

**ASSET PURCHASE AGREEMENT
FOR THE WATER AND WASTEWATER SYSTEMS
OF THE TOWN OF NEW HARTFORD, CONNECTICUT**

By and Between

THE TOWN OF NEW HARTFORD, CONNECTICUT

AS SELLER

and

AQUARION WATER COMPANY OF CONNECTICUT

AS BUYER

Dated as of May 29, 2019

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**Asset Purchase Agreement
For the Water and Wastewater Systems of the
Town of New Hartford, Connecticut**

This Asset Purchase Agreement (“Agreement”) is dated the ____ day of _____, 2019, by and between the Town of New Hartford, Connecticut, a municipal corporation organized and operating under the laws of the State of Connecticut, having an address of 530 Main Street, New Hartford, CT (“New Hartford” or “Seller”) and Aquarion Water Company of Connecticut, a Connecticut public service company, having an address of 835 Main Street, Bridgeport, CT 06604 (“Aquarion” or “Buyer”).

RECITALS

Whereas, the Seller owns the public water and wastewater systems in the Town of New Hartford (the Water System previously owned by the Village Water Company and the New Hartford Water Company and acquired by the Town followed by the subsequent dissolution of the New Hartford Water Company by an act of the Connecticut General Assembly) (individually and respectfully, the “Water System” and the “Wastewater System” and collectively, the “Water and Wastewater Systems”) and desires to sell in “as is” condition, in accordance with all applicable laws and regulations and the provisions contained in this Agreement, and

Whereas, the Seller desires to sell and the Buyer desires to purchase said Water and Wastewater Systems, including, without limitation, plant and equipment, supplies and inventories, contracts and contract rights, franchise rights, easement rights, and real property rights; accordingly, both parties hereto agree as follows:

1.) AGREEMENT TO SELL AND PURCHASE WATER AND WASTEWATER SYSTEM ASSETS

1.1 Purchase and Sale of Assets. Subject to the provisions of this Agreement, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller all of the Seller’s right, title and interest in and to the assets used in connection with and otherwise relating to the Water and Wastewater Systems (collectively the “Water and Wastewater System Assets” or the “Assets”) subject to the terms of this Agreement. The Water and Wastewater System Assets that are the subject of this transaction shall include, without limitation, the following:

- a.) pursuant to warranty deeds or grants of easements, marketable title to the Properties, free and clear of any liens and encumbrances of any sort together with the improvements and appurtenances located on those parcels of land set forth on Schedule 1.1.1;

b.) all assets of the Seller pertaining to the Water and Wastewater Systems including, without limitation, the complete operating Water and Wastewater Systems shown on the maps as Schedule 1.1.2 and described in Schedule 1.1.3, and any and all franchise rights and exclusive service area grants and/or agreements relating to the operation of all or any portion of the Water and Wastewater Systems; and

c.) all documents, reports, maps and customer records pertaining to the Water and Wastewater Systems, including but not limited to, all engineering, laboratory, and operating reports, customer service records, meter readings, property maps, water distribution maps, sewer collection maps, gate drawings, water and wastewater system specifications and tap and service cards.

The Assets do not include any of the Excluded Assets.

1.2 Excluded Assets. Seller shall not transfer to Buyer, and Buyer is not purchasing and shall not acquire any right, title or interest to any assets of Seller other than the Water and Wastewater System Assets. The following are the only Assets not being transferred to Buyer:

- a.) insurance policies maintained by the Seller;
- b.) New Hartford storm water collection and drainage assets;
- c.) the wastewater collection and pumping facilities referenced as the Pine Meadow Sewer System to be constructed by the Seller and subsequently operated and maintained by the Buyer; and
- d.) any amounts due Seller for currently imposed water and sewer assessments and liens imposed by Seller upon property owners.

1.3 No Liabilities to be Assumed. Without limiting the foregoing, it is expressly understood that Buyer will purchase only the Assets including, without limitation, the real estate associated with the Water and Wastewater Systems that is owned by Seller and included on Schedule 1.1.1; the Assets relating to operation of the Water and Wastewater Systems located in the Town of New Hartford as presented on the water and wastewater maps included in Schedule 1.1.2 and described in Schedule 1.1.3; and all materials, supplies, prepayments, and customer deposits, if any, relating to the Water and Wastewater Systems, and such purchase shall not include any assumption of any debt, liability, obligation, agreement, contract, account payable, outstanding debt, taxes incurred or accrued, incurred or accrued interest, tax collections payable or deferred credits, or any liability, under local, state or federal laws, of the Seller or otherwise relating to the Assets or their respective operation. Seller shall retain liability for, and shall indemnify and defend Buyer against any liabilities and obligations of the Seller. It is the intent of the parties hereto that Buyer shall not be liable for any liabilities or obligations of the Seller including, without limitation,

related in any way to the Assets whatsoever, whether fixed or contingent, known or unknown, liquidated or unliquidated, arising now or in the future. Buyer does not assume, and no transferee liability shall attach to Buyer with respect to, any liabilities or obligations of Seller or related in any way to the Assets or actions of Seller including, without limitation, liabilities arising in connection with the operation of the Assets (including, without limitation, the Water and Wastewater Systems) and the activities of Seller prior to the closing. The elimination of any risk of such transferee liability attaching to Buyer is a primary inducement to Buyer's entering into this transaction, in that Buyer would not have entered into this transaction under circumstances where any such transferee liability would or might attach to Buyer. The entire negotiations of the parties hereto with respect to this transaction, including the Purchase Price, were based upon the assumption and agreement that Buyer would not succeed to any liability or obligation of Seller including, without limitation, those related in any way to the Water and Wastewater Systems or the Assets.

1.4 Instruments of Transfer. Within thirty (30) days following the date of execution of this Agreement, Seller shall provide Buyer proper legal descriptions and copies of any available surveys for the real property or the interests therein being transferred pursuant to this Agreement. Within thirty (30) days following receipt of such descriptions, Buyer shall provide Seller with a list of title defects, liens or encumbrances that are objectionable to Buyer in its sole discretion. If Seller cannot remove such defects, liens or encumbrances to the satisfaction of the Buyer within thirty (30) days following such notice, Buyer shall have the right to terminate this Agreement with no further obligations hereunder. Once accepted by Buyer, such legal descriptions and copies of available surveys shall be attached as updated Schedule 1.1.1. On the Closing Date, Seller will transfer and deliver to Buyer all of the Assets, and Seller will deliver to Buyer all such assignments and instruments of conveyance and transfer all of the Assets free and clear of all liens and encumbrances.

1.5 Closing Date. Buyer and Seller shall within 30 days of receipt of the last of the regulatory and other governmental approvals mutually agree upon the Closing Date and location to complete this transaction.

2.) PURCHASE PRICE AND MANNER OF PAYMENT

2.1 Purchase Price. Subject to the other provisions of this Agreement, Buyer shall pay Seller Eight Million Dollars (\$8,000,000) for the Water and Wastewater System Assets. At the Closing Date, any customary adjustments (such as, without limitation, prorations for various utilities, recording fees, insurance adjustments, etc.) will be made with respect to the sale and transfer of the Water and Wastewater System Assets.

