lot of land on n/side of Stackhouse Drive, lot 26, Fairfield Terrace; (iv) lot of land on s/side of Pa. Canal from land of Cappa to land of Regler

- Declaration of Taking recorded in Deed Book 1834, page 871 on June 22, 1966 for lot of land located on the s/side of Pa. Canal from land of Edwards to land of Loser
- Declaration of Taking recorded in Deed Book 1840, page 256 on August 10, 1966 for (i) lots 36 & 37 on n/e side of Walnut Avenue; (ii) Lot 28 on northeasterly side of Walnut Avenue; (iii) lot 28, West Acres, on n/side of Glen Valley Road; (iv) lot 28, or portion of, West Acres on n/side of Glen Valley Road; (v) lot 10, tanglewood, on e/side of Wilfred Drive; (vi) lot 34 on n/side of Walnut Avenue; (vii) lot 35 on n/side of Walnut Avenue
- Declaration of Taking dated March 7, 1966 for a right-of-way easement for (i) lots of land on the n/w side of Tudor Lane adjacent to land of Jean H. Geniesse, (ii) lot of land on the s/e side of Vernon Lane adjacent to land of Jean H. Geniesse, (iii) lot of land on the w/side of Penna. Canal from land of Pearl to land of Wayman, (iv) lot of land, Nos. 10 & 12, Sec. N, Westover, (v) Lot of land on n/side of Shelly Lane, (vi) portion of lot of land adjacent to Lots 41 & 42, (vii) lot of land No. 28 West Acres, and (viii) lot of land running from north to south along Maplewood Lane from MH A511 to MHA505
- Right-of-Way Grant dated December 13, 1965 between Cold Spring Bleachery and the Municipal Sewer Authority of the Township of Lower Makefield for a permanent 20-foot-wide easement
- Indenture dated March 20, 1986 between Reading Real Estate Company and the Township of Lower Makefield impacting Tax Parcel No. 20-34-20-7
- Legal Description for a permanent force main easement for the Lower Makefield School District Authority for Tax Parcel No. 20-34-22
- Deed of Dedication dated June 1, 1993 between Edgebrook Development Company and the Township of Lower Makefield
- Queens Grant Section VII – Lower Makefield Township, Bucks County, Lots 201 and 202 – 30-foot storm and sanitary sewer easement impacting Tax Parcel Nos. 20-55-222, 20-550-221
- Legal description of a 20-foot-wide sanitary easement for the Casadonti Subdivision in Yardley Borough
- Declaration of Taking filed November 1, 1965 for a right-of-way easement on a portion of lot or land on the east side of Derbyshire Road, running over & through to lands of Pennsbury Joint School District, Twp. Of Lower Makefield
- Deed of Easement dated June 30, 1997 between Yardley Estates, LP and the Township of Makefield for a 30-foot-wide sanitary sewer easement (Tax Map Parcel Nos. 20-60-254, 20-60-255, 20-56-44, 20-56-45, 20-56-46, 20-56-47, 20-56-49, 20-56-49, 20-56-19, 20-56-20, 20-75-49, 20-75-53, 20-75-54, 20-75-55, 20-75-56
- Deed of Dedication – Utility Easement – Rolling Green (a/k/a Santosa Estates) dated October 17, 2005 between Quaker Group Residential LP and Lower Makefield Township for a 40-foot-wide utility easement in the Rolling Green Subdivision
- Deed of Dedication – Utility Easement – Rolling Green (a/k/a Santosa Estates) dated October 17, 2005 between Quaker Group Residential LP and Lower Makefield Township for utility easements in the Rolling Green Subdivision (Tax Parcel Nos. 20-56-90, 20-56-91, 20-56-110, 20-34-79, 20-56-95, 20-56-83, 20-56-84, 20-60-296, 20-60-297
- Deed of Dedication – Sanitary Sewer Easement – Hidden Hoaks I dated December 19, 2000 between Hidden Oaks Development Associates, LP, Hidden Oaks- RHI, LP and Lower Makefield Township for a storm and sanitary sewer easement (Tax Parcel Nos. 20-60-233, 20-60-234, 20-60-167, 20-60-168, 20-60-171, 20-60-172, 20-60-184, 20-60-185, 20-34-29-3, 20-60-243, 20-60-187, 20-60-188, 20-60-189
- Deed of Easement – Storm and Sanitary Sewer Easement – Hidden Oaks I dated December 19, 2000 between Hidden Oaks Development Associates, LP, Hidden Oaks-RHI, LP and Lower

Makefield Township for storm and sanitary sewer easements (Tax Parcel Nos. 20-60-235, 20-60-236, 20-60-228, 20-60-229)

