

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, effective as of _____, 2019, is entered into by and between the Town of Marlborough, Connecticut, a Connecticut municipal corporation, having an address of 26 North Main Street, Marlborough, Connecticut 06447 (“Marlborough” or “Seller”), and Aquarion Water Company of Connecticut, a Connecticut public service company, having an address of 835 Main Street, Bridgeport, Connecticut 06604 (“Aquarion”).

W I T N E S S E T H :

WHEREAS, Marlborough owns and operates the Marlborough Municipal Water System, a public water supply system, being PWSID No. CT0798013 (the “Water System”), located in Marlborough, Connecticut;

WHEREAS, Marlborough is the designated Exclusive Service Provider of water for all Town uses, building and structures, existing or future within the Town of Marlborough;

WHEREAS, the Water System is subject to the jurisdiction of the Connecticut Department of Public Health (“DPH”);

WHEREAS, Aquarion is a public service company serving a population of approximately 625,000 throughout the State of Connecticut;

WHEREAS, Marlborough desires to sell, and Aquarion desires to purchase, service and operate, certain assets relating to the Water System, including plant and equipment, supplies and inventories, contracts and contract rights, franchise rights, and easement rights, and excluding certain liabilities associated therewith, as more specifically set forth herein and subject to the terms and conditions set forth herein;

WHEREAS, Marlborough desires that all water extracted by Aquarion from the wells within the Water System shall only be used to distribute water to residents of the Town of Marlborough, including businesses based in the Town, and all municipal, religious, educational and medical institutions located within the Town.

AND WHEREAS, Marlborough desires to grant certain easements on land owned by Marlborough in the Town of Marlborough, Connecticut, together with improvements and appurtenances located thereon (collectively, the “Properties”), as more specifically set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, and for other good and valuable consideration, Marlborough and Aquarion do represent, warrant, covenant and agree as follows:

1. SALE AND PURCHASE OF CERTAIN ASSETS, RIGHTS AND PRIVILEGES

1.1 Sale and Transfer.

(a) Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined in Section 1.4) Marlborough agrees to grant, sell, assign, transfer and deliver to Aquarion, and Aquarion agrees to purchase the following assets (collectively, the “Water System Assets” or the “Assets”) from Marlborough:

(i) pursuant to appropriate grants of utility and access easements and sanitary easements, marketable title to the Properties, free and clear of any liens and encumbrances of any sort, other than Permitted Encumbrances as defined below, together with the improvements and appurtenances located thereon and therein, being those certain pieces or parcels of land set forth on Schedule 1.1.1, attached hereto;

(ii) all Assets of Marlborough pertaining to the operation of the Water System located or stored in Marlborough (other than real property interests to be acquired, which are described in clause (i) above), including, without limitation, the complete and operating Water System shown on the maps attached hereto as Schedule 1.1.2, being wells, transmission and distribution mains up to the curb stop or property line, tanks, pumps and pumping stations, hydrants, meters and personal property described in Schedule 1.1.3, and all of Marlborough's right, title and interest in and to the easements, right-of-ways and leases which pertain to the operation of Marlborough's Water System, 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 System, including, without limitation, all franchise rights relating to the operation of all or any portion of the Water System and Licenses (as that term is defined in Section 3.12(a)); and

(iii) to the extent available and in the possession of Marlborough, all documents, reports, and maps, pertaining to the Water System, including, but not limited to, all engineering, laboratory and operating reports, customer service records, including meter readings and fixture surveys, property maps, distribution maps, gate drawings, main laying specifications and tap and service cards.

(b) It is expressly understood that Aquarion will (i) purchase only the Assets relating to operation of the Water System and located in the Town of Marlborough, (ii) acquire easements to those Properties denoted as such on Schedule 1.1.1 (the "Acquired Properties"), (iii) obtain sanitary easements approved by the DPH and access easements, as shown on the map included in Schedule 1.1.4, for the Property located at School Drive, Marlborough, in each case reasonably satisfactory to Aquarion, (iv) receive as part of the Water System Assets all materials, supplies, prepayments, and customer deposits, if any, relating to the Water System; and (iv) not

assume or otherwise be responsible for any liabilities of Marlborough, including without limitation, accounts payable, outstanding debt, taxes accrued, accrued interest, tax collections payable, deferred credits, or accumulated deferred income taxes of Marlborough.

1.2 No Liabilities to be Assumed.

Aquarion shall assume no liabilities or obligations of Marlborough whatsoever in connection with the sale of Assets or otherwise with regard to Marlborough or its business operations, provided for in this Agreement, whether accrued, contingent or other, incurred prior to the Closing Date, or arising from the activities of Marlborough prior thereto, excepting only any obligations of Marlborough expressly assumed by Aquarion under any lease, contract, agreement or similar document which is assigned to Aquarion on and as of the Closing Date, and specified in Schedule 1.2 hereto. For the avoidance of doubt, except as otherwise set forth herein, Aquarion shall not assume any liabilities or obligations under the agreements listed in Schedule 1.2 hereto that accrue prior to the Closing Date, all of which liabilities and obligations shall remain solely the responsibility of Marlborough.

1.3 Instruments of Transfer.

Within thirty (30) days following the date of execution of this Agreement, Marlborough shall provide Aquarion proper legal descriptions and copies of any available surveys for the easement interests therein being transferred pursuant to this Agreement. Within thirty (30) days following receipt of such descriptions, Aquarion shall provide Marlborough with a list of title defects, liens or encumbrances that are objectionable to Aquarion in its sole discretion. If Marlborough cannot remove such defects, liens or encumbrances within thirty (30) days following such notice, Aquarion shall have the right to terminate this Agreement with no further obligations hereunder. Once accepted by Aquarion, such legal descriptions and copies of

available surveys shall be attached hereto as updated Schedule 1.1.2. On the Closing Date, Marlborough will transfer and deliver to Aquarion all of the Assets referred to in Section 1.1 above, and Marlborough will deliver to Aquarion all such assignments and instruments of conveyance and transfer as shall be necessary to transfer to and vest in Aquarion good and marketable title in and to all of the Assets free and clear of all liens and encumbrances other than those liens and encumbrances described on the legal descriptions provided by Marlborough pursuant to this paragraph, which shall be set forth in an updated Schedule 3.2(i) after Aquarion has agreed to accept the Assets subject to such liens and encumbrances (“Permitted Encumbrances”). At the request of Aquarion after the Closing Date, and no later than one (1) year after the Closing Date, Marlborough, or its successor in interest, will execute and deliver any such further instruments of conveyance and transfer or confirmation thereof, including without limitation, customary title affidavits required by title insurance companies, and will take such other action as may reasonably be requested by Aquarion in order further to make effective and to assure the transfers of Assets and vesting of title as provided for by this Agreement.

