

Exhibit “K-1”

AMENDED AND RESTATED AGREEMENT OF SALE

THIS AGREEMENT is made this 24TH day of July, 2020 by and between SYC WWTP, L.P., a Pennsylvania limited partnership of York County, Pennsylvania (“**SYC**”) and THE YORK WATER COMPANY, a public utility corporation organized under the laws of the Commonwealth of Pennsylvania, having its principal office in the City of York, York County, Pennsylvania (“**York Water**”).

WHEREAS, SYC is a duly organized limited partnership that owns facilities used for and is engaged in the business of collecting, treating, and disposing wastewater from inhabitants and businesses in and around the Townships of Springfield and Shrewsbury (the “**Business**”); and

WHEREAS, York Water is a Pennsylvania public utility engaged in the business of collecting, treating, storing, supplying, distributing and selling water and collecting, treating, and disposing wastewater to the public in various portions of York and Adams Counties, Pennsylvania; and

WHEREAS, SYC is willing to sell, and York Water is willing to purchase substantially all of the Wastewater Collection, Pumping and Treatment System of SYC (the “**System**” as defined in Section 2.1 of this Agreement); and

WHEREAS, York Water is willing to own and operate the System, subject to York Water’s regular rules, regulations and tariffs applicable from time to time to water and wastewater customers of York Water, including but not limited to the Pennsylvania Public Utility Commission (“**Commission**”), the Pennsylvania Department of Environmental Protection (“**DEP**”), as well as other governmental agencies.

WHEREAS, SYC and York Water entered into an Agreement of Sale dated October 8, 2013, providing for the sale by SYC and acquisition by York Water of the System and the parties

have worked diligently to close the transaction under that Agreement of Sale but have been unable to satisfy all conditions and contingencies.

WHEREAS, SYC and York Water desire to amend and restate the 2013 Agreement of Sale so that it remains in full force and effect subject to any amendments or additional terms and conditions set forth herein, and they enter into this Amended and Restated Agreement of Sale for that purpose.

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

1. **SALE AND PURCHASE OF ASSETS.** At Closing (as defined in Section 5 of this Agreement), subject to the terms and conditions of this Agreement, SYC shall sell, assign, transfer and convey to York Water and York Water shall purchase the Assets (as defined in Section 2 of this Agreement) for the Purchase Price (as defined in Section 3 of this Agreement).

2. **DESCRIPTION OF ASSETS AND SYSTEM.** The term “**Assets**” means all of the real property and improvements located at Industrial Road, Springfield Township, York County, Pennsylvania, bearing Parcel Identification No.: 47000DI0058H000000 (the “**Real Estate**”), as well as all personal property, rights, agreements, equipment, machinery, facilities and tools of SYC used or useful in operating the System and conducting the Business, as well as the goodwill of the Business.. The Real Estate is located in the Industrial zoning district.

2.1. **Description of Wastewater Collection, Pumping and Treatment System.** The term “**System**” means all of the Assets comprising the existing Wastewater Collection, Pumping and Treatment System owned and operated by SYC, with attendant easements, rights-of-way, licenses, permits, contracts and agreements, all as more fully described on APPENDIX

A hereto attached and made a part hereof, excluding therefrom the Excluded Assets defined in Section 2.2. For the avoidance of doubt, SYC does not own, operate or maintain the North System or the Albright System, as defined in Section 7.1 hereof.

2.2. **Excluded Assets.** There is excluded from the sale and SYC reserves unto itself the following (the “**Excluded Assets**”):

i. All funds designated as funds of SYC including, specifically, any checking accounts, savings accounts, accounts receivables (“**Excluded Receivables**”), insurance, prepaid expenses, if any, and other investments; and

ii. (a) SYC’s corporate records, original tax returns, financial statements and such other records as have to do exclusively with SYC’s organization or capitalization; (b) any notes and accounts receivable or other rights to payment from any source which accrue from the operation of the Business prior to the Closing Date; and (c) the name “SYC WWTP” and all applications and derivations thereof.

3. **PURCHASE PRICE AND ALLOCATION.**

3.1. **Purchase Price.** SYC agrees to sell, assign, transfer and convey the Assets and the System to York Water for the consideration of three hundred sixty-five thousand (\$365,000) Dollars.