- Deed of Easement dated June 21, 1990 between Marcel Trepanier, Francoise Trepanier and Lower Makefield Township for a right-of-way easement for tax parcel number 20-34-234
- Legal description for Big Oaks Bend Sanitary and Storm Water Easements
- Legal description for Bucks County Business Park sanitary sewer easement for Parcels C, D, and E
- Right of Way Grant dated March 21, 1980 between Makefield Associates, Makefield Associates II, and the Municipal Sewer Authority of the Township of Lower Makefield for a perpetual right of way and easement for parts of the sewer system (6 30-foot-wide sanitary sewer easements and 2 20-foot wide force main easements)
- Deed of Dedication – Sanitary Sewer Easements – Winterfield dated April 10, 2001 between Realen Homes LP and Lower Makefield Township for that certain sanitary sewer easement for tax parcel numbers 20-21-114, 20-21-115 and 20-24,156
- Deed of Easement – Storm and Sanitary Sewer Easement – Winterfield dated April 12, 2001 between Meridian Mortgage Corporation and Lower Makefield Township for those certain storm and sanitary sewer easements for tax parcel numbers 20-24-3, 20-24-4, 20-24-82
- Deed of Dedication – Sanitary Sewer Easement – Stewart’s Field dated January 9, 2003 between DeLuca Enterprises, Inc. and Lower Makefield Township for that certain sanitary sewer easement for tax parcel numbers 20-24-175 and 20-24-184, 20-21-150 and 20-21-151
- Deed of Dedication – Sanitary Sewer Easements Peake Farm dated November 17, 2004 between Quaker Group Developments, LP and Lower Makefield Township for those certain sanitary sewer easements for the Peake Farm (Tax Parcel Nos. 20-65-310, 20-60-301, 20-69-45)
- Indenture dated November 30, 1990 between Yardley Mill Development Corporation and Township of Lower Makefield for that certain sanitary sewer easement located at the Mill at Yardley
- Deed of Dedication – Easements and Additional Road Right of Way dated June 15, 1989 between Erin Development Co. and the Board of Supervisors of Lower Makefield Township for sanitary sewer easements and an additional road right of way with respect to Oxford Valley Road (for Makefield Quarters)
- Deed of Dedication dated February 7, 1989 between William Whitecraft and the Township of Lower Makefield for a 30-foot wide sanitary sewer easement (542 Heacock Road)
- Deed of Dedication dated April 21, 1991 between Lawrence Court Associates, Inc and the Township of Lower Makefield for certain sanitary sewer easements and storm sewer easements and detention basin (Farmington Lots 33, 34, 35)
- Deed of Easement dated February 2, 2001 between Russel D’Aversa, Loretta D’Aversa and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement being a part of Tax Map Parcel 20-012-014
- Deed of Easement dated February 2, 2001 between Russel D’Aversa, Loretta D’Aversa and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement being a part of Tax Map Parcel 20-012-015-2
- Deed of Easement dated December 16, 1992 between John and Joanne Christ and Lower Makefield Township for a sanitary sewer easement being a part of Tax Parcel No. 20-37-10
- Legal Descriptions for the following sewer easements
 - Tax Map Parcel No. 20-32-27 (Vincent and Jane D’Aversa)
 - Tax Map Parcel No. 20-33-1 (Ernest and Shirley Fetterman)
 - Tax Map Parcel No. 20-33-2 (Michael and Andrea Mihaly)
 - Tax Map Parcel No. 20-16-74 (Rudolph J. Fatyol Sr and Frances D. Fatyol)
 - Tax Map Parcel No. 20-34-47 (Estelle M. Smith)
 - Tax Map Parcel No. 20-34-22 (Lower Makefield School District Authority)