1.4 Closing Date.

The transactions provided for in this Agreement shall take place at Town Hall, Town of Marlborough located at 26 North Main Street, Marlborough, Connecticut, on the first business day after a period of thirty days following the receipt of the last of the approvals described in Section 7.1 hereof, or on such other date or at such other place as the parties may mutually agree upon (the “Closing Date”).

2. PURCHASE PRICE AND MANNER OF PAYMENT

2.1 Purchase Price.

The Purchase Price to be paid by Aquarion for the Assets is Five Hundred Seventy-Two Thousand Four Hundred Twenty-Seven and 00/100 Dollars (\$572,427.00) (the “Purchase Price”). At the Closing Date, any customary adjustments will be made with respect to the sale and transfer of the Assets.

2.2 Manner of Payment.

The Purchase Price specified in Section 2.1 hereof shall be paid on the Closing Date by Aquarion by wire transfer to the trustee account for Marlborough and Marlborough’s counsel, in accordance with wire instructions provided by Marlborough or Marlborough’s counsel at least ten (10) business days prior to the Closing Date.

3. REPRESENTATIONS AND WARRANTIES OF MARLBOROUGH

Marlborough hereby represents and warrants as follows:

3.1 Organization and Good Standing of Marlborough; Status of Marlborough.

Marlborough is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, is legally authorized to sell and distribute water in the portions of the town of Marlborough, Connecticut, in which it presently sells and distributes water through the Water System and has all other requisite power and authority and all necessary licenses and permits to own, lease or operate the Assets and to operate its water utility through the Water System as it is now being operated. Marlborough owns all the 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, or upon receipt of regulatory approvals required for the consummation of the transaction contemplated by this Agreement in

accordance with Section 3.5 hereof, will not be, 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 Marlborough unable to enter into or carry out any provision of this Agreement.

3.2 Title to Properties: Use of Water.

Schedule 3.2(ii) lists all liens on the Water 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.

Marlborough has good and marketable title to all of the Water System Assets, each as referred to in Section 1.1 of this Agreement, and except as shown on Schedule 3.2(i), 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 Marlborough’s water supply business in the Water System and the distribution and delivery of water to each water customer in the Water System. Marlborough has the right to use the water it is now using in the manner in which it is using such water in the Water System, and such rights, upon (A) approval of the transactions contemplated by the Agreement (i) by the, Town of Marlborough Board of Selectman, Town of Marlborough Conservation Commission, Town of Marlborough Planning Commission and Town of Marlborough Town Meeting, (collectively, the “Marlborough Approvals”) (some of which may be obtained prior to the execution of this Agreement), (ii) by the DPH, and (iii) by the Connecticut Public Utilities Regulatory Authority (“PURA”) are transferable to Aquarion without the consent or permission of any other party. With respect to the Water System, all water supply sources, pump stations, and storage facilities are located on the Properties which are owned by Marlborough in fee

simple or to which Marlborough has valid easements. Except as otherwise disclosed to Aquarion in writing, all mains and service connections are located on real estate owned by Marlborough in fee simple, within the public rights-of-way, or within appropriate permanent easements of record in favor of Marlborough, and all services to customer premises from mains are located entirely on such customers' premises, on public rights-of-way or on property owned by Marlborough in fee simple, except as may otherwise be set forth in Schedule 3.2(i) attached hereto.

3.3 Location and Use of Assets.

The location and present use of the Assets conform to all zoning, building, building line, and similar restrictions, or Marlborough 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 Marlborough, Connecticut. The Water System maps attached hereto as Schedule 1.1.2, showing the land, wells, transmission and distribution mains, and standpipes, and pumps and pumping stations of the Water System, are, to the best of Marlborough's knowledge and belief, accurate in all material respects, except as set forth in Section 3.2(i).

3.4 Charter and Resolutions.

(a) The copies delivered to Aquarion of Marlborough's Town Charter and of the resolutions adopted by the Marlborough Board of Selectmen authorizing the execution and delivery of this Agreement, all of which copies have been certified by Marlborough'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.

(b) As of the Closing Date, the copies to be delivered to Aquarion of the resolutions effecting the Marlborough Approvals, all of which copies will have been certified by

Marlborough's Town Clerk, will be true and complete copies of said documents, and the Marlborough Approvals will be in full force and effect as of the Closing Date.

3.5 Authorization of Agreement.

The execution, delivery and performance of this Agreement by Marlborough will have been duly and validly authorized by all requisite action on the part of Marlborough. This Agreement has been duly executed and delivered by Marlborough and constitutes a valid and legally binding obligation of Marlborough, enforceable against Marlborough in accordance with its terms. The approval of the transfer of the Water System and Assets to Aquarion by the DPH and by PURA are the only actions required in order to authorize Marlborough to consummate the transactions contemplated by this Agreement.

3.6 Absence of Defaults.

The execution and delivery of this Agreement do not and, upon receipt of the approvals described herein by the DPH and by PURA, the consummation of the transactions contemplated hereby will not, (a) violate any provision of the Town Charter of Marlborough; (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 Marlborough is a party or by which it or any of the Assets may be bound; (c) result in the creation of any lien, charge or encumbrance upon the Assets pursuant to the terms of any such agreement or instrument; (d) violate any judgment, order, injunction, decree, license, permit, award, rule or regulation against, or binding upon, Marlborough or upon the Assets; or (e) constitute a violation by Marlborough of any law or regulation of any jurisdiction, as such law or regulation relates to Marlborough, the Water System or the Assets. Except for approval of this Agreement by the DPH and by PURA, Marlborough has obtained all consents, releases or waivers from Governmental Authorities and

third parties which may be necessary to prevent the execution of this Agreement or the consummation of the transactions contemplated herein from resulting in any violation, breach, default or other event referred to in this Section 3.6.

