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October 27, 2022

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**In re: Application of Pennsylvania-American Water Company –
Wastewater Division for Approval of the Right to: (1) Acquire
Certain Wastewater System Assets from Foster Township and (2)
Begin to Offer, Render, Furnish or Supply Wastewater Service to
the Public in Portions of Foster Township, Luzerne County,
Pennsylvania**

Docket No: A-2021-3028676

Dear Secretary Chiavetta:

Consistent with Ordering Paragraph 13 (a) through (c) of the Pennsylvania Public Utility Commission's Order in the above-referenced proceeding, attached please find the Assignment and Assumption Agreement ("Agreement") between Pennsylvania-American Water Company (the "Company") and Foster Township (the "Township").

Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa K. Harrold", written over a horizontal line.

Teresa K. Harrold

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is entered into effective as of this 27th day of October, 2022, by and between **FOSTER TOWNSHIP, in Luzerne County, Pennsylvania**, a township of the second class, organized and existing under the laws of the Commonwealth of Pennsylvania (the "Assignor"), and **PENNSYLVANIA-AMERICAN WATER COMPANY**, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (the "Assignee," and, together with Assignor, each a "Party" and collectively, the "Parties").

A. Assignor, as Seller, and Assignee, as Buyer, are parties to that certain Assets Purchase Agreement dated as of May 12, 2021, as amended by a First Amendment to Assets Purchase Agreement dated October 24, 2022 (collectively, the "Agreement"), pursuant to which Assignor has agreed, among other things, to sell, transfer, convey, assign and deliver to Assignee and Assignee has agreed to purchase from Assignor the Assets.

B. Sections 1.1, 1.5, 2.1 and Schedule 1.3 of the Agreement contemplate that at Closing, Assignor will assign to Assignee and Assignee will accept and assume, all of Assignor's right, title and interest in and to any and all contracts and authorizations and permits (the "Assigned Business Deliverables") necessary for the operation of the Assets, as described and under the conditions set forth in the Agreement.

C. Unless herein otherwise defined, all terms defined in the Agreement shall have the meanings ascribed to them in the Agreement when used in this Assignment.

NOW, THEREFORE, in consideration of mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. Assignment of Assigned Business Deliverables. Assignor hereby assigns, transfers, sets over, conveys and delivers to Assignee, and Assignee hereby accepts and assumes, all of Assignor's right, title and interest in and to all Assigned Business Deliverables, together with all rights and privileges of any nature thereunder accruing to Assignor on or after the date hereof.

2. Indemnification by Assignor. Assignor hereby agrees to indemnify, defend and hold harmless Assignee and the Buyer Indemnified Parties from, of and against any and all losses arising out of or relating to the breach by Assignor of any of the obligations, terms or covenants of Assignor, under or pursuant to the Assigned Business Deliverables that accrued prior to the date hereof subject to Assignor's indemnification obligations Section 8 of the Agreement.

3. Indemnification by Assignee. Assignee hereby agrees to indemnify, defend and hold harmless Assignor and Seller Indemnified Parties from, of and against any and all losses arising out of or relating to the breach by Assignee of any of the obligations, terms or covenants of Assignee, under or pursuant to the Assigned Business Deliverables that accrue on or after the date hereof subject to Assignee's indemnification obligations under Section 8 of the Agreement.

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

5. Successors; Assigns. Neither Party to this Assignment may assign any right or delegate any performance under this Assignment without the prior written consent of the other Party. A purported assignment or purported delegation without prior written consent is void.

6. 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 Assignment, including torts. The Parties irrevocably agree and consent to the jurisdiction of the United States District Court for the Middle District of Pennsylvania and the Court of Common Pleas of Luzerne County, Pennsylvania, for the adjudication of any matters arising under or in connection with this Assignment. Any action initiated in court shall be filed and litigated (including all discovery proceedings) exclusively in the United States District Court for the Middle District of Pennsylvania and the Court of Common Pleas of Luzerne 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 ASSIGNMENT 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 ASSIGNMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS ASSIGNMENT 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 ASSIGNMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

7. Further Assurances. Each Party hereto covenants and agrees, at its own expense, to take such further action and execute and deliver such further instruments of conveyance and transfer and of assumption as may be reasonably requested by the other Party to carry out the provisions and purpose of this Assignment.

8. Assignment. It is the intention of Assignor to transfer Assignor's title of the Assigned Business Deliverables to Assignee, its permitted successors and assigns, free of any redemption by Assignor or its successors and assigns.

**[REMAINDER OF PAGE INTENTIONALLY BLANK;
SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first written above.

**FOSTER TOWNSHIP,
Luzerne County, Pennsylvania**

By: Wilson J Malloy

Printed: Wilson J Malloy

Its: Chairman of the Board of Supervisors

ATTEST:

By: Brittany Majewski

Printed: Brittany Majewski

Title: Secretary

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

By: F. Michael Doran

Printed: F. Michael Doran

Its: President

ATTEST:

By: Andrew L. Suore

Printed: Andrew L. Suore

Title: Secretary