2.2 Manner of Payment. The purchase price specified in Section 2.1 shall be paid by Buyer on the Closing Date via wire transfer of immediately available funds to an account identified by Seller or Seller's counsel – with such identification made at least ten (10) business days prior to the Closing Date.

3.) REPRESENTATIONS, COVENANTS AND WARRANTIES OF SELLER

Seller does hereby represent, covenant and warrant to Buyer that the following are true now and will be at closing:

3.1 Organization and Authorization. Seller is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut. Seller owns all Assets (including but not limited to the Properties), has the power and authority to execute, deliver and perform the terms and provisions of the Agreement and is not under any receivership, impediment, or prohibition imposed by any court, regulatory commission, board, administrative body, arbitration board or tribunal or other federal, state or municipal government instrumentality that would render Seller unable to enter into or carry out any provision of this Agreement. Seller, subject to the approval of the Town of New Hartford's legislative body through the vehicle of a Town Meeting (or) Referendum, has the full right and authority to enter into this Agreement and to consummate the transactions intended in this Agreement.

3.2 Title to Water and Wastewater System Assets. Schedule 3.2.1 lists all liens on the Water and Wastewater System Assets that exist as of the effective date of this Agreement, each of which will be released on or prior to the Closing Date. Seller has good and marketable title to all of the Water and Wastewater System Assets, and except as shown on Schedule 3.2.2, such Assets are or will be on the Closing Date free and clear of all mortgages, liens, pledges, security interests, restrictions on transfer, claims or encumbrances of any nature whatsoever (collectively "Liens"), and no other assets or property interests are necessary or appropriate for the proper conduct and operation of the Water and Wastewater Systems. Seller has the right to use the water and wastewater in the manner it is now using, and such rights, upon approval of the transaction contemplated by this Agreement (i) by the Seller and its boards and commissions as set forth in Section 6.1 (collectively the "New Hartford Approvals"), (ii) Connecticut Public Utilities Regulatory Authority (PURA), (iii) Connecticut Department of Public Health (CTDPH), and (iv) Connecticut Department of Energy and Environment (CTDEEP) are transferrable to Buyer. With respect to the Water and Wastewater Systems, with the exception of the Water Storage Tank Site that is owned by the Metropolitan District Commission (MDC) and leased to the Seller as presented in Schedule 3.2.3, all water supply sources, water and wastewater treatment facilities, pump stations and water storage facilities and all other applicable Assets are located on Properties that are owned by Seller in fee simple or to which Seller has valid easement. Except as otherwise disclosed to Buyer in writing, all water mains and service connections and wastewater collection sewers and service laterals are located on real estate owned by the Seller in fee simple, within the public rights-of-way, or within appropriate easements of record in favor of Seller, and all services to customer premises from mains and collectors are located entirely on

public rights-of-ways or on property owned by Seller in fee simple, except as set forth in Schedule 3.2.2.

3.3 Judgments or Litigation. There are no outstanding judgments against Seller that would in any manner affect the consummation of this transaction or constitute any cloud or lien on the title for these Assets. There is/are no pending litigation, proceedings, or investigations, or any threats of same, which might result in a cloud or lien upon the title of the aforementioned Assets or any material change in the value of the Assets.

3.4 Location, Use of Assets and Charters. The location and present use of the Assets conforms to all zoning, building, building line and similar restrictions, or Seller has obtained the necessary variances or the same are legally non-conforming under the appropriate law and regulations. The Assets are located in the Town of New Hartford, Connecticut. The Water System and Wastewater System maps attached as Schedule 1.1.2 are accurate. In addition, the Buyer is the legal holder of all charters, franchises, rights and similar grants necessary to legally operate the Water and Wastewater Systems and said charters, rights and grants are listed in Schedule 3.4 attached hereto and are assignable and transferrable to the Buyer.

3.5 Charters and Resolutions. As of the Closing Date, copies of the resolutions effecting the New Hartford Approvals will be delivered to Buyer, that will have been certified by Seller's Town Clerk, will be true and complete copies and the New Hartford Approvals will be in full force and effect as of the Closing Date.

3.6 Absence of Defaults. The execution and delivery of this Agreement does not:

(a) violate any provision of the charters, bylaws, ordinances and organizational documents of Seller;

(b) violate, conflict with or result in the breach or termination of, or constitute a default under the terms of, any agreement or instrument to which Seller is a party or by which it or any of the Assets may be bound, including the Escrow Agreement of record between the Seller and the United States Department of Agriculture Rural Development (USDA-RD);

(c) result in the creation of any lien, charge or encumbrance upon the Assets including, without limitation, pursuant to the terms of any such agreement or instrument listed in (b) above;

(d) violate any judgment, order, injunction, decree, award, rule or regulation against, or binding upon, Seller or upon Assets; or

(e) constitute a violation by Seller of any law or regulation of any jurisdiction as such law or regulation relates to Seller.

Except for approval of this Agreement and the transactions herein by PURA, CTDEEP, CTDPH and the New Hartford Approvals and the consent by the MDC of the leases relating to the water tower and the land upon which said tower is located, Seller has obtained all consents, releases or waivers from Governmental Authorities and third parties that may be necessary for the execution of this Agreement and the consummation of the transactions contemplated herein.

3.7 Indemnification. Seller hereby agrees that upon and after closing Seller shall indemnify, defend and hold Buyer harmless against, and reimburse the same on demand for, any damage, fine, loss, liability, cost or expense (including reasonable attorney's fees incurred in defending any claim for such damage, loss, fine, liability, cost or expense) incurred by Buyer resulting from: (i) any liability or obligation of Seller not expressly assumed in writing herein by Buyer; (ii) any breach of the representations, warranties, covenants, agreements and/or obligations of Seller in this Agreement or any document or agreement delivered pursuant to this Agreement; (iii) any claim (whether or not disclosed herein) that is brought or asserted by any person or entity including, without limitation, third parties, against Buyer arising out of the ownership, licensing, operation or conduct of the Water and Wastewater Systems or the Assets or the conduct of any of Seller's employees, agents or independent contractors, relating to all periods of time prior to closing. The indemnification, defense and hold harmless provisions of the preceding sentence shall not be terminated or otherwise affected by any transfer or sale by Buyer of the Water and Wastewater Systems or the Assets purchased hereunder or any parts thereof and no consent by Seller shall be required for the same.

3.8 No Warranties. Seller represents that the Water and Wastewater Systems are being sold “as is” and Seller has not made, is not making and will not make any statements, representation or warranty, express or implied, regarding the condition of the Water and Wastewater Systems except as otherwise indicated in this Agreement.

3.9 Water and Wastewater Systems Compliance. That, except as otherwise disclosed to Buyer, as of the Closing Date, the Water and Wastewater Systems and the Seller's operation thereof are in compliance with all State, Federal, and local laws and regulations and there have been no environmental violations of a continuing nature that have not been addressed by Seller. Specifically, Seller has disclosed unsuccessful good faith efforts to obtain easements from property owners within 200-feet of the Pine Meadows and Black Bridge wellheads.