3.7 Litigation, Orders, Etc.

Except as set forth in Schedule 3.7 hereto, there are no actions, suits, proceedings or governmental investigations pending or, insofar as is known to Marlborough, in prospect or threatened, against or relating to Marlborough in its capacity as owner and operator of the Water System and the Properties, 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. Except as set forth in Schedule 3.7 hereto, the Water System, and Marlborough in its capacity as owner and operator of the Water System and the Properties, are not 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, including, without limitation, decisions, orders or proceedings of PURA, DPH, the Connecticut Department of Energy and Environmental Protection, the Internal Revenue Service, and the Town of Marlborough, Connecticut.

3.8 Contracts; Liabilities.

Schedule 3.8 contains a true and complete list of all material contracts, agreements, leases, instruments and similar or other documents pertaining, directly or indirectly, in whole or in part, to the ownership or operation of the Water System or the Properties to which Marlborough is a party or to which the Assets are subject by which (i) Marlborough is obligated

to pay any amount or to provide any service at any time or (ii) Marlborough will receive any amount or to provide any service at any time. Except as set forth in Schedule 3.8, all such contracts, agreements, leases, instruments and documents are valid and in full force and effect, and no other party to any such contract, agreement, lease, instrument or document has breached any material provision of, or is in default in any material respect under the terms of any such contract, agreement, lease, instrument or document. Except as is set forth to the contrary in Schedule 3.8, no contract, agreement, lease, instrument or document of Marlborough will be transferred to Aquarion, and every agreement, lease, instrument and document to be so transferred can be transferred by Marlborough to Aquarion pursuant to this Agreement without obtaining the consent of any other party, or such consent has been given in a form reasonably satisfactory to Aquarion. Except as set forth in Schedule 3.8, the Assets are subject to no actual or contingent liabilities of any type whatsoever.

3.9 No Brokers.

All negotiations relative to this Agreement have been carried on by Marlborough directly with Aquarion, without the intervention of any person as a result of any act of Marlborough 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.

3.10 Asset Lists.

Marlborough's assets as provided on the Water System Asset List with respect to the Water System, heretofore furnished to Aquarion, are true, correct and complete, present fairly and accurately the costs associated with the assets of the Water System for the period indicated.

3.11 Absence of Adverse Change.

Marlborough represents and warrants that there has not been any material change in the financial condition, results of operations, assets, liabilities or business of the Water System, whether or not described in the asset list described in Section 3.10 hereof, other than changes in the ordinary course of business, which have not been materially adverse.

3.12 Compliance with Laws; No Environmental Hazards.

(a) Marlborough represents that the location and construction, occupancy, operation and use of all improvements now and hereafter attached to or placed, erected, constructed or developed on the Properties or as a portion of the Water System (the “Improvements”) do not violate any applicable law, statute, ordinance, rule, regulation, policy, order or determination of any Governmental Authority or any restrictive covenant or deed restriction affecting any portion of the Water System, including without limitation, any applicable health, environmental, rates, utility, water quality, antitrust, collective bargaining, safety, payment of withholding and social security taxes, zoning ordinances and building codes, flood and disaster laws, rules and regulations (hereinafter collectively called the “Applicable Laws”).

Marlborough represents that Schedule 3.12 (a) discloses a list of all governmental licenses, permits, certifications and approvals of any Governmental Authority possessed by or granted to Marlborough (“Licenses”) and used or relied upon in the operation of the Water System. Except as set forth in Schedule 3.12 (a), Marlborough knows of no reason why any License used in or necessary for the operation of the Assets and the Water System should terminate prior to its stated expiration date or not be renewed in accordance with past practices of the Water System, and Marlborough is not in violation of any term or condition of any License.

(b) Without in any way limiting the generality of Section 3.12 (a) above, neither any of the Assets nor Marlborough are the subject of any pending or threatened investigation or inquiry by any Governmental Authority, or are subject to any known remedial obligations under any Applicable Laws pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“CERCLA”), the Resource Conservation Recovery Act of 1987, as amended (“RCRA”), the Safe Drinking Water Act, as amended (“SDWA”), the Clean Water Act, as amended (“CWA”), the Toxic Substances Control Act (“TSCA”), the Connecticut Water Pollution Control Act (“WPCA”) or any other applicable provision of Title 22a of the Connecticut General Statutes (all collectively hereinafter referred to as “Applicable Environmental Laws”), and this representation and warranty would continue to be true and correct following disclosure to any applicable Governmental Authority of all relevant facts, conditions and circumstances pertaining to the Assets and/or Marlborough.

(c) Marlborough is in compliance with Applicable Environmental Laws and is not required to obtain any permits, licenses or authorizations to construct, occupy, operate or use any portion of the Assets as it is now being used by reason of any Applicable Environmental Laws, except as set forth in Schedule 3.12(c).

(d) No prior use of the Assets by Marlborough or any prior owners of the Assets has occurred which violates any Applicable Environmental Laws. Marlborough has not at any time, directly or indirectly “treated,” “disposed of,” “generated,” “stored” or “released” any “toxic or hazardous substances,” as each term is defined under the Applicable Environmental Laws, or arranged for such activities, in, on or under the Assets or any parcel of land, whether or not owned, occupied or leased by Marlborough.

(e) There has been no litigation brought or threatened nor any settlement reached by or with any parties alleging the presence, disposal, release, or threatened release, of any toxic or hazardous substance or solid wastes from the use or operation of the Assets or the Properties, and none of the Assets or the Properties are on any federal or state “Superfund” list, or subject to any environmentally related liens.

3.13 Insurance.

Marlborough maintains insurance in connection with the Properties and the Water System Assets against hazards and risks and liability to persons and property to the extent and in the manner customary in the water utility industry.