3.2. **Allocation of the Purchase Price.** The Purchase Price shall be allocated in accordance with APPENDIX B, attached hereto and incorporated herein by reference. For all tax purposes, York Water and SYC agree to report the transactions contemplated by this Agreement in a manner consistent with the terms of this Agreement, including the allocation of the Purchase Price as provided in APPENDIX B, and that neither of them will take any position inconsistent therewith in any tax return, in any refund claim, in any litigation or otherwise.

3.3. **Reservation Fees.** Seller hereby warrants and represents that EDU reservation fees, as described in Schedule 5.2, are paid by each reservation holder to SYC in arrears and that the reservation holders are current with reservation fees as of the date of this Agreement. Seller warrants and represents that, to the best of its knowledge, no reservation holder has made a pre-payment toward the cost of such EDU reservation fees.

3.4. Subject to the provisions of Section 7.1 hereof, SYC will take all actions necessary to authorize the sale of the Assets and the System to York Water, and will prosecute all such actions in good faith and with due diligence.

3.5. York Water will take all actions necessary to authorize the purchase of the Assets and the System from SYC and to satisfy the provisions of Section 7.1 and will prosecute all such actions in good faith and with due diligence.

4. RETAINED LIABILITIES AND ASSUMED LIABILITIES.

4.1. York Water does not hereby and shall not assume or in any way undertake to pay, perform, satisfy or discharge any Liability of SYC, as defined in Section 4.2 hereof, existing before or on the Closing Date, whether or not related to or arising out of the Business, the System or the Assets (the “**Retained Liabilities**”), expressly excluding, however, from the Retained Liabilities, such liabilities specifically assumed by York Water, effective as of the Closing (excepting, however, the NPDES permit (No. PA0085723) issued by DEP (the “NPDES Permit”) for the operation of the Business, which assumption shall be effective as of the date such permit was placed in the name of York Water) arising from the Commission, DEP, or any other governmental agency having jurisdiction from the operation of the Business, the System and the Assets (the “**Assumed Liabilities**”). Subject to the provisions Section 5.8 hereof, SYC

agrees to pay and satisfy when due all of the Retained Liabilities. York Water agrees to pay, satisfy and perform when due all of the Assumed Liabilities.

4.2. The term “Liability of SYC” shall mean exclusively any obligation of SYC which is a lien against the Assets or the System as of the Closing Date that is not paid, satisfied or otherwise discharged on or before the Closing Date and accrued debts, obligations or accounts payable incurred by SYC not paid, satisfied or otherwise discharged prior to the Closing Date.

4.3. To the extent York Water receives any Excluded Receivables, York Water shall act as trustee for SYC and collect and remit to SYC, within ten (10) days of York Water’s receipt thereof, the Excluded Receivables received by York Water on behalf of SYC on a first invoice out/first payment received basis to the extent such accounts are uncontested and each of the parties shall, within five (5) days of a request by the other party, in writing, deliver to the requesting party an accounting of the Excluded Receivables received by either party.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS.

SYC:

5.1. **Title.** SYC represents and warrants to York Water that it has good and marketable title to the System and the Assets (including the Real Estate) as defined in Section 2 and depicted on APPENDIX A free and clear of all liens and encumbrances except existing easements, conditions and restrictions, if any, that have been disclosed to York Water and that do not materially impact the operation of the System.

5.2. **Capacity/Current Service.** SYC represents and warrants to York Water that (a) the capacity of the System, (b) SYC’s customers on a regular basis and (c) customers who have reserved capacity but are not currently connected to the System are provided in Schedule 5.2, attached hereto.

5.3. **Compliance with Statutes and Regulations.** SYC represents and warrants to York Water that, to the best of its knowledge, it has complied and currently complies with any and all applicable statutes and regulations relevant to the operation of the System, except as previously disclosed to York Water or arising from the foregoing as to the North System or the Albright System (hereinafter defined) or any permit issued in the name of York Water which is related to the System, including the NPDES permit for which SYC makes no representations or warranties.

5.4. **Outstanding Obligations.** SYC represents and warrants that it does not have and will not have on the Closing Date any existing refunding arrangements, agreements or contracts with any of its customers.

5.5. **Delinquency.** SYC represents and warrants that it is not delinquent or in default on any loan, except, however, certain indebtedness as shown on SYC's most recent balance sheet, a copy of which has been provided by SYC to York Water, to affiliated entities which will either be paid and discharged on the Closing Date or released (written off) by the holder of such indebtedness.