3.10 Contracts. All agreements, contracts, instruments, leases, commitments, understandings, orders and warranties in connection with the Water and Wastewater Systems (collectively, the “Contracts”) which have not been terminated and to which Seller is a party as of the date of this Agreement are set forth on Schedule 3.10.

3.11 User Fees or Tariffs. The municipal water and wastewater tariffs, attached as Schedule 3.11, represent the true rates of the Water and Wastewater Systems that are

and that will be in effect as of the Closing Date. Seller at its sole discretion plans to use a portion of the proceeds from the Asset Sale to reduce and subsidize both the water and wastewater user fees for a period of 5 years.

3.12 Account Receivables List. The Accountable Receivable (A/R) list set forth on Schedule 3.12 identifies all uncollected funds that are due Buyer after the closing. Any other A/R proceeds due to Seller prior to Closing Date and received by Buyer after the Closing Date shall be promptly delivered to Seller.

3.13 Customer List. Seller shall provide Buyer with the latest update of last known names, addresses, phone numbers, and email addresses of all water and wastewater service customers connected to the Water and Wastewater Systems within five (5) business days of the execution of this Agreement.

3.14 Access to the Water and Wastewater Systems. Buyer shall have reasonable access to the Water and Wastewater Systems from the date of this Agreement until the Closing Date for purposes including the examination of customer accounts, ordinances, deeds, contracts, maps and plans, inspections and test of plant and equipment; and surveys of the Real Property and easements. Buyer agrees to indemnify and hold Seller harmless from any and all claims, demands, suits, actions, damages, liabilities or expenses in respect to or arising from Buyer's negligence in accessing to the Water and Wastewater Systems during this period. Buyer's rights under this Section shall be exercised during normal business hours, and shall not interfere with Seller's continuing operation of the Water and Wastewater Systems. Seller shall cooperate with Buyer with respect to such access to ensure a smooth transition in ownership of the Water and Wastewater Systems.

3.15 Continued Cooperation. Seller and Buyer shall reasonably cooperate with each other before, during and after the Closing Date to effect the transactions in this Agreement necessary for the successful implementation to operate the ongoing Water and Wastewater Systems. Seller, via the Water Pollution Control Authority (WPCA) or equivalent party, shall serve as a non-binding advisor to the Buyer and, if applicable, will also serve as the authority to issue orders to connect to the wastewater system consistent with state regulations and any other applicable law.

3.16 All Necessary Approvals, Authority and Permits. Schedule 3.16 contains all governmental approvals, all grants or delegations of authority (including, without limitation, franchises and assignments thereof) and all permits that are legally required in order for the Seller and/or the Buyer to operate the Water and Wastewater Systems in the Town of New Hartford, including, without limitation, the right to maintain and locate the Water and Wastewater Systems in their current locations (e.g., on or within all public lands and rights of way) or otherwise within the Town of New Hartford.

4.) REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 Organization and Authorization. Buyer is a public service company as defined in Section 16-1 of the General Statutes of Connecticut and is a corporation duly organized, validly existing, and in good standing under the laws of the State of Connecticut. Except for approval by the Board of Directors of Aquarion, the execution and delivery of this Agreement by Buyer has been duly and validly authorized by all requisite action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a valid and legally binding obligation of Buyer, enforceable in accordance with its terms.

4.2 Absence of Defaults. The execution and delivery of this Agreement does not:

- (a) violate any provision of the Certificate of Incorporation or Bylaws of Buyer;
- (b) violate, conflict with or result in the breach or termination of, or constitute a default under the terms of, any agreement of instrument to which Buyer is a party;
- (c) violate any judgment, order, injunction, decree, award, rule or regulation against, or binding upon, Buyer; or
- (d) constitute a violation by Buyer of any law or regulation of any jurisdiction as such law or regulation relates to Buyer.

4.3 Indemnification. Buyer represents that Buyer will indemnify and hold harmless Seller from and against any and all claims, demands, suits, actions, damages, liabilities, or expenses in respect to or arising out of operation of the Water and Wastewater Systems by the Buyer subsequent to the Closing Date (collectively, “Section 4.3 Liabilities”) except to the extent any Section 4.3 Liability shall result from the negligence or willful misconduct of the Seller or its officers, officials, employees, contractors and/or agents.

4.4 No Warranties. Buyer represents that Buyer is purchasing the Water and Wastewater Systems “as is” as represented by the Seller in Section 3.8 of this Agreement and except as otherwise indicated in this Agreement.

4.5 Assumption of Contracts. Buyer agrees to assume those certain outstanding contractual obligations of Seller arising on or after the Closing Date with the Existing Water and Wastewater System Agreements as set forth in Schedule 3.2.3 for the remaining term of each such contract. The Metropolitan District Commission (MDC) lease is set forth in Schedule 3.2.3 and will be transferred from Seller to Buyer and the Seller shall secure all consents from the MDC and any other necessary parties to effectuate such transfer. Any such consents and any conditions attached thereto must be acceptable to the Buyer.

4.6 Wastewater User Fee Rate Freeze. Buyer agrees and covenants to freeze the Town’s wastewater rates in effect at the Closing Date for three (3) years as set forth in Schedule 3.11 absent the occurrence of any “exogenous event(s)” that could result in a significant increase in the Wastewater System’s operating or capital costs. Such “exogenous events” may include, without limitation, changes in law that impose new duties, obligations or costs upon the Buyer; increases in tax rates and/or the imposition of new taxes upon the Buyer and/or the Wastewater System; and/or excessive inflation. In addition, any future rate increases would be included in Buyer’s base rate cases periodically filed with PURA. The Parties acknowledge and agree that the water rates will not be subject to a rate freeze.

4.7 Waiver of Incentive Payments. Upon consummation of this Agreement, Buyer agrees to waive the Incentive Payments due from Seller for savings documented as part of that certain Wastewater System Operation and Maintenance Services Agreement between the parties hereto dated August 18, 2016, and which occurred during the period September 2016 through August 2019.

4.8 Continued Cooperation. Seller and Buyer shall, within reason, cooperate before, during and after the sale to effect the transactions in this Agreement necessary for the successful implementation to operate the ongoing Water and Wastewater Systems. Buyer shall be responsible for obtaining PURA review and approvals of the transactions relating to this Agreement. The Parties agree to cooperate with each other in obtaining such approvals. Further, after the closing Buyer shall provide for a smooth, uninterrupted transition of service from Seller to Buyer and the Parties shall cooperate with each other to facilitate the transition. Seller and Buyer will work cooperatively in a Public Private Partnership to identify and implement expansions of the water and wastewater systems to areas that are currently served by septic systems or shallow wells that may represent an environmental or health issue. Buyer will advocate for Seller and participate in such water and wastewater expansions to the extent permitted by PURA regulations and the Buyer’s Rules and Regulations that have been approved by PURA. In addition, Seller and Buyer will work cooperatively to allow Seller to design and construct a vehicle wash station adjacent to the WPCF site and have an easement to this station. Buyer will also cooperate with the Seller to have access to water and sewer easements that may be integrated to the Town system of trails.