3.14 Condition of Assets.

Except as specifically set forth in Schedule 3.14 hereto, the Assets which constitute the Water System were designed and installed in accordance with good waterworks engineering practice as of the date the same were designed and installed and the then applicable rules and regulations of the applicable Governmental Authorities. The Assets have been adequately maintained and are in operating condition and repair, ordinary wear and tear excepted, are fit for their intended purpose, and conform to all restrictive covenants, applicable laws, regulations and ordinances relating to their construction, use and operation, except as noted in Section 3.12(c) above.

3.15 Tax Matters.

Marlborough is not required to file with any Governmental Authorities any tax returns, reports or other filings or to pay any income, withholding, sales, use, gross earnings, real and personal property, excise or other taxes with respect to the Assets or the Water System.

3.16 Disclosure.

No representation or warranty in this Article 3 or in any information, list, schedule or certificate furnished or to be furnished by or on behalf of Marlborough pursuant to this Agreement or in connection with actions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary to make the statement contained herein or therein not misleading.

3.17 Investigation.

Aquarion shall use commercially reasonable efforts to provide notice to Marlborough if Aquarion's investigation or examination of the business, property or operations of the Water System or of the Assets prior to the Closing Date reveals a violation of any representation or warranty by Marlborough; provided, however, that such investigation or examination by Aquarion shall not affect the representations and warranties of Marlborough herein contained.

4. REPRESENTATIONS AND WARRANTIES OF AQUARION

Aquarion hereby represents and warrants as follows:

4.1 Organization and Good Standing.

Aquarion 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.

4.2 Authority Relative to this Agreement.

Except for approval by the Board of Directors of Aquarion, the execution and delivery of this Agreement by Aquarion has been duly and validly authorized by all requisite action on the part of Aquarion. This Agreement has been duly executed and delivered by Aquarion and constitutes a valid and legally binding obligation of Aquarion, enforceable in accordance with its

terms. Approval by the Board of Directors of Aquarion, approval of the transfer of the Water System and Assets by the DPH and approval of the transfer of the Water System and Assets by PURA are the only other actions required in order to authorize Aquarion to consummate the transactions contemplated by this Agreement.

4.3 Absence of Defaults.

The execution and delivery of this Agreement does not, upon approvals described herein by the DPH, and by PURA, and consummation of the transactions contemplated hereby will not, (a) violate any provision of the Certificate of Incorporation or Bylaws of Aquarion; (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 Aquarion is a party or by which it or any of the Assets may be bound; (c) violate any judgment, order, injunction, decree, award, rule or regulation against, or binding upon, Aquarion; or (d) constitute a violation by Aquarion of any law or regulation of any jurisdiction as such law or regulation relates to Aquarion.

4.4 No Brokers.

All negotiations relative to this Agreement have been carried on by Aquarion directly with Marlborough without the intervention of any person as a result of any act of Aquarion 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.

4.5 Restriction on Sale of Water from Marlborough Wellfield

Except as authorized in writing by the Marlborough Board of Selectmen, water extracted from the wellfield within the Water System by Aquarion shall only be distributed to residents of

the Town of Marlborough, businesses based in the Town of Marlborough and all municipal, religious, educational and medical institutions located with the Town.

5. CONDUCT OF THE PARTIES PENDING THE CLOSING DATE

5.1 Approvals and Consents.

(a) Marlborough and Aquarion will use commercially reasonable efforts to secure the approval of the transaction contemplated by this Agreement by the DPH and PURA and by all other parties whose consent is required by law or under the terms of any indenture, contract, consent order or agreement to which Marlborough or Aquarion is a party. Aquarion will prepare the application for the DPH approval of the transactions contemplated by this Agreement, with Marlborough's cooperation and based on information provided to Aquarion by Marlborough, but Marlborough will remain responsible for obtaining that approval. Aquarion will prepare the applications for the DPH and PURA approvals of the transaction contemplated by this Agreement, with Marlborough's cooperation and based on information provided to Aquarion by Marlborough. Aquarion shall be responsible for pursuing those approvals with the assistance of Marlborough and its legal representative and shall be responsible for the fees and costs, if any, for obtaining these approvals, excluding Marlborough's attorney fees for the sale of the Water System.

5.2 Conduct of the Seller's Water System Business.

Until the Closing Date, Marlborough shall conduct its business and affairs with respect to the Properties and the Water System only in the ordinary course, and so that the representations

and warranties contained in Article 3 hereof will be true and correct at and as of the Closing Date, except for changes permitted or contemplated by this Agreement, and so that the conditions to be satisfied by Marlborough on or prior to the Closing Date shall then have been satisfied. Marlborough shall use its best efforts to maintain and preserve the operation of the Water System, and to preserve its relationships with persons or entities having business relations with Marlborough relating to the Water System. Marlborough will cooperate with Aquarion on and after the Closing Date to effect a satisfactory transition in the operation of the Water System.

Without limiting the generality of the foregoing, pending the Closing Date, without the prior written consent of Aquarion (which consent shall not be unreasonably withheld):

(i) Marlborough shall not dispose of any of the Assets;

(ii) Marlborough shall not incur any additional liabilities with respect to the Water System, except with respect to utilities as incurred in the ordinary course of business, or such other liabilities incurred in the ordinary course of business which do not exceed \$50,000 individually or \$100,000 in the aggregate, whether for borrowed money or otherwise, or encumber any of the Assets;

(iii) Marlborough shall not take any action that might adversely affect its ability to pass good and marketable title to the Assets free and clear of all liens and charges;

(iv) Marlborough shall maintain in force all existing casualty and liability insurance policies and fidelity bonds relating to the Assets, or policies or bonds providing substantially the same coverage;

(v) Marlborough shall advise Aquarion in writing of any material, adverse change or any event, occurrence or circumstance which is likely to cause a material adverse change in the Assets or liabilities (whether absolute, accrued, contingent or otherwise); and

(vi) Marlborough shall operate the Water System in accordance with general water works standards, maintain the Assets in operating condition, and as good condition as exists as of the effective date of this Agreement, reasonable wear and tear excepted.