5.6. **Litigation.** SYC represents and warrants that it has received no notice and it has no knowledge of any action, claim or proceeding pending or threatened nor other form of litigation of any nature, pending or threatened against or involving SYC seeking to restrain or enjoin, or restraining or enjoining, the sale of the System or the Assets to York Water or the execution and delivery by SYC of this Agreement or the Closing Documents. SYC has received no notice and has no knowledge of any other action, claim or proceeding pending or threatened against it.

5.7. **Continuance of Representations and Warranties.** SYC agrees that the representations and warranties in Sections 5.1 through 5.8 shall be true as of the date of the Agreement and as of the Closing Date, subject, however, to any changes after the date of the Agreement because of any action expressly contemplated by this Agreement or otherwise approved in writing by York Water. SYC further agrees that its representations and warranties to York Water in this Agreement shall survive closing for a period of twelve (12) months.

5.8. **Current Ownership.** SYC represents and warrants that it is the sole owner and has full legal title to the Assets and the System, having acquired it in part, by merger with Exit II WWTP, Inc., with SYC as the surviving entity. SYC agrees to indemnify and save York Water harmless from and against any losses suffered by York Water from any claim by any third party claiming any title or ownership interest in the System or the Assets, the limit of SYC liability hereunder shall not exceed the Purchase Price, and such indemnification shall terminate twelve (12) months following the Closing Date.

YORK WATER:

5.9. York Water represents and warrants it has inspected the Business, the System and the Assets, or hereby waives the right to do so, and has agreed to purchase the System and the Assets as a result of such inspection and not because of or in reliance upon any representation not included herein, whether made by SYC or any other officer, partner, or employee of SYC, or by an agent, if any, of SYC or York Water or both. York Water has agreed to purchase the Business, the System and the Assets in their condition as of the Closing Date (“AS IS, WHERE IS, WITH ALL FAULTS”) except as otherwise specified or represented herein.

6. **CLOSING.** The Closing shall take place after all conditions set forth in Section 7 have been met (the “**Closing**” or the “**Closing Date**,” as adjusted pursuant to Section 10.2 hereof).

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

7.1. **Acquisition of North System and Albright System.** In addition to the System which is the subject of this Agreement, SYC also accepts effluent from a collection system that was developed and constructed for the benefit of four (4) users outside of the PUC certificated territory, a sanitary sewer collection system for such group of commercial and/or industrial users who are parties to (or are successors to parties to) a Cost Sharing Agreement dated November 13, 1995 (the “**North System**”). One of the parties to the North System, R.T. Barclay, Inc., operates a mobile home park and in connection with that mobile home park operates a water and wastewater system (the “**Albright System**”). The obligation of SYC and York Water to close under this Agreement is subject to and conditioned upon (a) York Water and the North System parties executing an Agreement of Sale for the sale of the North System to York Water on or before September 1, 2020, (b) York Water and R.T. Barclay, Inc., executing an Agreement of Sale for the sale of the Albright System to York Water on or before September 1, 2020, and (c) the closing of the sale of the North System to York Water and the sale of the Albright System to York Water each occurring simultaneously with the sale and Closing of the System and Assets under this Agreement. In the event Agreements of Sale for the North System and the Albright System are not fully executed on or before September 1, 2020, such date shall be extended automatically until the date either party provides the other party notice of termination of this Agreement, in which event the obligations of the parties hereunder shall cease

and neither party shall have any obligation to the other party, except, however, upon the written request of SYC thereafter, York Water shall diligently pursue the transfer of the NPDES Permit to SYC on or before thirty (30) days following such written request.

7.2. **Regulatory Approvals.** This Agreement is subject to York Water receiving: (a) all requisite permits and approvals for the transactions contemplated by this Agreement; (b) the transactions contemplated by the Agreement of Sale for the purchase of the North System; and (c) the transactions contemplated by the Agreement of Sale for the Albright System, each described in Section 7.1 above, from the Commission, the DEP, and any and all other applicable authorities having jurisdiction or regulatory authority over the System, the North System or the Albright System. York Water shall initiate and timely prosecute in good faith and with due diligence, at its sole expense, necessary proceedings to obtain such permits and approvals. York Water shall timely and with due diligence, at its sole expense, pursue execution of the Agreement of Sale for the purchase of the North System and the Agreement of Sale for the Albright System as well as consummation of closings under all of the Agreements. SYC agrees to provide such information, documents and assistance as may be reasonably requested by York Water in order to obtain such approvals. York Water shall copy SYC with all filings or notices sent or received by York Water in furtherance of York Water obtaining such regulatory approvals, the Agreement of Sale for the purchase of the North System, when executed by all of the parties thereto, the Agreement of Sale for the purchase of the Albright System, when executed by all of the parties thereto and, from time to time reply timely to the reasonable requests of SYC for updates from York Water regarding the then status of the satisfaction of the said conditions.