5.) CONDITIONS OF BUYER’S OBLIGATIONS

The obligations of Buyer to be performed under this Agreement on or before the Closing Date, any of which may be waived by Buyer in its sole discretion, are as follows:

5.1 Required Approvals and Conditions.

a.) The transactions contemplated by this Agreement shall have been approved by PURA, CTDPH and by CTDEEP, and the New Hartford Approvals shall have been

received and shall be final (not subject to any appeal and/or beyond any applicable appeal period). All such approvals including, without limitation, the New Hartford Approvals and all other governmental approvals required and/or contemplated under this Agreement including, without limitation, applicable permits and those approvals listed herein below and any conditions attached thereto, must be acceptable to the Buyer in its sole and absolute discretion.

b.) CTDPH shall have approved the sale, lease or assignment of Class I, Class II and/or Class III water company land, if applicable, as contemplated by this Agreement, and provided any other approvals and permits necessary for completion of this transaction. Seller shall make application for the transfer of all water diversion, extension, operating and other water system permits and approvals prior to the Closing by CTDPH or other agencies. Seller shall have received notice or approval of the transfer to Buyer, effective as of the Closing Date, of all water diversions, extensions, operating and other water permits and approvals as set forth in Schedule 5.1 prior to closing by CTDPH or any other Federal, State or local agency.

c.) CTDEEP shall have approved the sale, lease or assignment of the tertiary wastewater treatment and collection facilities as contemplated by this Agreement, and provided any other approvals and permits necessary for completion of this transaction. Seller shall make application for the transfer of all wastewater system permits and approvals prior to the closing by CTDEEP or other agencies. Seller shall have received notice or approval of the transfer to Buyer, effective as of the Closing Date, of all wastewater permits and approvals as set forth in Schedule 5.1 prior to closing by CTDEEP or any other Federal, State or local agency.

d.) Seller shall have continued to meet all statutory and regulatory requirements including but not limited to monitoring and reporting requirements of CTDPH and CTDEEP and shall continue to submit results to CTDPH and CTDEEP through the Closing Date.

e.) Seller shall have provided Buyer with any and all water production data, water quality data, wastewater effluent quality data, and compliance information collected in 2018 which shall be reasonably acceptable to Buyer.

f.) Within five days of receipt of the last relevant decisions, orders, approvals or other communications from PURA, CTDPH and CTDEEP and of the New Hartford Approvals, Buyer shall advise Seller in writing as to whether such decisions, orders, approvals or communications comply with the requirements of this Section 5.1, and if any of same do not comply with such requirements, whether or not Buyer intends to proceed with the transaction.

5.2 Consents. Seller shall have obtained the consents necessary or appropriate, in the reasonable opinion of Buyer's counsel, in order for Seller to effect the transactions contemplated by this Agreement.

5.3 Performance by Seller. All representations and warranties of Seller contained in this Agreement or in any document delivered by and on behalf of Seller to Buyer pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, except changes permitted or contemplated by this Agreement, and Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with prior to the Closing Date.

5.4 Adverse Changes. Since the date of this Agreement, there shall have been no material adverse change in the Assets or in the business, results of operations, or condition, financial or otherwise, of the Water and Wastewater Systems.

5.5 Instruments of Transfer. All assignments and instruments of conveyance and transfer necessary, in the reasonable opinion of Buyer's counsel, to convey the Assets to be transferred shall have been duly executed by Seller in such form as to be effective under Connecticut law to convey to Buyer good and marketable title and the rights of Seller in and to the Assets.

5.6 Form of Documents. All actions, proceedings, instruments and documents required to carry out this Agreement and all other related matters shall have been approved by Buyer and Seller.

5.7 Litigation. No suit, action, proceeding or governmental investigation shall be threatened, pending or reasonably believed by Buyer to be in prospect before or by any court or governmental agency which, in the reasonable opinion of Buyer, render completion of the transfer contemplated economically impractical.

5.8 Opinion of Counsel for Seller. Buyer has received an opinion, dated the Closing Date, satisfactory to it in form and substance from counsel for the Seller with respect to the matters set forth in Schedule 5.8 of this Agreement. In rendering such opinion, Seller's counsel shall be entitled to rely, as to matters of fact, on certificates of public officials and Seller.

6. CONDITIONS OF SELLER'S OBLIGATIONS

The obligations of the Seller to be performed under this Agreement shall be subject to the following conditions:

6.1 Required Approvals and Conditions.

a.) The transactions contemplated by this Agreement shall have been approved by the Board of Directors of the Buyer, PURA, CTDPH and CTDEEP, all as contemplated by this Agreement.

b.) Planning and Zoning Commission Report. The transactions contemplated by this Agreement shall have been referred to and approved by the New Hartford Planning and Zoning Commission in accordance with Connecticut General Statutes 8-24.

c.) Water Pollution Control Authority Presentation. The transactions contemplated by this Agreement and the overall terms of the Agreement shall have been presented to and favorably approved by the WPCA.

d.) Board of Selectmen Presentation. The transactions contemplated by this Agreement and the overall terms of the Agreement shall have been presented to and favorably approved by the New Hartford Board of Selectmen (BOS).

e.) Board of Finance Presentation. The transactions contemplated by this Agreement and the overall terms of the Agreement shall have been presented to and favorably approved by the New Hartford Board of Finance (BOF).

f.) Public Hearing. A public hearing regarding the transactions contemplated by this Agreement shall have been duly noticed and held by the New Hartford Board of Selectmen in accordance with Connecticut General Statutes 7-163e.

g.) Town Meeting or Referendum Approval. The transactions contemplated by this Agreement shall have been approved by the affirmative vote of the majority of those present and voting at a town meeting or Referendum duly called and held for that purpose.

h.) Adoption of Ordinance. An ordinance shall have been adopted repealing, effective on the Closing Date, sections [redacted] through [redacted] of the New Hartford Code of Ordinances.

i.) Consent and Approval of Regulatory Authorities. The consent to and/or approval of the transactions contemplated by this Agreement shall have been obtained, if required, of (i) PURA, (ii) CTDPH; (iii) CTDEEP, and (iv) any other government entity whose consent and/or approval is required by law.

j.) No Prohibitive Law. (i) The consummation of the transactions contemplated by this Agreement shall not then be restrained, enjoined or prohibited by any order (whether temporary, preliminary or permanent) of a court of competent jurisdiction or any other government entity, and (ii) there shall not be any statute, rule or regulation enacted or promulgated by any government entity that prevents or unfavorably modifies the consummation of the transactions contemplated by this Agreement.

k.) Consents and Approvals Acceptable to Buyer. All required governmental permits, approvals and consents and any conditions attached thereto shall be final (not subject to an appeal and/or beyond any applicable appeal period). All such consents and approvals including, without limitation, the New Hartford Approvals and all other governmental approvals required and/or contemplated under this Agreement including, without limitation, applicable permits, and any conditions attached thereto,

must be acceptable to the Buyer in its sole and absolute discretion. All such consents and approvals shall be secured by the Seller, at its sole expense, prior to closing.