(b) Pending the Closing Date, without the prior written consent of Marlborough (which consent shall not be unreasonably withheld):

(i) Aquarion shall not take any action that might adversely affect its ability to accept good and marketable title to the Assets free and clear of all liens and charges; and

(ii) Aquarion shall advise Marlborough in writing of any material, adverse change or any event, occurrence or circumstance which is likely to cause a material adverse change in Aquarion ability to perform its obligations hereunder (whether absolute, accrued, contingent or otherwise).

5.3 Termination of Agreements.

Unless otherwise permitted by Aquarion, Marlborough shall take any and all action as is necessary in order to terminate, prior to the Closing Date, any and all agreements, arrangements or understandings relating in any manner directly to the Water System (i) by or on behalf of Marlborough; (ii) by or on behalf of Marlborough relating to matters related to the water utility operations of the Water System; and (iii) listed in Schedule 3.8, other than (a) existing service extension agreements previously approved by the DPH, and (b) those listed on Schedule 1.2.

5.4 Information and Access.

Marlborough shall give to Aquarion and to Aquarion's representatives full access at such times and locations as are mutually agreed upon by Aquarion and Marlborough to all the Assets. All of the books, contracts, documents, accounting and financial records, customer records, and files of Marlborough related to the Assets may be inspected at the office of Marlborough by

mutual agreement of Aquarion and Marlborough. Marlborough will furnish to Aquarion copies of all such documents and records at Aquarion's expense with respect to Marlborough's business as Aquarion may reasonably request. Said access shall specifically include access to (i) all contracts and agreements referred to in Section 3.8 hereof, (ii) all files and records described in Section 1.1 relating to the Water System or this Agreement; and (iii) the Water System.

5.5 Observation.

Until the Closing Date, Aquarion may assign its personnel or other representatives to observe the operations of the Water System or to consult with personnel or agents of Marlborough with respect to the conduct of the business of the Water System. Marlborough agrees to cooperate with Aquarion and its representatives to facilitate such observation in times, places and manners that allow Aquarion to gather necessary or appropriate information without disrupting or increasing the cost of Marlborough's ongoing operations.

5.6 Lawsuits.

Marlborough shall notify Aquarion promptly of any lawsuit, claim, proceeding or investigation that has been or may be threatened, brought, asserted or commenced (a) involving the transaction contemplated by this Agreement or (b) which might have a material adverse effect on the Assets.

5.7 Compliance with Laws.

With respect to the Water System and the Properties, from the date hereof, Marlborough shall use its reasonable efforts to remain in compliance with all federal, state, local and other laws, statutes, ordinances, rules, regulations, orders, judgments, and decrees applicable to the Water System or the Assets. Marlborough shall promptly disclose any violations of any such

laws, statutes, ordinances, rules, regulations, orders, judgments, and decrees, including without limitation any violations of water quality or environmental regulations, to Aquarion.

5.8 Additional Documents.

Marlborough and Aquarion shall each execute and deliver such other documents which may be reasonably requested for the purpose of carrying out the transactions contemplated by this Agreement.

5.9 Additional Easements.

Marlborough and Aquarion will use commercially reasonable efforts both before and after the Closing Date to identify any additional easements or other access rights for existing or future wells required by either of them in connection with the Assets or the Water System (in the case of Aquarion) or in the ordinary course of business (in the case of Marlborough) and to negotiate and enter into mutually acceptable documentation to effect such easements or other access rights.

6. COVENANTS OF AQUARION

6.1 Cooperation.

Aquarion will refrain from voluntarily taking any action which would knowingly (a) render any representation or warranty contained in this Agreement inaccurate as of the Closing Date, (b) be inconsistent with the satisfaction of the requirements, covenants, and agreements applicable to it as set forth in this Agreement, or (c) impede or prevent the conditions to the consummation of the transaction contemplated by this Agreement from being satisfied.

6.2 Lawsuits.

Aquarion shall promptly notify Marlborough of any lawsuit, claim, proceeding or investigation which has been or may be threatened, be brought, asserted or commenced

involving the transactions called for in this Agreement or which might have an adverse impact upon Marlborough.

6.3 Water Rates.

As of the Closing Date, the Customers will be charged the rates that are applicable to Aquarion's Eastern Division, subject to change thereafter in accordance with Applicable Law (as that term is defined below in Section 3.12).

7. CONDITIONS OF AQUARION'S OBLIGATIONS

The obligations of Aquarion to be performed by it under this Agreement including, without limitation, the purchase of the Assets, shall be subject on or prior to the Closing Date to the following conditions, any of which may be waived by Aquarion in its sole discretion:

7.1 Required Approvals.

(a) The transactions contemplated by this Agreement shall have been approved by the DPH and by PURA.

(b) PURA shall have concluded in its decision on this acquisition that (i) for all purposes in future rate-making proceedings with respect to the Water System (regardless of whether or not such System is included as part of any division of Aquarion), the total purchase price paid by Aquarion for the Assets shall be considered to be the net book value of the Assets, or, alternatively, as the appropriate rate base for determining rate of return on the Assets.

(c) The DPH shall have approved the transfer of the water system contemplated by this Agreement, and provided any other approvals necessary for completion of this transaction.

(d) Marlborough shall have continued to meet all statutory and regulatory requirements including but not limited to monitoring and reporting requirements of the DPH and shall submit results to DPH through the Closing Date.

(e) Marlborough's 2016 and 2017 Consumer Confidence Reports, if applicable, and 2017, 2018 and 2019 Water Quality Monitoring Reports shall indicate that there were and are no water quality parameters in violation of the Connecticut State Public Health Code for the time periods covered by such reports, except as otherwise disclosed on Schedule 7.1(e).

(f) Marlborough shall have issued its 2018 Consumer Confidence Report (if applicable) to its customers.

(g) Marlborough shall have provided Aquarion with any and all water production data, water quality data and compliance information collected in 2017, 2018 and 2019, all of which shall be reasonably acceptable to Aquarion.

(h) Aquarion shall be satisfied with the results of analyses performed on the water quality samples to be collected by Aquarion from Seller's Water System on or before September 30, 2019. Aquarion shall indicate whether or not it is satisfied with the results within thirty (30) days of receipt of the results. Marlborough shall have thirty (30) days to retest, confirm and address any water quality issues.