8. CLOSING DOCUMENTS.

SYC

At the Closing, SYC shall sell, transfer, assign and convey to York Water the Real Estate and other Assets described on APPENDIX A and shall deliver or cause to be delivered the following documents.

8.1. **Bill of Sale** for the personal property, assignments of the easements and rights-of-way, if any, and a special warranty Deed for the Real Estate conveying title as hereafter set forth, duly executed by SYC in form for recording. Title to the Real Estate shall be good and marketable and such that a reputable title company doing business in the Commonwealth of Pennsylvania will insure it at its regular rates. In the event of a title objection, defect, or encumbrance, York Water shall have the right in its sole discretion to demand its removal by SYC, which SYC shall use its commercially reasonable best effort to so remove or to cancel this transaction, such cancellation to occur only after allowing reasonable time and means for the removal of the objection, defect, or encumbrance. SYC and York Water will split the cost of any realty transfer tax due on the conveyance. All income and expenses, including but not limited to rents, ad valorem real estate taxes, sewer, refuse, heating fuel and utilities and similar charges, public or private, shall be prorated as of the Closing Date on a fiscal basis consistent with the applicable service period. All inventory of spare parts, chemicals and other items used in the operation of the Business are included in the sale.

8.2. **Certificates** duly signed by the Manager of SYC to the effect that the representations and warranties set forth in Section 5 hereof are true and correct as of the Closing

8.3. **Copies of operating records** relating to the System as may be reasonably required by York Water including, but not limited to, a copy of the customer list stating the

names and addresses of all wastewater users and those customers who have reserved capacity but are not currently connected to the System.

8.4. **A favorable opinion of counsel** for SYC in the form attached hereto marked **APPENDIX C**.

8.5. **Covenants of Further Assurances** to the effect that SYC shall from time to time take such further actions and execute and deliver such other documents and instruments at the request and cost of York Water as may be necessary or desirable to give full force and effect to the provisions of the Agreement.

YORK WATER:

8.6. **Assumption of Obligations** by York Water in favor of SYC providing the terms and conditions by which effective as of the Closing Date, York Water assume and agree to perform the future obligations of SYC (a) to provide wastewater services to SYC's customers, as of the Closing Date, including but not limited to an existing customer or reservation holders, at such capacity as contracted by such customers and reservation holders entered into by SYC in the ordinary course of business following the execution of the Agreement, and such other agreements entered into by SYC with the consent of York Water on a date following the execution of the Agreement, and (b) the Assumed Liabilities, as defined in Section 4 of this Agreement.

8.7. **Covenants of Further Assurances** to the effect that York Water shall from time to time take such further actions and execute and deliver such other documents and instruments at the request and cost of SYC as may be necessary or desirable to give full force and effect to the provisions of the Agreement, including but not limited to the assumption of the Assumed Liabilities by York Water.

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

10. **ORDINARY COURSE OF BUSINESS.**

10.1. **Conduct of Business.** At all times between the dates of this Agreement and the Closing, SYC agrees to conduct its business of providing wastewater collection and treatment services to its wastewater customers and the operation of its System and to keep the books relating thereto in the ordinary manner and regular and customary course of business and SYC further agrees not to dispose of any of the assets of the System, except in the ordinary course of the operation of the Business, without the prior written consent of York Water, and further agrees not to enter into any collection system extension agreements that call for SYC to make the extension at its cost, or changes to the System or any other material change or agreement without prior written approval of York Water, except further, as to all of the foregoing, as may be necessary or appropriate in order to comply with applicable law. SYC will not terminate or fail to renew any of its insurance coverage or any government-issued permits related to the collection and treatment of wastewater prior to Closing. At all times between the date of this Agreement and the Closing, SYC shall continue to engage a certified operator as an independent contractor who is responsible for servicing the System and wastewater operations. York Water will not terminate or fail to renew any government-issued permits related to System, including the NPDES Permit, prior to Closing. At all times between the date of this Agreement and the earlier of the termination of this Agreement, as provided herein or the Closing, York Water shall continue to hold and maintain the NPDES Permit, take

no action violative of the same and deliver to SYC any notice York Water receives from DEP or any other third party regarding the NPDES Permit.

