

AN ORDINANCE APPROVING THE PROPOSED ACTION OF NEW MILFORD MUNICIPAL AUTHORITY TO ACQUIRE ALL ASSETS, PROPERTY AND FRANCHISES OF THE NEW MILFORD WATER COMPANY WHICH ARE USED OR USEFUL IN RENDERING WATER SERVICE TO THE PUBLIC IN AND ADJACENT TO THE BOROUGH OF NEW MILFORD, SUSQUEHANNA COUNTY, PENNSYLVANIA: APPROVING THE PROPOSED AGREEMENTS FOR PURCHASE BY SAID AUTHORITY OF NOT LESS THAN 90% OF ALL OUTSTANDING CAPITAL STOCK OF SAID WATER COMPANY AND THE ACQUISITION OF THE REMAINING STOCK OF SAID WATER COMPANY EITHER BY PURCHASE OR BY EMINENT DOMAIN, BY WHICH DEVICES SAID AUTHORITY WILL ACQUIRE SAID ASSETS, PROPERTY AND FRANCHISES OF SAID WATER COMPANY: RECOMMENDING THAT SAID AUTHORITY PROCEED WITH SUCH PLAN OF ACQUISITION: CONSENTING AND AGREEING TO TERMS AND CONDITIONS OF SAID PROPOSED AGREEMENTS: AND AUTHORIZING PROPER OFFICERS OF THIS BOROUGH TO TAKE ALL OTHER NECESSARY AND PROPER ACTION.

WHEREAS, New Milford Municipal Authority (the Authority) is a municipality authority incorporated and existing under the Pennsylvania Municipality Authorities Act of 1945, approve May 2, 1945, P.L. 382, as amended and supplemented (the "Authorities Act"), pursuant to appropriate action of the Council of the Borough of New Milford, Susquehanna County, Pennsylvania (the "Borough"); and

WHEREAS, The Authority has reported to and has advised the Council of this Borough of its proposed plan to acquire, either by purchase or by eminent domain, as permitted by the Authorities Act, all the outstanding capital stock of the New Milford Water Company (the "Water Company"), a Pennsylvania public utility corporation, the Water Company being possessed of power and authority to render water service to the public in and adjacent to this Borough, and promptly after consummation of such acquisition of such outstanding capital stock of the Water Company, as the sole stockholder of the Water Company, to declare a liquidating dividend of all assets, property and franchises of the Water Company, real, personal and mixed, to the

Authority, thus vesting in the Authority all right, title and interest of the Water Company in and to the existing waterworks, water supply works and water distribution facilities now owned by the Water Company, together with all appurtenant facilities and property which the Water Company may acquire in connection therewith prior to consummation of such acquisition by the Authority, including all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises and other property or interests in property of whatsoever nature used or useful in connection with such facilities; and

WHEREAS, The Authority has presented to the Council of this Borough certain proposed agreements by and between the Authority and shareholders owning not less than 90% or more of all of the outstanding capital stock of the Water Company entitled to vote upon liquidation and dissolution, and not subject by its terms to be called for redemption (the "90% of Stock"), of the Water Company (the "90% Shareholders"), which proposed agreements set forth terms and conditions under which the Authority proposes to buy and the 90% Shareholders of the Water Company propose to sell the 90% of Stock of the Water company.

NOW, THEREFORE, The Council of this Borough enacts and ordains, as follows:

SECTION 1. The proposed action of the Authority to acquire all assets, property and franchises of the Water Company which are used or useful in rendering water service to the public in and adjacent to this Borough, by the device of acquisition of all outstanding capital stock of the Water Company, is approve.

SECTION 2. The proposed agreements by and between the Authority and not less than 90% of Shareholders of the Water Company in the form presented to this meeting, which form of proposed agreements sets forth terms and conditions under which the Authority will purchase and not less than 90% of Shareholders of the Water Company

SECTION 2 (cont'd)

will sell not less than 90% of the Stock of the Water Company, is approved; and a copy of the form of such proposed agreements shall be filed with the Secretary of this Borough and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

SECTION 3 The Council of this Borough recommends to the Authority that the Authority proceed with the plan to acquire such assets, property and franchises of the Water Company, by the device of acquisition all the outstanding capital stock of the Water Company, either by purchase in accordance with terms and conditions of the proposed agreements or by eminent domain as authorized under the Authorities Act, and such action is approved.

SECTION 4 This Borough consents and agrees to terms and conditions of the proposed agreements by and between the Authority and the 90% of Shareholders of the Water Company, and, to the extent that any covenants contained therein shall require the cooperation or action of this Borough, this Borough agrees to perform the same.

SECTION 5. Proper officers of this Borough are authorized and directed to take all other action and do all other things necessary or appropriate in order to carry out terms of the proposed agreements and the intent and purpose of this Ordinance.

SECTION 6. All action heretofore taken by the Authority in connection with action herein authorized is approved, ratified and confirmed by the Council of this Borough.

SECTION 7. The Secretary of this Borough is authorized and directed to deliver a certified copy of this Ordinance to the Authority.

SECTION 8. All Ordinances or parts of Ordinances inconsistent herewith expressly are repealed.

DULY ENACTED AND ORDAINED by the Council of the Borough of New Milford, Susquehanna County, Pennsylvania this 5th day of August, 1971.

Milton Darrow President

Paul R. Walworth Mayor

Agnes M. Jones Secretary