(i) Aquarion shall have the right to conduct certain environmental due diligence of the Water System, the Property and other Assets that it deems necessary on or before September 30, 2019, and such due diligence must be satisfactory to Aquarion, in its sole and

absolute discretion Aquarion shall indicate whether or not it is satisfied with the results of its environmental due diligence within thirty (30) days of receipt of the results. Marlborough shall have thirty (30) days to review and correct any environmental issues revealed in the due diligence report.

(j) Within five days of receipt of the last of the relevant decisions, orders or other communications from the DPH and PURA, Aquarion shall advise Marlborough in writing as to whether such communications comply with the requirements of this Section 7.1, and, if such communications do not comply with such requirements, whether or not Aquarion intends to proceed with the transactions contemplated herein.

7.2 Consents.

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

7.3 Due Diligence. Aquarion shall have completed its due diligence review of the Water System, including without limitation, all real property and easement rights and permits associated with the Water System and any environmental conditions associated with the Water System, and the results of such review shall be acceptable to Aquarion in its sole discretion.

7.4 Termination of Agreements.

Any agreements of the type described in Section 5.3 shall have been terminated, and evidence of such termination, in form and substance reasonably satisfactory to Aquarion, shall have been delivered to Aquarion.

7.5 Performance by Marlborough.

All representations and warranties of Marlborough contained in this Agreement or in any document delivered by or on behalf of Marlborough to Aquarion pursuant to this Agreement shall be true and correct in all material respects at and as of the Closing Date, except for changes permitted or contemplated by this Agreement, and Marlborough 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.

7.6 Adverse Change.

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 System.

7.7 Instruments of Transfer.

All such assignments and instruments of conveyance and transfer necessary, in the reasonable opinion of counsel for Aquarion, to convey the Assets to be transferred hereunder shall have been duly executed by Marlborough in such form as to be effective under Connecticut law to convey to Aquarion good and marketable title and all rights of Marlborough in and to the Assets.

7.8 Form of Documents.

All actions, proceedings, instruments and documents required to carry out this Agreement or incidental thereto and all other related matters shall have been approved by Aquarion and Marlborough.

7.9 Litigation.

No suit, action, proceeding or governmental investigation shall be threatened, pending or reasonably believed by Aquarion to be in progress before or by any court or governmental agency which, in the reasonable opinion of Aquarion, renders completion of the transfer contemplated hereby economically impractical.

7.10 Opinion of Counsel for Marlborough.

Aquarion shall have received an opinion, dated the Closing Date, satisfactory in form and substance to Aquarion from Ron Ochsner, counsel for Marlborough, with respect to the matters set forth in Schedule 7.10 of this Agreement. In rendering such opinion, Marlborough's counsel shall be entitled to rely, as to matters of fact, on certificates of public officials and Marlborough.

7.11 Asset List

Marlborough shall have provided to Aquarion, at least 30 days prior to the Closing Date, an updated asset list for the Water System. The representations and warranties contained in Section 3 shall be applicable to the asset list provided prior to Closing Date in the same manner as applicable to the original asset list referred to in Section 3.10.

7.12 Schedules.

The Schedules to this Agreement shall have been completed or updated by Marlborough to Aquarion's satisfaction as described in Section 12.8, and the relevant representations and warranties of Marlborough in Section 3 of this Agreement, as supplemented by such schedules, shall be true and correct in all material respects.

8. CONDITIONS OF THE OBLIGATIONS OF MARLBOROUGH

The obligations of Marlborough to be performed by it under this Agreement shall be subject, on or prior to the Closing Date, to the following conditions, any of which may be waived by Marlborough in its sole discretion:

8.1 Required Approvals.

The transactions contemplated by this Agreement shall have been approved by the Board of Directors of Aquarion, the DPH, and PURA, all as contemplated by this Agreement.

8.2 Performance by Aquarion.

The representations and warranties of Aquarion contained in this Agreement or in any document delivered by or on behalf of Aquarion to Marlborough pursuant to this Agreement shall be true and correct in all material respects at and as of the Closing Date, except for changes permitted or contemplated by this Agreement, and Aquarion 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.

8.3 Litigation.

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

9. INDEMNIFICATION

9.1 Indemnification of Aquarion.

(a) Aquarion shall be indemnified and held harmless by Marlborough from and against any and all liabilities, assessments, deficiencies, fines, penalties, interest, damages,

losses, claims and expenses (including, but not limited to, defense and court costs and attorneys' fees) (hereinafter collectively referred to as the "Losses") which Aquarion may sustain or which may be asserted against Aquarion, arising out of or founded in any way upon (i) the operation of Marlborough's System and Assets prior to the Closing Date; or (ii) the ownership of the Properties prior to the Closing Date, including, without limitation, losses or liability relating to the environmental condition of any of said Properties; or (iii) any violations of law arising prior to the Closing Date; or (iv) any breach or default of or under any of the representations, warranties, covenants or other provisions of this Agreement, including any document furnished or delivered to Aquarion pursuant to this Agreement, or resulting from any material omission in any of the foregoing necessary to make the same not misleading provided that in all cases Aquarion notifies Marlborough in writing of its claim within three years of the Closing Date.

(b) Aquarion shall not be entitled to recover under clause (a) of this Section 9.1 unless and until the Losses recoverable hereunder exceed \$25,000 in the aggregate, at which point Aquarion shall be entitled to recover (i) the full amount of such Losses from the first dollar to the extent that any of such Losses are covered by insurance maintained by Marlborough and (ii) the amount of such Losses in excess of \$25,000 to the extent that such Losses are not covered by such insurance. The total liability of Marlborough under clause (a) of this Section shall not exceed the Purchase Price.

9.2 Indemnification of Marlborough

(a) Marlborough shall be indemnified and held harmless by Aquarion from and against any and all Losses which may be asserted against Marlborough by a third party arising out of or founded in any way upon (i) the operation by Aquarion of the System and Assets following the Closing Date; or (ii) the ownership of the Properties following the Closing Date;

or (iii) any breach or default of or under any of the representations, covenants or other provisions of this Agreement, including any document furnished or delivered by Aquarion pursuant to this Agreement, or resulting from any material omission in any of the foregoing necessary to make the same not misleading provided that in all cases Marlborough notifies Aquarion in writing of its claim within three years of the Closing Date.