- Tax Map Parcel No. 20-37-12 (Denning R. and Susan B. Smith)
 - Tax Map Parcel No. 20-16-70 (Angelina M. Bockin)
- Deed of Dedication Roadway and Sewer Facilities Township Line Road Extension dated March 10, 1993 by DeLuca Enterprises, Inc. and the Township of Lower Makefield for the Floral Vale and Smith Tract
- Indenture dated March 20, 2000 between DeLuca Enterprises, Inc. and the Township of Lower Makefield for that certain 30-foot wide easement being parts of Tax Map Parcel Nos. 20-13-5 and 20-13-5-1
- Deed of Dedication dated June 5, 1995 between DeLuca Enterprises, Inc. and the Township of Lower Makefield for that certain right-of-way easement for Floral Vale (Phase I) for Tax Parcel No. 20-13-5
- Deed of Dedication dated October 1989 between Polo Run Associates, Ltd., and the Township of Lower Makefield for that certain sanitary sewer easement for the Polo Run Village (Tax Map Parcel No. 20-12-10)
- Bill of Sale dated June 21, 2001 between Realen Homes, L.P. and Lower Makefield Twp. For the ownership interest and facilities referred to as Brookstone Pumping Station
- Deed of Dedication for Sanitary Sewer Easements dated July 13, 1981 between Revose Service Corporation and the Township of Lower Makefield for 15 permanent sanitary sewer easements for Mirror Lake Farms
- Indenture dated May 19, 1988 between Hovnanian Pennsylvania, Inc. and the Township of Lower Makefield for sanitary sewer easements for County Tax Parcel Numbers 20-61-9 and 20-58-155
- 30-foot-wide utility easement for Lots 1, 2, 27, and 28 of Polekoff Farm in Lower Makefield Township dated March 12, 1985
- Proposed Easement for Lot 31 of Mirror Lake Farms in Lower Makefield Township dated September 9, 1980
- Deed of Easement dated November 1, 1990 between Samuel R. D'Aversa and Elizabeth D'Aversa and Lower Makefield Township for a sanitary sewer easement through their property identified as Bucks County Tax Parcel Number No. 20-16-57
- Deed of Easement dated January 7, 1991 between Dimitri McKamey and Mariann McKamey and Lower Makefield Township for a sanitary sewer easement through their property identified as Bucks County Tax Parcel No. 20-16-58
- Deed of Easement dated November 20, 1990 between Earl L. Rule and Kathryn L. Rule and Lower Makefield Township for a sanitary sewer easement through their property identified as Bucks County Tax Parcel No. 20-22-1
- Deed of Dedication – Utility Easement Afton Crest dated August 5, 2003 between DeLuca Enterprise Inc. and Lower Makefield Township for a 30-foot-wide utility easement through lots 1, 2 and 3 of Afton Crest
- Grant of Easement dated October 20, 2003 between Lower Makefield Township and K. Hovnanian at Lower Makefield Township I, LLC for a sanitary sewer easement through the land identified as Tax Parcel No. 20-61-52
- Grant of Easement dated October 20, 2003 between Lower Makefield Township and K. Hovnanian at Lower Makefield Township I, LLC for a sanitary sewer easement through the land identified as Tax Parcel No. 20-34-20-2
- Deed of Easement – Sanitary Sewer dated January 18, 1999 between Craig Sanford and Mary Jo Sanford and Congregation Kol Emet granting a sanitary sewer easement for 20-34-36-04
- Deed of Easement dated December 21, 2001 between Robert Arnott, Nancy J. Arnott and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-007

- Deed of Easement dated December 21, 2001 between Stephen Biedka and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-012
- Deed of Easement dated January 4, 2002 between Stacey E. Feiner, Peter R. McCarren and Lower Makefield Township for a 10-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-015-001
- Deed of Easement dated April 10, 2002 between Walter C. Flowers and Lower Makefield Township for a 30-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-003-036-001
- Deed of Easement dated February 18, 2002 between F. Bruce Gillespie and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-006
- Deed of Easement dated December 22, 2001 between Adele Juston and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-011
- Deed of Easement dated December 21, 2001 Neville D. Noel, Donna L. Noel and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-010
- Deed of Easement dated December 18, 2001 between Gale C. Oberndorfer, Beth Y. Oberndorfer and Lower Makefield Township for a 10-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-014
- Deed of Easement dated July 5, 2002 between Deno D. Papageorge, Linda F. Papageorge and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-006-018-001
- Deed of Easement dated January 18, 2002 between Robert E. Plunkett, Kimberly A. Plunkett and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-006-025
- Deed of Easement dated January 15, 2001 between Myrtle F. Schaible and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-006-0024
- Deed of Easement dated December 21, 2001 between Philip Tuniman, Tessie Tuniman and Lower Makefield Township for a 10-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-004-013
- Deed of Dedication – Sanitary Sewer Easement dated July 1, 1990 between Edward B. Meyers, Irwin B. Robbins t/a Best Homes and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-4-172
- Deed of Dedication – Meeting House Glen (Loberg Tract) Sanitary Sewer Easements dated December 31, 2003 between Realen Homes, L.P. and Lower Makefield Township for permanent sanitary sewer easements in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-3-41-4, 20-3-41-5 and 20-5-80
- Deed of Dedication – Pumping Station dated March 23, 2000 between Farmview Associates, L.P. and Lower Makefield Township for a pumping station at Bucks County Tax Map Parcel Number 20-5-74
- Deed of Easement – Devonshire – Sanitary Sewer Easement dated August 22, 2003 between Bridle Estates LP and Lower Makefield Township for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-68-46 to 70 and 20-80-42 to 44