10.2. **Final Bill.** On the date of Closing or as soon as practical thereafter, SYC will bill its customers within the Service Area for all wastewater service furnished by SYC prior to the Closing and shall retain all funds received for wastewater service furnished as of that date. The Closing Date shall be on or about the last working day of the calendar month following the date York Water receives notice of the satisfaction of the conditions precedent described in Section 7 hereof, unless such date is less than 10 days prior to the last day of such month or both parties agree to an alternate closing date. York Water will bill its customers within the Service Area for all wastewater collected on and after the date of Closing and shall retain all funds received for wastewater service from that date forward.

10.3. **Debt Coverage.** It is understood and agreed that SYC shall retain responsibility for the payment of all debts associated with the System that were incurred by SYC prior to the Closing Date, including, but not limited to, short-term debt.

11. **RISK OF LOSS.** Except as otherwise provided in this Agreement, SYC assumes all risks of destruction, loss, or damage to the System and the Assets due to fire or other casualty up to the date of Closing. In the event any of the System or its Assets shall be destroyed or damaged prior to the date of Closing, the part or parts so destroyed or damaged shall be replaced or repaired by SYC at its sole cost and expense, except as otherwise provided in this Agreement, and unless York Water agrees, at the request of SYC, that the purchase price provided herein may be reduced by an amount (for the avoidance of doubt, not to exceed the purchase price) equal to the estimated cost of replacement or repair of the part or parts so destroyed or damaged; provided, however, if any such destruction or damage shall, in the opinion of York Water, be so

extensive as to materially and adversely affect the operating condition of the System, then, and in that event, York Water shall not be obligated to consummate the purchase and sale contemplated herein, and York Water shall not have any obligations whatever to SYC by reason hereof.

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

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

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

15. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their successors and, to the extent assignable, on the assigns of the parties hereto, it being expressly understood, however, that York Water shall not transfer or assign this Agreement without the written consent of the SYC.

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

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

If to SYC, to:

D. Scott Weir
Manager
SYC WWTP, L.P.
93 Hillside Dr.
Steamboat Springs, CO 80487

If to York Water, to:

Joseph T. Hand
President and CEO
The York Water Company
130 East Market Street
York, PA 17401

18. **DEFAULT.** Time shall be of the essence with respect to performance of any obligation arising under this Agreement. Should either party violate or fail to fulfill and perform any of the terms and conditions of this Agreement, the non-breaching party may elect to proceed against the breaching party for either actual damages incurred by the non-breaching party (expressly excluding, however, any special, consequential, punitive, incidental, or indirect damages) or to pursue specific performance of this Agreement.

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

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

parties. This Agreement amends and restates for all purposes that certain Agreement of Sale dated October 8, 2013 by and between SYC and York Water. In the event of any inconsistency between this Agreement and the 2013 Agreement, this Agreement shall control.

21. **EXECUTION.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument which may be sufficiently evidenced by one counterpart. The exchange of copies of this Agreement and of signature pages by facsimile transmission or electronically via e-mail shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or electronically via e-mail shall be deemed to be their original signatures for all purposes.

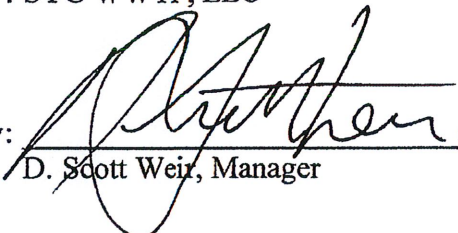
Signatures on Following Page

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

WITNESS:

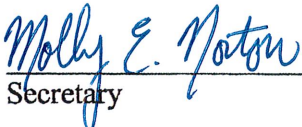
SYC WWTP, L.P.
By: SYC WWTP, LLC

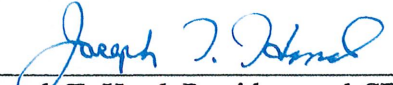
Secretary

By:  (SEAL)
D. Scott Weir, Manager

ATTEST:

THE YORK WATER COMPANY


Asst. Secretary

By:  (SEAL)
Joseph T. Hand, President and CEO

APPENDIX A – ASSETS

- A. All wastewater mains, service lines (from wastewater main to edge of right-of-way or street), curb boxes and appurtenant fixtures and equipment presently in place and used in the wastewater collection and treatment System.
- B. All wastewater valves and manholes presently in place and used in the wastewater collection and treatment System.
- C. The existing wastewater treatment system and parcel shall be conveyed to York Water in accordance with all required permits and title to the parcel.
Parcel Identification Number: 47000D10058H000000, located at Industrial Road, Springfield Township, York County, Pennsylvania
- D. All easements, rights-of-way or rights of access, if any, related to the use and operation of the wastewater collection and treatment System or for any other purpose or for which the Real Property-Land is subject.