6.2 Performance of Buyer. The representations and warranties of Buyer contained in this Agreement or in any document delivered by or on behalf of Buyer to Seller pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by this Agreement, and Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

6.3 Litigation. No suit, action, proceeding or governmental investigation shall be threatened, pending or reasonably believed by Seller or its counsel to be in prospect before or by any court or governmental agency which, in the reasonable opinion of Seller, render completion of the transfer contemplated economically impractical.

7.) MISCELLANEOUS PROVISIONS

7.1 Additional Documentation. Any other documentation as may be required to close the transaction after the signing of this Agreement shall be made and delivered by the Buyer or Seller, as required.

7.2 No Brokers. All negotiations relative to this Agreement have been carried on by Buyer directly with Seller without the intervention of any person as a result of any act of Buyer in such manner as to give rise to any valid claim against any of the parties hereto for a brokerage commission, finder's fee or other like payment.

7.3 Buyer Participation in Public Hearings and/or Information Sessions. Buyer, at Seller's request, shall participate in public hearings and information sessions to educate ratepayers and taxpayers specific to the terms and conditions of this Agreement.

7.4 Notices. All notices and communications between parties of this Agreement shall be in writing and shall be deemed to have duly given notice and delivered, if by mail, certified postage, prepaid:

If to Seller: Town of New Hartford

If to Buyer: Aquarion Water Co

Daniel V. Jerram, First Selectman
530 Main Street, PO Box 316
New Hartford, CT 06057

Donald J. Morrissey
Executive VP & CFO
835 Main Street
Bridgeport, CT 06604

Telephone: 860-379-3389

Telephone: 203-336-7650

djerram@town.new-hartford.ct.us

dmorrissey@aquarionwater.com

7.5 Binding Effect; Assignment. This agreement between the parties shall be binding upon and inure to the benefit of the parties, their successors, heirs and assigns, but neither this Agreement nor any of the rights, interests or obligations shall be assigned or assignable by any part without the prior written consent of the other party.

7.6 Governing Law. The laws of the State of Connecticut shall govern this Agreement and any adjudication of this Agreement shall be within its jurisdiction.

7.7 Headings. The headings or captions of any articles, paragraphs, or sections hereof are made for convenience only and shall not control or affect the meaning or construction of any other provisions contained in this Agreement.

7.8 Counterparts. This Agreement may be executed in two or more counterparts, and transmitted by way of facsimile or e-mail, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

7.9 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) By mutual agreement of Buyer and Seller;

(b) By Buyer if conditions set forth in Section 6 have not been complied with or performed in any material respect and such noncompliance or nonperformance have not been cured or eliminated by Seller on or before the Closing Date;

(c) By Buyer if Seller does not cure title defects or remove liens or encumbrances on the Property as requested by Buyer, within the timeframe as set forth in Section 1.4; or

(d) By Seller if the conditions set forth in Section 5 have not been complied with or performed in any material respect and such noncompliance or nonperformance have not been cured or eliminated by Seller on or before the Closing Date.

If this Agreement is terminated because of either party's inability, after good faith effort, to secure the New Hartford approvals or the approval of PURA, CTDPH and CTDEEP and all other applicable permits, consents and approvals, all as required by law, each party shall return to the other party all written material obtained from the other party in connection with this transaction. Regardless of whether or not the transactions contemplated by this Agreement are consummated, each party shall pay its own expenses incurred (including without limitations the fees and expenses of its agents, representatives, counsel, and accountants).

7.10 Entire Agreement. This Agreement supersedes and merges all previous negotiations and documentation relating hereto and thereto between the parties including, without limitation, the RFP, proposals, submittals, term sheets and other related documentation, and constitutes the entire Agreement and any understanding between the parties with respect to the subject matter contained herein. No alterations, modifications or amendments shall be valid except in writing and when signed by the parties of this Agreement.

7.11 Severability. In case one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, rule or regulation, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

7.12 Survival Clause. The respective representations, warranties, indemnities and agreements made by Seller and Buyer in this Agreement shall survive closing.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Agreement to be signed in their names and on their behalf, respectively, by the persons duly authorized as of the date of this Agreement first written above.

**AQUARION WATER COMPANY OF
CONNECTICUT**

Witness

By: _____
Donald J. Morrissey, Executive VP & CFO

TOWN OF NEW HARTFORD, CT

Witness

By: _____
Hon. Daniel V. Jerram, First Selectman

Acknowledgements:

Subscribed and sworn to me on this ____ day of _____ 2019, by _____, who personally appeared before me and did state that he/she is authorized to sign the above instrument by action of (Seller).

Subscribed and sworn to me on this ____ day of _____ 2019, by _____, who personally appeared before me and did state that he/she is authorized to sign the above instrument by action of (Buyer).

(Notary)

My Commission Expires: _____

SEAL

SCHEDULE 1.1.1

LIST OF WATER AND WASTEWATER SYSTEM PROPERTIES

WPCF Property. The WPCF mailing address is 238 Main Street, but the facility is located at the terminus of a paved driveway adjacent to the River Run Condominium complex. The site is about 2.3 acres in area and has been the location for the Town’s wastewater treatment plant since 1967. The deed for the purchase of the 2.3 acre parcel is recorded in the Town of New Hartford Land Records volume 66, page 38-3 (Map 44, Block 137, Lot 21). Parcel to be transferred to Aquarion in fee.

Additional title work required as there were also easements conveyed that need to be located. We will need maps and deeds.

Property Adjacent to the WPCF Site. The adjacent property to the WPCF site is a 0.2 acre parcel. The deed for the purchase of the 0.2 acre parcel is recorded in the Town of New Hartford Land Records volume 167, page 987 (Map 044, Block 137, Lot 21F). Parcel to be transferred to Aquarion in fee.

Pump Station at the Intersection of Route 44 and 219. The pump station at the intersection of Route 44 and Route 219 is situated adjacent to the bridge that crosses the Farmington River. The pump station was constructed in 1969. The site contains 0.75 acres in area and includes the wet well, submersible pumps, control panels and a trailer mounted standby generator. The deed for the purchase of this 0.75 acre parcel is recorded in the Town of New Hartford Land Records in volume 76 at page 53 (Map 44A, Block 118, Lot ???) Easement area to be created and granted to Aquarion or parcel to be conveyed in fee at closing.

GIS show this parcel being owned by a property owner at Wickett Avenue. We concluded with the Town Clerk’s office that the parcel is owned by the Town. It needs to be corrected in GIS and a lot number created.