- Grant of Easement dated December 2, 1993 between Walter C. Flowers and Dolington Estates LP for a 30-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-3-28-1 and 20-3-16
- Grant of Easement dated February 17, 1994 between John and Rosemary Blum and Dolington Estates L.P. for a 30-foot-wide permanent sanitary sewer easement in and along a portion of their property
- Grant of Easement dated March 22, 1995 between Wesley W. Hackman Jr., Fay B. Hackman and Dolington Estates LP for a 35-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-3-15 and 20-3-23
- Easement Agreement dated July 23, 1993 between Farmview Associates, LP and Dolington Estates LP for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property
- Grant of Easement dated August 16, 1994 between Thomas S. Minemart 2nd and E. Stephen Malise and Dolington Estates LP for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-3-28
- Deed of Easement dated January 8, 2000 between Jerome L. Cuccia, Patricia A. Cuccia and The Municipal Sewer Authority of the Township of Lower Makefield for a permanent sanitary sewer easement and egress easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-79-24
- Deed of Easement dated May 7, 2001 between Charles H. Reichenbach, Carolyn P. Reichenbach and The Municipal Sewer Authority of the Township of Lower Makefield for a permanent sanitary sewer easement and egress easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-79-25
- Deed of Easement – Dolington Estates II – Sanitary Sewer Easements dated September 10, 2004 between Dolington Estates LP and Lower Makefield Township Sewer Authority for a permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-77-85, 20-77-86, and 20-74-52
- Bridle Estates 10-foot-wide sanitary sewer easement “O” through open space “A” dated December 16, 1998
- Bridle Estates 30-foot-wide sanitary sewer easement “N” through parcel “A” and open space “B” dated December 16, 1998
- Bridle Estates 30-foot-wide sanitary sewer easement “M” through lot 65 and detention basin dated December 16, 1998
- Deed of Easement dated April 6, 1999 between Patrick Brennan and Kim Ann Brennan and Lower Makefield Township for a 10-foot-wide permanent sanitary sewer easement in and along a portion of their property being part of Bucks County Tax Map Parcel Number 20-31-08
- Deed of Easement dated April 6, 1999 between William E. Stanton, Antoinette M. Standton and Lower Makefield Township for a permanent sewer easement in and along a portion of their property being a party of Bucks County Tax Map Parcel Number 20-31-19
- Deed of Easement dated April 6, 1999 between Juliet C. Sommer and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-31-10-1 and 20-31-10
- Deed of Easement dated April 6, 1999 between Robert S. Michael & Birgit E. Kohl and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-31-11-1
- Deed of Easement dated April 6, 1999 between Robert W. Burlingame and Betty J. Burlingame and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-31-11

- Deed of Easement dated April 6, 1999 between Albright G. Zimmerman, Margaret H. Zimmerman and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-69
- Deed of Easement dated April 6, 1999 between Uwe Hundskopf and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-70
- Deed of Easement dated July 21, 1999 between Kevin Fischer, Barbara Fischer and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Numbers 20-30-71 and 20-30-73
- Deed of Easement dated April 6, 1999 between Thomas D. Oliver, Leoni S. Oliver and Lower Makefield Township for a 10-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-72
- Deed of Easement dated April 6, 1999 between Paul E. Hadfield, Diane Hadfield and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-68
- Deed of Easement dated April 6, 1999 between Thomas E. Blaszczyk and Donna M. Blaszczyk and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-75
- Deed of Easement dated April 6, 1999 between Marie Duffy and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-76
- Deed of Easement dated April 6, 1999 between Paula Wonsetler and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-78
- Deed of Easement dated April 12, 1999 between John Nevin, Eleanor Nevin and Lower Makefield Township for a 20-foot-wide permanent sanitary sewer easement in and along a portion of their property being a part of Bucks County Tax Map Parcel Number 20-30-74
- Deed of Dedication dated March 6, 1987 between Trevoise Service Corporation and Lower Makefield Township Municipal Authority of the parcels described in Exhibit A for sewer lines and no other purpose
- Deed of Dedication Sanitary Sewer Easement (Long Shore Estates) dated October 22, 1998 between DeLuca Enterprises, Inc. and the Township of Lower Makefield
- Deed of Dedication dated August 31, 2004 between Pebble Creek Associates, L.P. and Lower Makefield Township for a 10-foot-wide sanitary lateral easement, a 50-foot-wide sanitary sewer easement and a 30-foot-wide sanitary sewer easement at the Estates at Pebble Creek
- Deed of Dedication Storm and Sanitary Sewer Easements for Clearview Estates dated August 9, 2002 between Realen Homes, L.P. and Lower Makefield Township