Note: Sanitary Sewer lines shown are only representative.



Springfield Township

Shrewsbury Township

APPENDIX B – ALLOCATION OF THE PURCHASE PRICE

Assets	Purchase Price
Real Estate - Land	110,000.00
Wastewater Collection, Pumping and Treatment System, excluding land	238,800.00
Equipment	11,200.00
Goodwill	<u>5,000.00</u>
TOTAL PURCHASE PRICE	\$365,000.00

APPENDIX C – OPINION OF COUNSEL

MORRIS & VEDDER, LLP

Dated: Date of Closing

The York Water Company
130 East Market Street
York, PA 17401

Re: Amended and Restated Agreement of Sale dated _____, 2020 by and between
SYC WWTP, LP and York Water Company (the “Agreement”)

Ladies and Gentlemen:

We have acted as special counsel for SYC WWTP, LP (“SYC”) in connection with the preparation, authorization, execution and delivery of the Agreement and in connection with the Closing pursuant to the Agreement. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Agreement. This opinion is being furnished at the request of SYC pursuant to Section 8.4. of the Agreement.

While this firm represents SYC in connection with specific legal matters as to which we are consulted by SYC, we neither perform nor provide legal services to SYC in connection with SYC’s regulatory compliance to which it is subject.

In connection with the opinions and statements expressed herein, we have examined such certificates of public officials, corporate documents and records and other certificates, opinions and instruments and have made such other examinations as we have deemed necessary. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies.

As to certain legal issues of fact material to the opinions and statements expressed herein, and as to the materiality of certain facts, we have, with your consent, relied, to the extent we deemed appropriate, upon certificates of officers of the SYC, certificates of public officials, the representations and warranties of SYC contained in the Agreement. We have made no independent factual investigation with respect to such matters.

The law covered in our opinion is limited to the federal law of the United States of America and the laws of the Commonwealth of Pennsylvania. We express no opinion as to either anti-trust laws, regulatory compliance or the laws of any other jurisdictions.

Based upon and subject to the foregoing, it is our opinion that:

1. SYC is a duly formed, validly existing limited partnership in good standing under the laws of the Commonwealth of Pennsylvania; is qualified to transact business under the laws of the Commonwealth of Pennsylvania, and has the legal authority to consummate the terms of the Agreement and the Closing under the Agreement.

2. The Agreement has been duly executed and delivered by the duly authorized representative of SYC and constitutes the valid and binding obligation of SYC enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and except that enforceability of the Agreement is subject to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

3. To our knowledge, there is as of the date of this Opinion no litigation, regulatory proceeding or investigation pending or threatened against or relating to SYC by a federal or Pennsylvania governmental authority or to the assets or properties of SYC, or relating to the transaction contemplated by the Agreement which would materially and adversely affect the Assets of SYC or the transaction contemplated by the Agreement.

For purposes of the opinion and statements expressed herein, the phrase, “to our knowledge” or words of similar import, means the actual knowledge of the attorneys of this firm who have devoted substantial attention to the firm’s representation of SYC in connection with the transaction contemplated by the Agreement.

This opinion is furnished to you by us as Special counsel for SYC and is solely for your benefit. It may not be relied upon by any other person for any other purpose without our prior written consent.

Very truly yours,

Morris & Vedder, LLP

BY: Christopher M. Vedder, partner

Schedule 5.2.
(System Capacity, Customers and Reservation Details)

Section 1 – System Capacity

Description	Disclosure	EDUs	Available EDUs
Total Plant Capacity	N/A	228 EDUs (±)	228 EDUs (±)
Total Industrial Customers (FN 1)	12	48	(48)
Total Commercial Customers (FN 1)	8	25	(25)
Total Residential Customers	1	46	(46)
Total Reservation Holders	8	28	(28)
Total Available Plant Capacity - EDUs			81 EDUs (±)

For purposes of this Schedule 5.2., the term “EDU” means “equivalent dwelling unit” and 1 EDU equals 350 gallons.