Prospect Street Pump Station. The Prospect Street Pump Station was constructed across the street from 82 Prospect Street in 1996. The site houses the wet well and control panel and is roughly 0.64 acres in area and the deed is recorded in the Town of New Hartford Land Records volume 51, page 169 (Map 37B, Block 132, Lot 039). Easement area to be created and granted to Aquarion at closing.

There is a restriction in the deed that the property is to be used by the Town for public highway purposes and public areas in connection therewith and for no other purposes whatsoever and no longer. If at any time the Town shall cease to use said premises for said purposes or shall use the same for any other purposes, then the premises hereby conveyed shall revert to the releaser (Underwood Corporation). The Town will need to get a waiver or release of this restriction before they grant an easement to Aquarion at closing.

Greenwood Road Pump Station. The Greenwood Road Pump Station was constructed in the backyard of 16 Greenwood Road in 1996. The site houses the wet well and control panel and is roughly 0.79 acres in area and the deed is recorded in the Town of New Hartford Land Records volume 293, page 1222 (Map 37B, Block 132, Lot 008). Easement area to be created and granted to Aquarion at closing.

Parcel needs further research. We have not been able to find an easement to Town for this pump station.

Pine Meadows Wellhead and Treatment Plant Site. The Town owns a 0.2 acre parcel for this source of supply. The land was purchased by the Town in the name of the New Hartford Water Company on May 7, 1945. The deed for the purchase of the 0.2 acre parcel is recorded in the Town of New Hartford Land Records volume 48, page 153 (Map 44B, Block 114, Lot 24). Parcel to be transferred to Aquarion in fee. Deed includes an access to this parcel from Church Street.

Black Bridge Wellhead and Treatment Plant Site. A seven acre parcel of land surrounding the Black Bridge well is owned by the Town. This parcel was purchased on February 2, 1949 to allow the construction of the New Hartford Elementary School. The deed for this transaction is recorded in the Town of New Hartford Land Records Volume 51, page 480 (Map 44A, Block 1184, Lot 001 and 001A). A portion of this site will be delineated as related to the water treatment facility and transferred to Aquarion in fee or by easement.

A GIS map will be created to determine location of utility easement and sanitary easements.

SCHEDULE 1.1.2

MAPS OF THE WATER AND WASTEWATER SYSTEMS

Attached are survey maps showing easements over Town property including, if applicable, grants or assignments of rights within public rights of way, for both the Water System Assets and Wastewater System Assets to be prepared and filed at closing with easement documents.

Working Draft

SCHEDULE 1.1.3

DESCRIPTION OF WATER AND WASTEWATER SYSTEMS

Water System

Water Supply and Treatment. The water supply for the Town of New Hartford water system consists of two separately located well fields that are constructed in the overburden aquifer along the Farmington River. The wells are commonly referred to as the Pine Meadow Well and the Black Bridge Well and are summarized below.

Pine Meadow Well

Location	Pine Meadow Area on Church Street
Well House	Yes
Date Installed/Upgraded	1944/2000
Well Type	Gravel Packed 8"x20" with 45' telescoping 8" diameter screen in upper/lower sand and gravel
Well Depth	82'9"
Pump Capacity	200 gpm at 348 feet TDH
Motor Size	30 HP
Treatment System	NaOH for pH; UV Disinfection Abandoned in 2015
Back-up Power	45 kW Generator On-Site (Propane)
Safe Yield	265 gpm (Nov 2000)
CTDEEP Approved Q	200 gpm

Black Bridge Well

Location	Pine Meadow Area on Black Bridge Road
Well House	Yes
Date Installed/In-Service	1988/1996/2017 (upgraded)
Well Type	Gravel Packed 10" diameter with 20.67' of 10" screens
Well Depth	70'
Pump Capacity	200 gpm at 370 feet TDH
Motor Size	30 HP
Treatment System	Green Sand Mn Removal; NaOCl Oxidation (150 gpm)
Back-up Power	45 kW Generator On-Site (Propane)
Safe Yield	In excess of 200 gpm
CTDEEP Approved Q	200 gpm

Combined, the two wellfields can supply in excess of 400 gpm. The system Diversion Permit (Permit Div-200101970) allows the extraction of 454,000 gpd of groundwater from the combined wells. The August 2016 average daily demand was estimated at about 101,235 gpd.

Recently the wellfield at Black Bridge was rejuvenated. The extraction rate had declined from about 200 gpm to less than 90 gpm due to manganese accumulations and scaling. As part of the well redevelopment by SB Church, the pump was diagnosed

as compromised and was replaced. WPCA representative noted that the new pump was sized for 140-gpm under the site TDH conditions.

Prior to replacing the Black Bridge pump, with the largest well off-line (Pine Meadows), the available system capacity was limited by the Black Bridge treatment capacity of 150 gpm (216,000 gpd).

Water Storage and Distribution. The water distribution network is larger than the wastewater collection system and extends from north to south and terminates at the River Run Condominium complex. The transmission and distribution system consists of about 61,000 linear feet of main ranging in size from 2-inches to 12-inches. Pipe material includes cast iron, asbestos cement, galvanized iron, and ductile iron. Estimated pipeline lengths taken from the 2013 Annual Report to PURA were:

6-inch cement asbestos pipe	2,200 lf
4-inch cast iron pipe	8,850 lf
6-inch cast iron pipe	11,400 lf
8-inch cast iron pipe	7,200 lf
10-inch cast iron pipe	11,200 lf
12-inch cast iron pipe	11,200 lf
10-inch ductile iron pipe	1,180 lf
12-inch ductile iron pipe	5,400 lf

Roughly 50 percent of the water mains were installed prior to 1895. Little information is available on the condition of the water distribution system.

There are 88 fire hydrants that are maintained for fire protection purposes.

The distribution system includes two above ground storage tanks located adjacent to one another north of the New Hartford Industrial Park on land owned by the Metropolitan District Commission (MDC) and leased to the Town through 2024 (with the option for renewal for an additional 35 years). The tanks have capacities of 175,000-gallons and 490,000-gallons, respectively. The overflows on both tanks are set at 715-feet above MSL.

The 491,000-gallon capacity Aquastore glass-lined tank was installed in 1990 and inspected in April 2015. The inspection was completed when the tank was drained (i.e., dry inspection). The tank is in good condition overall. Some interior and exterior side wall edges were identified to be resealed. The 175,000-gallon tank is a welded steel standpipe that was inspected in June 2010. The tank was inspected while in service via a Tank Rover. The interior coating is in good condition with the exception of the first horizontal shell weld above the floor.

The distribution network has two hydraulic pressure zones. An in-line booster station serves two homes off of the low-pressure zone, and a manually operated

booster station at Black Bridge Well is capable of boosting water from the Pine Meadow well to the high-pressure zone if the Black Bridge well is not running.

The water supply transmission network historically included an emergency, non-potable water supply inter-connection to the MDC Barkhamsted Aqueduct. The inter-connection has been plugged and is abandoned. The WPCA no longer pays an annual fee to the MDC for this inter-connection.