Schedule 4.10

Equipment and Machinery

Black Rock Road Pumping Station:

- 45 KW Generator and Pad
- Pumps, 20 HP
- Controls
- Piping and valves (dry well)

Chanticleer Pump Station

- Portable Generator
- Pumps, 3 HP and controls
- Piping and valves (wetwell)

Clearview Pump Station:

- 150 KW Generator
- Pumps, 20 HP and controls
- Piping (wetwell)
- Vault piping and valves

Farmview Pump Station:

- 60 KW Generator
- Pumps, 15 HP and controls
- Piping (wetwell)
- Vault piping and valves

Fox Hill Pump Station:

- 75 KW Generator located at Fox Hill Pump Station
- Pumps, 25 HP and controls
- Dry well piping

Maplevale Pump Station:

- Portable Generator located at Maplevale Pump Station
- Pumps, 3 HP and controls
- Piping and valves (wetwell)

Oxford Glen/Yardley Oaks Pump Station:

- 80 KW Generator
- Pumps, 7.5 HP and controls

- Dry well piping

Sherwood Park Pump Station:

- 45KW Generator and Pad
- Pumps, 15 HP
- Controls
- Piping and valves (dry well)

Silver Lake Pumping Station:

- 80 KW Generator and Pad
- Pumps, 15 HP (three pumps)
- Controls
- Piping and valves (dry well)

Stackhouse Drive Pump Station:

- Pumps, level sensors, and pump controls
- Piping (wetwell)
- Vault piping and valves

Yardley Estates Pump Station:

- 30 KW Generator
- Pumps, 10 HP and controls
- Dry well piping

Mill Road Estates Pump Station:

- 60 KW Generator
- Pumps, 30 HP and controls
- Piping (wetwell)
- Vault piping and valves

Brookstone Pump Station:

- 50 KW Generator
- Pumps, 15 HP and controls
- Dry well piping

Other:

- 10 adjustable manhole riser - 26" Dia. X 1.5"
- 15 adjustable manhole riser - 24" Dia. X 1.5"
- About 32 manhole inserts for I&I - 24" Dia.
- 22 manhole lids/covers - 26" Dia.

- 22 manhole lids/covers - 24" Dia.
- 10 Precast Concrete Risers - 40.5" OD, 24" ID x 2"
- 2 Manhole Adjustment Rings - 24" Dia x 4"
- 1 ISCO 2150 Area Velocity FLOW Meter (portable) - 60-2004-007, SN 218F03642
- 1 ISCO 2150 Area Velocity FLOW Meter (portable) - 60-2004-007, SN 218F03643
- 1 ISCO 2150 Area Velocity FLOW Meter (portable) - 60-2004-007, SN 218F03644
- 1 Barnes Submersible Pump - Model XSGV3032L, SN C1573845-0412
- 1 Barnes Submersible Pump - Model XSGV3032L, SN C1573846-0412
- 1 GA Industries 4-6" valve - SN 432031839

Schedule 4.12

Environmental Compliance

Corrective Action Plan:

A Settlement Agreement between Bucks County Water and Sewer Authority (BCWSA) and the Pennsylvania Department of Environmental Protection (PADEP) was reached which included the establishment of the Neshaminy Interceptor Corrective Action Plan and the Neshaminy Interceptor Connection Management Plan for the Neshaminy Interceptor. As a result, all municipalities who are tributary to the Neshaminy Interceptor were required to update their Municipal Act 537 Plans, prepare a Sewer System Needs Analysis for their communities and complete a comprehensive Inflow and Infiltration evaluation with an abatement plan for their sanitary sewers. Lower Makefield Township submitted a Corrective Action Plan to the PADEP on September 21, 2017, which was approved by means of the Lower Makefield Township Act 537 Plan on November 5, 2018.

The Corrective Action Plan addresses three service areas within Lower Makefield which are tributary to the Neshaminy Interceptor: The Core Creek Interceptor Service Area, the Middletown Township Service Area, and the Falls Township Contract Area.

As of the Corrective Action Plan Yearly Update dated March 9, 2019, Lower Makefield Township is still on the original anticipated schedule set forth in the Corrective Action Plan.

SSO Reporting for Calendar Years 2019 and 2020: There have been no capacity-related bypassing, SSOs or surcharging in the Falls Contract Area, the Morrisville Municipal Authority Service Area, the Neshaminy Interceptor Service Area or the Yardley Borough Service Area during the 2019 and 2020 report years.