(b) Marlborough shall not be entitled to recover under clause (a) of this Section 9.2 unless and until the Losses recoverable hereunder exceed \$25,000 in the aggregate, at which point Marlborough shall be entitled to recover (i) the full amount of such Losses from the first dollar to the extent that any of such Losses are covered by insurance maintained by Aquarion and (ii) the amount of such Losses in excess of \$25,000 to the extent that such Losses are not covered by such insurance. The total liability of Aquarion under this clause (b) of this Section shall not exceed the Purchase Price.

9.3 Indemnification Remedy; Arbitration.

In the event that either of the parties hereto is obligated to indemnify or hold harmless the other party pursuant to Section 9.1 or Section 9.2 hereof, the party seeking indemnification shall have the unqualified right under this Agreement to take any and all action, legal or otherwise, necessary or desirable, to obtain said indemnification. If the Parties are unable to agree on the value of the Losses, such dispute shall be settled by arbitration in Hartford, Connecticut, pursuant to the rules then obtaining of the American Arbitration Association.

10. TERMINATION

10.1 Termination Events.

This Agreement may be terminated and abandoned at any time prior to the Closing Date:

- (a) by mutual agreement of Aquarion and Marlborough;

(b) by Aquarion or Marlborough, if the approvals set forth in Section 7 hereof shall have not been obtained on or before a date twelve (12) months from the date hereof;

(c) by Aquarion if the conditions set forth in Section 7 shall not have been complied with or performed in any material respect and such noncompliance or nonperformance shall not have been cured or eliminated by Marlborough on or before the Closing Date;

(d) by Aquarion if Marlborough does not cure title defects or remove liens or encumbrances on the Property as requested by Aquarion, within the timeframe as set forth in Section 1.3;

(e) by Marlborough, if the conditions set forth in Section 8 shall not have been complied with or performed in any material respect, and such noncompliance or nonperformance shall not have been cured or eliminated by Aquarion on or before the Closing Date; or

(f) by Aquarion pursuant to Section 1.3 or Section 12.8.

(g) by Marlborough or Aquarion in the event the PURA decision is materially different from the joint application for approval of the sale or if said decision contains conditions that are not acceptable to Marlborough or Aquarion.

(h) by Aquarion if the results of the environmental due diligence conducted pursuant to Section 7.1(i) is not acceptable to Aquarion and Marlborough is unable to correct any environmental issues revealed in the due diligence report within 30 (days) of notice of the defect.

10.2 Effect of Termination; Return of Materials; Expenses, Etc.

(a) If this Agreement is terminated because of either party's inability, after good faith effort, to secure the approval of the DPH and PURA, all as required by law, each party shall return to the other party all written material obtained in connection with the transactions contemplated hereby, whether obtained before or after the execution of this Agreement.

(b) Regardless of whether or not the transactions contemplated by this Agreement are consummated, each party shall pay its own expenses (including, without limitation, the fees and expenses of its agents, representatives, counsel, and accountants) incurred in connection therewith.

11. AMENDMENT AND WAIVER

This Agreement may be amended in writing at any time prior to the Closing Date by the mutual written consent of Marlborough and Aquarion.

12. OTHER PROVISIONS

12.1 Governing Law.

This Agreement shall be construed and interpreted according to the laws of the State of Connecticut.

12.2 Assignment.

This Agreement may not be assigned by any party hereto without the prior written consent of the parties, and any attempt to assign without such consent shall be voidable by any party.

12.3 Notices.

All notices, waivers, and consents under this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class mail, postage prepaid, addressed as follows:

If to Marlborough to:

Amy Traversa, First Selectman
Town of Marlborough
26 North Main Street
Marlborough, Connecticut 06447

with a copy to:

Ron Ochsner, Esq.
Halloran & Sage LLP
One Goodwin Square
225 Asylum Street
Hartford, CT 06103-4303

If to Aquarion to:

Donald J. Morrissey
Executive Vice President and Chief Financial Officer
Aquarion Water Company of Connecticut
835 Main Street
Bridgeport, Connecticut 06606

12.4 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be treated as an original, but all of which, collectively, shall constitute only one instrument.

12.5 Survival of Representations and Warranties.

Aquarion and Marlborough agree that the representations and warranties contained in this Agreement or in any instrument delivered hereunder shall survive the Closing Date for a period of three (3) years and shall be unaffected by any investigation made by any party hereto. The representations and warranties contained herein shall not survive beyond said (3) year period.

12.6 Waiver.

Waiver of any term or condition of this Agreement by any party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement.

12.7 Successor and Assigns.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the parties hereto.

12.8 Schedules.

Marlborough shall complete or update each of the Schedules referenced herein, with the exception of Schedule 7.10, the process for completion of which is described in Section 7.10, within 30 days following the date of execution of this Agreement, which completed or updated schedules shall be acceptable to Aquarion in its sole discretion. Aquarion shall have 30 days after receipt of the completed or updated schedules to object to their content or execute an amendment revising the Agreement to include such schedules. If Marlborough is unable to complete or update such schedules, or Aquarion objects to such schedules as completed or updated by Marlborough, Aquarion shall have the right to terminate this Agreement with no further obligations hereunder.

12.9 Severability.

In case one or more 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 contained herein shall not be affected or impaired thereby.

[Signature Page Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

AQUARION WATER COMPANY OF
CONNECTICUT

By _____
Donald J. Morrissey
Its Chief Financial Officer and
Corporate Secretary

TOWN OF MARLBOROUGH

By _____
Amy Traversa, Its First Selectman

SCHEDULE 1.1.1

List of Properties

Acquired Easements

Access and Utility Easement. A permanent easement in favor of Aquarion over (1) the Access, Pipeline and Well Easement Areas for all access drives, roads and parking areas, whether paved or unpaved, trails, and any other means of access or egress for the Water System and (2) Pump House Easement Area for the design, use, operation, maintenance, construction and reconstruction of the existing pump house and related improvements within such area, together with the nonexclusive use of the right of way, such easement and right of way to be granted using Aquarion's standard Access and Utility Easement form annexed hereto.