Wastewater System

Wastewater Treatment Summary. New Hartford fully updated its wastewater pollution control facility (WPCF) in 2010 to a state-of-the-art automated Sequencing Batch Reactor (SBR) operation, with a design capacity of 400,000 gpd. The WPCF includes preliminary treatment operation (i.e., headworks), a secondary biological treatment operation, tertiary filtration and ultraviolet (UV) light disinfection. Aside from the unit operations that make up the above referenced treatment train, there are a series of ancillary support processes such as the sludge holding tanks, a scum collection and removal operation, septage receiving station, odor control collection and treatment system, standby generator, and a plant water system. Collectively these operations have an average design capacity of 0.4 mgd and a peak design to treat up to 1.1 mgd for short duration, high flow conditions. Sludge from the treatment process is thickened as a liquid and then transported off-site for dewatering and incineration at the Veolia sludge treatment plant in Naugatuck. Treated effluent from the WPCF discharges to the Farmington River. No septage or any other byproduct of wastewater is currently received at the WPCF.

Headworks Facilities. The headworks facilities include an influent sampling station, automatic screens, a manual bypass bar screen, an aerated grit chamber for removing coarse grit materials (sand, coffee grounds, egg shells, etc.), an influent flow meter and the influent pump station.

Secondary Biological Treatment Process. Wastewater from the Influent Pump Station is pumped to one of three SBR tanks. SBR Tank No. 1 has never been used and is off-line while the influent wastewater is cycled between SBR Tanks 2 and 3. Each tank is about 56-feet by 25-feet in area and the top water level (TWL) is roughly at 21.7 feet above the floor of the basins. The bottom water level (BWL) is the elevation of the wastewater at the conclusion of a decant cycle and is roughly at 18.0 feet above the floor of the basin. Therefore, each fill and decant cycle covers a depth of about 3.7-feet or roughly 38,700-gallons per decant. The two-tank arrangement allows one tank to be filling while the other is in the idle mode, and the tanks cycle between different stages complimentary to one another.

In summary, under current flow conditions about one decant is discharged per 24-hour period (i.e., each batch is filled, treated and released about every two days). Although the reduced flow operation is less than ideal for the SBR chemistry, the treatment process has been reliable and the performance has been relatively good.

Tertiary Filtration and Disinfection. The treated decant from the SBRs flows by gravity to one of two equalization (EQ) tanks, is pumped by three submersible EQ pumps to two disk tertiary filters located in the Filter Building, then flows by gravity through a UV disinfection process and eventually through the effluent sampling and flow monitoring station prior to discharging to the Farmington River. Two-plant water pumps are also located in the EQ tanks for use throughout the treatment plant.

Sludge Storage, Scum Collection and Septage Receiving Facilities. The waste activated sludge (WAS) from the SBR process discharges by gravity to one of two 20,000-gallon capacity sludge holding tanks. In contrast to other WPCFs that provide “active” residuals treatment via thickening, anaerobic digestion, aerobic digestion, lime stabilization, composting and/or dewatering, the New Hartford sludge “treatment” process is simply a manual gravity thickening operation to try to reduce the amount of water sent off-site that is entrained in the sludge. In general, the sludge storage tanks have sufficient capacity at the current low flows, the pumps and mixers are all operational and the WAS from the SBR process appears to settle well. However, it should be noted that if the influent pollutant loading is increased to the average design capacity, the sludge storage and decanting operation would be insufficient and would require more operator attention and possibly more sludge storage tank capacity.

The Town and the WPCA currently do NOT accept septage. The septage receiving facilities include a truck unloading area, a single concrete tank, a submersible septage transfer pump and yard piping to allow the septage to be pumped to either the Sludge Holding Tanks or to divert decant to the Plant sewer that flows to the headworks if so desired. There are no mixers associated with the septage receiving tank. Odors from the septage holding tank can be vented to the on-site biofilter. The septage holding tank is now integrated to handle the supernatant from the sludge holding tanks.

Plant Support Facilities. The plant support processes associated with the WPCF include the Plant Water System, the Biofilter Odor Control Process, and the On-Site Emergency Generator system.

The plant water system consists of two submersible 15-HP pumps that are located in the EQ Tanks, two control systems inclusive of VFDs (one control system per pump) and nine hose stations that are located throughout the plant site. The hose stations include four 2-inch self-draining hydrants within the Plant, one ¾-inch self-draining hydrant adjacent to the Filter Building and UV Operation, and four 2-inch hose stations located on top of the SBR tanks.

The WPCF has been designed to contain and divert potentially odorous gases from the aerated grit chamber, the two Sludge Storage Tanks and the septage receiving/storage areas. The system includes a single odor control fan that can draw approximately 800 cubic feet per minute (cfm) of odorous air to the biofilter. The air is diverted to two “cubes” or bio-reactors that are arranged in series.

The WPCF is equipped with a generator for continuous supply of electricity in the event of a power interruption to the WPCF. The engine generator set is housed in its own sound attenuating enclosure and is configured for automatic starting and stopping, and load transfer upon loss of commercial power.

Collection Sewers and Pump Stations. The New Hartford wastewater collection system includes a 210-gpm pump station at the intersection of Routes 44 and 219, two small package pump stations serving the Prospect Street and Greenwood Road areas, an inverted siphon that passes beneath the Farmington River, about 350-linear feet of force main, about 14,000 linear feet of gravity sewer and an additional 6,000 linear feet of lateral sewers. In general, the condition of the collection sewers is not well defined.

The New Hartford wastewater collection sewers include over 14,600 linear feet of sewers of various ages, materials and conditions. The oldest sewers were installed in 1968. Pipe materials include cast iron, concrete, asbestos concrete lined, vitrified clay, and polyvinyl chloride (PVC). Limited repair and replacement projects have been completed since 2012, including portions of Brook Street, Bridge Street and Main Street/Route 44. The collection system consists of five tributary sewer lines as follows:

- The Farmington River Trunk line that collects wastewater from the east side and west side of Main Street (Route 44);
- The Brook Street connector from the portions of Steele Road and High Street;
- The Prospect/Loomis Heights/Holcomb Hill sewer that connects to the inverted siphon beneath the Farmington River and connects to the Route 219 pump station;
- The Jones Mountain interceptor that extends from the old railroad right of way in the area of the Route 219 pump station and terminates at the WPCF; and
- The separate trunk line that connects from the River Run Condominium Complex to the WPCF.

Route 219 Pump Station. The Route 219 pump station is located at the intersection of Routes 219 and 44 adjacent to the bridge crossing the Farmington River. The station was constructed in 1969 and upgraded in 1987. The steel wet well is listed as 6-feet in diameter and 26-feet in depth, although field measurements recorded the diameter at 5-feet and the depth at 24-feet. The station has two submersible Homa pumps that operate in a lead-lag arrangement. The pumps are 13-hp and rated at about 210 gpm. It is estimated that about 30 to 50 percent of the total flow to the WPCF discharges to the 219 pump station.