SSO Reporting for Calendar Years 2017 and 2018:

- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2017, the Falls Contract Area did not experience capacity-related bypassing, SSOs or surcharging during the report year.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2017, the Morrisville Municipal Authority Service Area did not experience capacity-related bypassing, SSOs or surcharging during the report year.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2017, the Neshaminy Interceptor Service Area did not experience capacity related bypassing, SSOs or surcharging during the report year. Note however, that the Core Creek Interceptor had documented high flows during rain events however no SSO occurred in 2017.

- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2017, the Yardley Borough Service Area did not experience capacity-related bypassing, SSOs or surcharging during the report year.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2018, with respect to the Falls Contract Area, Lower Makefield Township received a Notice of Violation on November 29, 2018 for the event located at Ester Lane and Irving Road (Darbyshire Road Area. The primary cause of the SSO was due to a root mass in which Lower Makefield Township cleared and removed the debris.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2018, the Morrisville Municipal Authority Service Area did not experience capacity-related bypassing, SSOs or surcharging during the report year.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2018, the Neshaminy Interceptor Service Area did not experience capacity related bypassing, SSOs or surcharging during the report year. Note however, that the Core Creek Interceptor had documented high flows during rain events.
- Pursuant to the Chapter 94 Municipal Wasteload Management Annual Report for Calendar Year 2018, the Yardley Borough Service Area did not experience capacity-related bypassing, SSOs or surcharging during the report year.

Schedule 4.13

Authorizations, Licenses and Permits

537 Plan:

- Lower Makefield Township Act 537 Sewage Facilities Plan Special Study for Neshaminy Interceptor (537 Plan), as prepared by Ebert Engineering, Inc., dated February 15, 2018, with a last revision date of October 30, 2018.
- Township of Lower Makefield Bucks County, Pennsylvania Act 537 Sewage Facilities Plan Update approved by DEP on July 22, 1999 with a portion of the Township covered by the Edgewood Village Component 3m, approved by DEP on July 1, 2011.

Permits:

Subdivision/Project	WQM Number
Belmondo on the Delaware	0977407
Bexley Orchards	0987412
Big Oak Bend	0981415
Brock Creek Trunk Replacement	0981416
Buck Creek Ests I & II & Mirror Lake	0978442
Buck Creek Ests III	0980447
Centennial Village	0976423
Chestnut Woods (a/k/a Winterfield)	0987461
Church of Latter Day Saints	0988470
Clearview Estates and Countryside Estates	0988408
Delmorr Interceptor	0992414
Devonshire Estates	0987413
Dolington Ests/Core Creek	0995408
Farmview I & II	0988425
Farmview III thru VI	0992403
Foley Tract (a/k/a Makefield Crossing)	0988483
Fox Hollow (a/k/a Canterbury Ests)	0977406
Frog Pond Hollow	0979462
Glen Oaks	0978412
Heacock Meadows I & II	0989427
Heacock Road Extension (Woodside Presbyterian Church)	0985445
Heather Ridge	0988434
Heritage Oaks	0986460
Hidden Oaks I	0989439
Hunt Estates	0982422
Kauffman Estate (Makefield Road)	0988476
Leader Nursing Home (a/k/a Manor Care)	0988446
Long Meadow (Lots 1-2)	0982407
Makefield Brook II	0988443

Makefield Chase	0979449
Makefield Glen	0986471
Makefield Executive Quarters	0986438
Tanglewood (Mill at Yardley)	0982420
Mill Road Estates	0997405
Yerkes Off-Site	0977484
Oxford Glen/Yardley Oaks	0979463
Peter Morris Village	0985405
Polo Run	0987420
Polokoff Farms	0982421
Quarry Commons (Pebble Creek)	0978411
Queens Grant	0971429
Rose Hollow	0981401
Stony Hill Estates (a/k/a Woodlands)	0989437
Villages at Makefield (all sections)	0987445
Woodhaven (a/k/a Rivergate)	0989402
Pennsbury Walk (Worthington Valley)	0989401
Wynnewood 5, Section 5	0980446
Yardley Corners	0979445
Yardley Crest	0988450
Yardley Estates	0985439
Yardley Hunt, Section F	0980423
Yardley Meadows	0979452
Yardley Farms (a/k/a Buck Hill Farms)	0980424
Yardley Run	0984402
Mindhart Tract	APS ID 603019