Sanitary Easement. A 200-foot Sanitary Easement Area in favor of Aquarion over each well for the protection of the wells from contamination, such easement to be granted using Aquarion's standard Sanitary Easement form annexed hereto.

SCHEDULE 1.1.2
Maps of Water System

GIS Map attached showing easement areas to be conveyed to Aquarion.

Survey Map showing easements over Town property to be prepared and filed at Closing Date with easement documents.

SCHEDULE 1.1.3

Description of Assets

- I. Water supply wells and related piping, meter pits, meters, electrical, controls and appurtenances between the associated wells and pump house.
 - a. Well 1 installed in 2001
 - b. Well 2 installed in 2001
 - c. Well 4 installed in 2015
 - d. Well 5 installed in 2015
 - e. Well 6 installed in 2001– in place and not operational
 - f. Future use of property for water supply development along with well sites approved by CTDPH.

- II. Pump House
 - a. Pump house building located on the school property constructed in 2003 and associated electrical, piping, chemical feed systems, controls, 5,000 gallon hydro-pneumatic tank and 12,000 gallon atmosphere tank installed in 2003.
 - b. 650-feet of 4-inch ductile iron water main from the pump house to School Drive installed in 2003

- III. Water mains, valves, fittings, services and related appurtenances constructed and in service:
 - a. 1,200 feet of 8-inch ductile iron water main on School Drive from the School to the Library and Senior Center installed in 2006.

- IV. Water distribution meters for existing customers

SCHEDULE 1.1.4

Map of Sanitary Easements and Access Easements

Survey Map to be provided at Closing Date.

SCHEDULE 1.2

Contracts To be Assumed by Aquarion

None

SCHEDULE 3.2(i)

Exceptions to Good Title

To be determined after title search is completed.

SCHEDULE 3.2(ii)

Liens to be Released

SCHEDULE 3.7
Description of Litigation and
Orders Pertaining to the Water System

There are no actions, suits, proceedings or governmental investigations pending or, insofar as is known to Marlborough, in prospect or threatened, against or relating to Marlborough in its capacity as owner and operator of the Water System and the Properties, 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. The Water System, and Marlborough in its capacity as owner and operator of the Water System and the Properties, are not 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, including, without limitation, decisions, orders or proceedings of PURA, DPH, the Connecticut Department of Energy and Environmental Protection, the Internal Revenue Service, and the town of Marlborough, Connecticut, except the Notice of Violation – Monitoring and/or Reporting issued by DPH on January 8, 2019.

SCHEDULE 3.8
Contracts to which Marlborough is a Party

- Operating Agreement between the Town of Marlborough and Aquarion Water Company

SCHEDULE 3.12 (a)
Licenses related to Water System

SCHEDULE 3.12(c)

Additional Permits Required

Marlborough is in compliance with Applicable Environmental Laws and is not required to obtain any permits, licenses or authorizations to construct, occupy, operate or use any portion of the Assets as it is now being used by reason of any Applicable Environmental Laws

SCHEDULE 3.14
Condition of Assets

The Assets which constitute the Water System were designed and installed in accordance with good waterworks engineering practice as of the date the same were designed and installed and the then applicable rules and regulations of the applicable Governmental Authorities. The Assets have been adequately maintained and are in operating condition and repair, ordinary wear and tear excepted, are fit for their intended purpose, and conform to all restrictive covenants, applicable laws, regulations and ordinances relating to their construction, use and operation.

SCHEDULE 5.9

Additional Easements

Marlborough will use commercially reasonable efforts both before and after the Closing Date to identify any additional easements or other access rights for existing or future wells required by either of them in connection with the Assets or the Water System or in the ordinary course of business and to negotiate and enter into mutually acceptable documentation to effect such easements or other access rights.

Aquarion will use commercially reasonable efforts both before and after the Closing Date to identify any additional easements or other access rights for existing or future wells required by either of them in connection with the Assets or the Water System or in the ordinary course of business and to negotiate and enter into mutually acceptable documentation to effect such easements or other access rights.

SCHEDULE 6.3

Water Rates

Aquarion Schedule of Approved Rates (issued and effective February 7, 2014 per docket 13-02-20 and 13-01-11)

SCHEDULE 7.1(e)

Water Quality

Marlborough Water Quality Monitoring Reports 2017, 2018, 2019

Schedule 7.10

Opinions of Counsel to Marlborough

- Marlborough is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Connecticut.
- Marlborough is legally authorized to sell and distribute water in portions of the town of Marlborough, Connecticut, in which it presently sells and distributes water through the Water Systems.
- Marlborough possess full legal power and authority to enter into and carry out the provisions of this Agreement.
- The copies delivered to Aquarion of Marlborough's Charter and of the resolutions adopted by Marlborough's Board of Selectman, Board of Finance, Town Meeting and/or Referendum of the voters of the Town of Marlborough, authorizing the execution and delivery of this Agreement, along with report from the Town of Marlborough Planning and Zoning Commission, all of which copies have been certified by Marlborough'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 Marlborough have been duly and validly authorized by all requisite action on the part of Marlborough. This Agreement has been duly executed and delivered by Marlborough and constitutes a valid and legally binding obligation of Marlborough, enforceable against Marlborough in accordance with its terms. Approval by DPH and PURA 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 Marlborough Town Charter;
- Counsel has no actual knowledge 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 Marlborough 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, Marlborough or upon the Assets; or (d) constitute a violation by Marlborough of any law or regulation of any jurisdiction as such law or regulation relates to Seller, the Water Systems or the Assets.
- Counsel has no actual knowledge of any actions, suits, proceedings or governmental investigations pending or in prospect or threatened, against or relating to Marlborough, 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 except as described in Schedule 3.7.

- Counsel has no actual knowledge that the Water Systems, and Marlborough in its capacity as owner and operator of the Water System, 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 of any proceeding pending or threatened against the rates now being charged by Marlborough in the Water System.
- The assignments and instruments of conveyance and transfer necessary to convey the Assets to be transferred hereunder have been duly executed by Marlborough in such form as to be effective under Connecticut law to convey to Aquarion all rights of Seller and in and to the Assets.