The force main (4-inch diameter) from the pump station extends beneath Route 44 and up the embankment to the former railroad right of way (ROW) that parallels Route 44 on the south side. The force main is about 350 linear feet in length and discharges to the Jones Mountain trunk sewer that runs about 7,300 feet to the WPCF. The change in elevation from the floor of the wet well to the Jones Mountain trunk sewer is about 62-feet.

A portable generator is stored adjacent to the Route 219 pump station. Tower Generator is contracted to complete annual maintenance and inspection of the generator.

Prospect Street Pump Station. The Prospect Street pump station is located across the street from 82 Prospect Street. The station was constructed in 1996 and services a total of five households. The wet well is 4-feet in diameter and 13.25-feet in depth. The station has two submersible Myers WG 20 pumps that operate in a lead-lag arrangement. The pumps are 2-hp and rated at about 70 gpm under the head conditions. The force main is a 2-inch diameter PE pipeline that runs along the eastern side of Prospect Street and connects to a gravity sewer in Prospect Street that eventually flows to a manhole at the intersection of Prospect and Holcomb Hill Road.

Greenwood Road Pump Station. The Greenwood Road pump station is located in the backyard of 16 Greenwood Road. The station was constructed in 1996 as part of the Prospect Street Water and Sewer Improvements contract and services three homes on Holcomb Hill Road. The wet well is 4-feet in diameter and 10.5-feet in depth. Similar to the Prospect Street station, Greenwood has two submersible Myers WG 20 pumps that operate in a lead-lag arrangement. The pumps are 2-hp and rated at about 70 gpm under the head conditions. The force main is a 2-inch diameter PE pipeline that eventually connects to the manhole at the intersection of Prospect and Holcomb Hill Road.

SCHEDULE 3.2.1

LIENS TO BE RELEASED

TO BE PROVIDED

Working Draft

SCHEDULE 3.2.2

EXCEPTIONS (IF ANY) TO GOOD TITLES

NONE.

Working Draft

SCHEDULE 3.2.3

MDC WATER TANK PROPERTY LEASE

The land associated with the two above ground storage tanks in the vicinity of the Greenwood Industrial Park is owned by the Metropolitan District Commission (MDC) and leased to the WPCA in a 35-year renewable lease that is dated October 20, 1989 and amended on August 16, 2001. The lease extends through 2024 and there is an option for an additional 35-year renewal. The MDC receives an annual payment equal to the value of the property taxes on the land. For fiscal year 2016 the tax credit to MDC was \$57.85. The lease is recorded in the Town of New Hartford Land Records Volume 134, page 502. The MDC must be notified and approve of the assignment of this lease to the Buyer. Copies of the original Agreement and Amendment are attached.

SCHEDULE 3.10

CONTRACTS TO WHICH SELLER IS A PARTY AND THAT BUYER WILL ASSUME

MDC Water Tank Lease Agreement

Working Draft

SCHEDULE 3.11

USER FEE FOR NEW HARTFORD WATER AND WASTEWATER SYSTEMS

Working Draft

SCHEDULE 3.12

ACCOUNT RECEIVABLES LIST

Working Draft

SCHEDULE 5.1

LICENSES AND PERMITS RELATED TO WATER AND WASTEWATER SYSTEMS

National Pollution Discharge Elimination System Permit No. CT0100331 as authorized by the Connecticut Department of Energy and Environmental Protection (effective date of November 1, 2018 and expiration date of October 31, 2023).

Public Water Supply System ID Number CT0920011.

Groundwater Diversion Permit Div-200101970 as authorized by the Connecticut Department of Public Health (issued April 17, 2002 and expires April 27, 2027).

SCHEDULE 5.8

OPINIONS OF COUNSEL TO NEW HARTFORD

[BELOW IS AN EXAMPLE OPINION FROM A PREVIOUS TRANSACTION]

- New Hartford is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Connecticut.
- New Hartford is legally authorized to sell and distribute water in portions of the Town of New Hartford, Connecticut, in which it presently sells and distributes water through the Water System.
- New Hartford is legally authorized to provide wastewater service in portions of the Town of New Hartford, Connecticut, in which it presently collects, treats and discharges wastewater through the Wastewater System.
- New Hartford possesses full legal power and authority to enter into and carry out the provisions of this Agreement.
- The copies delivered to Aquarion of New Hartford’s Charter and of the resolutions adopted by New Hartford’s Water Pollution Control Authority (WPCA), New Hartford Board of Selectman, the New Hartford Board of Finance, the New Hartford Planning and Zoning Commission and the referendum of the voters of the Town of New Hartford authorizing the execution and delivery of this Agreement, all of which copies have been certified by New Hartford’s Town Clerk, are true and complete copies of said documents, and said Charter and resolutions are in full force and effect and include any and all amendments thereto.
- The execution, delivery and performance of this Agreement by New Hartford have been duly and validly authorized by all requisite action on the part of New Hartford. This Agreement has been duly executed and delivered by New Hartford and constitutes a valid and legally binding obligation of New Hartford, enforceable against New Hartford in accordance with its terms. Approval by DPH, CTDEEP and PURA and the New Hartford Approvals are the only other actions required by a governmental authority to the knowledge of counsel in order to authorize Seller to consummate the transactions contemplated by this Agreement.
- The consummation of the transactions contemplated hereby will not violate any provision of the Town of New Hartford Charter.
- Counsel has no actual knowledge, after diligent inquiry, that the consummation of the transactions contemplated hereby will (a) violate, conflict with or result in the breach or termination of, or constitute a default under the terms of, any agreement or instrument to which New Hartford is a party or by which it or any of the Assets may be bound; (b) result in the creation of any lien, charge or encumbrance upon the Assets pursuant to the terms of any such agreement or instrument; (c) violate any judgment, order, injunction, decree, license, permit, award, rule or regulation against, or binding upon, New Hartford or upon the Assets; or (d) constitute a violation by New Hartford of any law or regulation of

any jurisdiction as such law or regulation relates to Seller, or the Water and Wastewater Systems Assets.

- Counsel has no actual knowledge, after diligent inquiry, of any actions, suits, proceedings or governmental investigations pending or in prospect or threatened, against or relating to New Hartford, the Assets or the transactions contemplated by this Agreement in or before any court, regulatory commission, board, administrative body, arbitration board or tribunal or other federal, state or municipal government instrumentality.
- Counsel has no actual knowledge, after diligent inquiry, that the Water and Wastewater Systems, and New Hartford in its capacity as owner and operator of the Water and Wastewater Systems, are subject to or in violation of any judgment, order, decree, injunction or award of any court, regulatory commission, board, administrative body, arbitration board or tribunal or other federal, state or municipal government instrumentality entered in any proceeding to which they were a party or of which they had knowledge.
- Counsel has no actual knowledge, after diligent inquiry, of any proceeding pending or threatened against the rates now being charged by New Hartford specific to the Water and Wastewater Systems.
- The assignments and instruments of conveyance and transfer necessary to convey the Assets to be transferred hereunder have been duly executed by New Hartford in such form as to be effective under Connecticut law to convey to Aquarion all rights of Seller and in and to the Assets.