Schedule 4.14

Assigned Contracts

Name of Contract	Parties to Contract	Date of Contract	Subject
Agreement	Township of Lower Makefield Yardley Borough Sewer Authority	February 14, 1977	Lower Makefield and Yardley authority conducting a combined flow monitoring study to determine a fair apportionment of their respective flows, as the existing Transportation Agreement does not adequately provide for a means of determining the respective sewage flows attributable to the North Section System and the Yardley System
Sewage Transportation Agreement	Municipal Sewer Authority of the Township of Lower Makefield Lower Makefield Township (“LMT”) Yardley Borough Sewer Authority (“YBSA”)	November 20, 2015	Terminates and amends prior 1964 Agreement titled “Lower Makefield-Yardley Sewage Transportation Agreement” and the Memorandum of Understanding Relative thereto between Lower Makefield Township and Yardley Borough Sewer Authority to address the parties’ rights, responsibilities and obligations with respect to the use and maintenance of the jointly used

			collection facilities situate in Yardley Borough and Lower Makefield Township (shown on Exhibit A)
Agreement	Township of Falls Authority Township of Lower Makefield The Municipal Sewer Authority of the Township of Lower Makefield	March 13, 1965	Treatment and disposal by Falls Authority of all sanitary sewage from the properties in Lower Makefield Township collected by the Lower Makefield Sewage Collection System
First Supplemental Agreement	Township of Falls Authority Township of Lower Makefield Municipal Sewer Authority of the Township of Lower Makefield	February 6, 1975	Modifies service changes and the capital contribution provisions of the Agreement dated March 13, 1965 between the parties which provided for the Falls Authority to treat sewage from Lower Makefield Township through sewage lines constructed by Lower Makefield Authority and leased to the Township
Agreement	Township of Falls Authority (“TOFA”) Township of Lower Makefield The Municipal Sewer Authority of the Township of Lower Makefield (collectively with the Township of Lower Makefield, “Township”)	December 12, 1988	Replaces the prior agreements between TOFA and the Township under the terms of which TOFA agreed to transport and treat sewage from certain areas of the Township and addresses certain improvements to be made to the Falls System in

			order for TOFA to properly transport sewage from the Township to the Neshaminy Interceptor Line.
Agreement	Township of Falls Township of Lower Makefield The Lower Makefield Township Sewer Authority	April 18, 1996	Dissolution of the Township of Falls Authority, and assumption of its assets and liabilities by Falls Township
Agreement	Middletown Township, Bucks County Municipal Authority Middletown Township Board of Supervisors Municipal Sewer Authority of the Township of Lower Makefield Lower Makefield Township Board of Supervisors	April 11, 1974	Transmission of sanitary sewage collected from Lower Makefield Township by Middletown into the Neshaminy Interceptor Line.
Addendum Agreement	Middletown Township, Bucks County, Municipal Authority Middletown Township Board of Supervisors Municipal Sewer Authority of the Township of Lower Makefield Township of Lower Makefield, Board of Supervisors	April 11, 1974	Addendum to the Agreement dated April 11, 1974 under which Middletown Township and Middletown Authority have agreed to allocate certain sewer capacity to the Township of Lower Makefield. This addendum amends the allocation to Lower Makefield for the purpose of servicing Makefield Center Industrial Development located on Township Line

			Road South of Route 432.
Core Creek Extension Agreement	Bucks County Water and Sewer Authority Township of Lower Makefield Municipal Sewer Authority of Lower Makefield	October 23, 1975	Collection, transmission and treatment of sewage by Bucks County Water and Sewer Authority upon completion of the extension of the Core Creek Interceptor Line
Agreement	Bucks County Water and Sewer Authority County of Bucks Municipal Sewer Authority of the Township of Lower Makefield	October 28, 1975	Construction and development of an interceptor sewer to serve the lower Neshaminy Creek watershed area
Supplemental Agreement – Neshaminy Interceptor	Bucks County Water and Sewer Authority (“BCWSA”) Township of Lower Makefield	February 7, 2018	Summarizes the terms and conditions upon which BCWSA will construct the Neshaminy Interceptor upgrades, the allocation of collective costs and the flow limitations as set forth in the BCWSA’s connection management plan and the Act 537 plan.
Agreement	Municipal Authority of the Borough of Morrisville Borough of Yardley Yardley Borough Sewer Authority Township of Lower Makefield Municipal Sewer Authority of the	September 1, 1977	Treatment and disposal of sewage and waste collected by the Yardley Authority and Makefield Authority by the Morrisville Authority

	Township of Lower Makefield		
Amendment Agreement	The Municipal Authority of the Borough of Morrisville Township of Lower Makefield The Municipal Authority of the Township of Lower Makefield Yardley Borough Sewer Authority	October 8, 1991	Amendment to 1977 Treatment Agreement by and among the Morrisville Authority, Lower Makefield and Yardley for the treatment and disposal of sanitary sewage collected in Yardley Borough, portions of Lower Makefield and Morrisville Borough at the Morrisville Wastewater Treatment Plant pursuant to a consent decree entered into the United States District Court for the Eastern District of Pennsylvania at No. 86-4604, pursuant to which, Morrisville Authority, Lower Makefield and Yardley agreed to participate in the expansion and upgrading of the treatment plant
Second Amendment Agreement	The Municipal Authority of the Borough of Morrisville Township of Lower Makefield The Municipal Authority of the Township of Lower Makefield Yardley Borough Sewer Authority	June 24, 1993	Amendment to 1977 Treatment Agreement by and among the Morrisville Authority, Lower Makefield and Yardley for the treatment and disposal of sanitary sewage collected in Yardley Borough, portions of Lower