Section 2 – Customers and Reservation Details

Attached marked Attachment A to Schedule 5.2. is a true and correct listing of the identity of each customer, the number of EDUs assigned to each customer, either currently in use or held as a reservation, customer type and reconciliation.

Section 3 – Additional Disclosures

Additional disclosures regarding the North System and the Albright System:

1. The North System services six (6) customers: Adhesives Research, Inc., Springfield Contractors, Inc., **R.T. Barclay, Inc., t/a Albright Trailer Park**, Gen Cam, LLC (formerly, Penn-Mar), Almony’s Enterprise LLC, and Warehouse Services, Inc.
2. Adhesives Research, Inc., **R.T. Barclay, Inc., t/a Albright Trailer Park**, Gen Cam, LLC, and Almony’s Enterprise LLC each pay SYC a base usage price in the amount of \$335.55 per quarter plus a surcharge at a common rate for each gallon in excess 32,200 gallons. Springfield Contractors, Inc. is not separately invoiced either the quarterly base price or the surcharge rate.
 - 2.1. Any such excess incurred by Adhesives Research, Inc. and/or Springfield Contractors, Inc. is measured by a flow-meter in the line at or near the connector between the North Line and the SYC line and billed to Adhesives Research, Inc on behalf of itself and Springfield Contractors, Inc.
 - 2.2. Any such excess incurred by Albright Trailer Park, Gen Cam, LLC, Almony’s Enterprise LLC, Warehouse Services, Inc. and is measured by York Water Company water meters and billed to each such customer, respectively.

Section 4 – Pennsylvania Public Utility Commission (“PUC”)

The Tariff, as supplemented, issued by the PUC to Exit II WWTP, Inc., predecessor by merger with SYC is incorporated herein by reference as if more fully set forth herein.

Attachment A to Schedule 5.2.

<u>CUSTOMER USAGE SUMMARY</u>			<u>RECONCILIATION</u>		
<u>Customer</u>	<u>EDUs</u>	<u>Customer Type</u>		<u>Customers</u>	<u>EDUs</u>
ADHESIVES RESEARCH, INC.	14	Industrial	Industrial	12	48
ADVANCE POLYMERS	1	Industrial	Commercial	8	25
ALBRIGHT TRAILER PARK	46	Residential	Residential	1	46
ALMONY ENTERPRISE LLC		Commercial	Reservations	<u>8</u>	<u>28</u>
ANTON & O'SHEA	1	Industrial	TOTALS	29	147
BEL-CONNECTORS	8	Industrial			
BI-MAX INC - 158 Industrial	1	Industrial			
BI-MAX INC - 281 Industrial	1	Commercial			
BLUE CLOUD-182 INDUSTRIAL	1	Commercial			
CLEARVIEW EXCAVATING	1	Commercial			
DIESEL PRO	1	Industrial			
FREEDOM ARMORY	1	Commercial			
GEN CAM, LLC - 137 Commerce Dr.	2	Commercial			
GEN CAM LLC - 10671 SUSQ. TR	14	Commercial			
MID ATLANTIC PILING	1	Industrial			
OAKWOOD CONTROLS	1	Industrial			
PANTANO, DENNIS	2	Industrial			
PENN DUTCH RESTORATION	1	Industrial			
TECHTA AMERICA EAST, LLC	2	Industrial			
TOPFLIGHT CORP	15	Industrial			
WAREHOUSE SERVICES, INC.	<u>5</u>	Commercial			
TOTAL EDUs	119				
RESERVATIONS					
<u>Reservation Holder</u>	<u>EDUs</u>	<u>Customer Type</u>			
ADHESIVES EQUIPMENT COMPANY	14	Commercial			
ANTIQUÉ MARKETS LP	4	Commercial			
ATLANTIC CAISSON CORP	1	Commercial			
BOULDER MOUNTAIN PROPS LLC	1	Commercial			
OLD TRAIL MINI STORAGE	1	Commercial			
O'SHEA LUMBER, CO., INC.	4	Commercial			
MORRIS, SCOTT & JANETTE	2	Commercial			
TRAIL TOOL CORPORATION	<u>1</u>	Commercial			
TOTAL RESERVATIONS	28				