			Makefield and Morrisville Borough at the Morrisville Wastewater Treatment Plant pursuant to a settlement agreement between Morrisville Authority and Lower Makefield
Agreement	Middletown Township Lower Makefield Township The Municipal Sewer Authority of the Township of Lower Makefield (the "Authority") Bucks County Water and Sewer Authority	January 28, 1980	Lower Makefield providing sanitary sewer facilities to certain portions of Lower Makefield Township in an area adjacent to the Middletown Township line terminating at the intersection of Big Oak Road and Township Line Road.
Addendum Agreement	Middletown Township Lower Makefield Township The Municipal Sewer Authority of the Township of Lower Makefield	April 11, 1989	Amendment to 1980 Agreement for the transportation of sewage from a certain portion of Lower Makefield through an interceptor line owned by Middletown Township to the Neshaminy Interceptor Line
Agreement	Municipal Authority of the Borough of Morrisville Yardley Borough Sewer Authority Township of Lower Makefield Municipal Sewer Authority of the	February 18, 1982	Providing for additional treatment capacity pursuant to which Morrisville Authority will undertake expansion of the Wastewater Treatment Plant of Morrisville Authority and

	Township of Lower Makefield		simultaneously Lower Makefield and Yardley Authority will construct new interceptor line in Delmorr Avenue for the transportation of sanitary sewage from Lower Makefield Township and Yardley Borough
Agreement	Newtown, Bucks County, Joint Municipal Authority Municipal Sewer Authority of the Township of Lower Makefield	September 14, 1987	Providing sewer service for wastewater flows from the Newtown Township project (known as "1205, Inc." fronting the Lower Makefield sewer line) into the Lower Makefield line being constructed along Lindenhurst Road, conveyed via the Core Creek Interceptor of the Bucks County Water and Sewer Authority system to Philadelphia's Northeast Treatment Plant.
Water Service Termination Agreement	Lower Makefield Township Municipal Authority of the Borough of Morrisville	March 17, 2005	Termination of water supply from MMA's system to any premises to which service charges payable to LMT are unpaid and delinquent.

Schedule 4.17(a)

Exception to Title to Acquired Assets

None.

Schedule 4.17(b)

Sufficiency

None.

Schedule 4.18

Pending Development Plans

None.

Schedule 5.04

Buyer Consents and Approvals

1. Pennsylvania Public Utility Commission (the “PaPUC”) Approval of Transaction
2. PaPUC Approval of Consent to Assignment and Amendment to Sewage Treatment Agreements and Related Amendments
3. Pennsylvania Department of Environmental Protection (the “PaDEP”) Approval of Sanitary Sewer Collection and Conveyance System Act 537 Plan recognizing transfer of wastewater collection system from Seller to Buyer
4. PaDEP transfer of all WQM Permits

Schedule 5.11

Buyer Litigation

None.

Schedule 7.03

Rates

Service Area	Rate Per Thousand Gallons	Minimum Billing Per Account
Residential Establishment (Private Dwelling)	First 10,000 gallons: \$4.37 Second 10,000 gallons: \$4.60 Third 10,000 gallons: \$4.81 Fourth 10,000 gallons: \$5.29 Fifth 10,000 gallons: \$5.90 Excess over 50,0000 gallons: \$6.77	\$160.48 per quarter or \$53.50 per month
Residential Establishment (Twin-Home, Apartment, Townhouse, Duplex, Condominium, or any other residential living arrangement)		For a building has one meter and no more than two dwelling units: \$269.22 per quarter or \$89.74 per month For a dwelling with no meter: \$269.22 per quarter or \$89.74 per month Apartment complexes: \$160.48
Commercial and Industrial Establishments	\$22.93	\$297.65 per quarter or \$99.22 per month
Public, Parochial and Private Schools	\$22.93	\$297.65 per quarter or \$99.22 per month

Schedule 12.01(b)

Contracts to be Amended prior to Closing

Agreement dated September 1, 1977 by and among Municipal Authority of the Borough of Morrisville, Borough of Yardley, Yardley Borough Sewer Authority, Township of Lower Makefield and Municipal Sewer Authority of the Township of Lower Makefield, as amended from time to time.