

**WATER UTILITY ASSET PURCHASE AGREEMENT
(RCH Water Supply Corporation)**

THIS WATER UTILITY ASSET PURCHASE AGREEMENT (“*Agreement*”) is made and entered into as of the last date of execution below (the “*Effective Date*”) by and between **Aqua Texas, Inc.**, a Texas corporation (“*Aqua*”) and **RCH Water Supply Corporation**, a Texas nonprofit water supply corporation created and operating pursuant to Chapter 67 of the Texas Water Code and Chapter 22 of the Texas Business Organizations Code (“*RCH*”). RCH and Aqua are individually referred to herein as a “*Party*” and collectively as the “*Parties*”.

W I T N E S S E T H:

WHEREAS, RCH is the owner of a public water system (PWS ID No. 1990012) that it operates to provide retail water utility services to its customers (the “*RCH Water System*”);

WHEREAS, RCH is the holder of a Water Certificate of Convenience and Necessity (“*CCN*”) No. 10087 authorizing RCH to provide retail water service within the lands that are described in each such CCN;

WHEREAS, Section 67.010 of the Texas Water Code authorizes water supply corporations to enter into contracts for the conveyance of water supply facilities and assets;

WHEREAS, Section 13.301 of the Texas Water Code provides that a utility or a water supply or sewer service corporation, on or before the 120th day before the effective date of a sale, acquisition, lease, or rental of a water or sewer system owned by an entity that is required by law to possess a certificate of public convenience and necessity or the effective date of a sale or acquisition of or merger or consolidation with such an entity, shall: (i) file a written application with the Public Utility Commission of Texas (“*PUC*”); and (ii) unless public notice is waived by the PUC for good cause shown, give public notice of the action;

WHEREAS, Chapter 22 of the Texas Business Organizations Code requires that prior to a sale of all or substantially all of RCH’s assets: 1) the RCH Board of Directors must pass a resolution recommending the sale of all or substantially all of the assets of RCH; 2) that such resolution must be submitted to the RCH members for a vote at a regular or special meeting of the members; 3) that such meeting of the members shall be duly noticed in writing at least fifteen (15) days prior to the meeting on which a vote will be taken as set forth in the RCH bylaws and Chapters 6 and 22 of the Texas Business Organizations Code; and 4) that such resolution and sale must be approved by at least two-thirds of the RCH members present at the meeting in person or by proxy; and

WHEREAS, Aqua desires to purchase from RCH, and RCH desires to sell and convey to Aqua, certain assets, properties and rights relating to RCH Water System upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE I
DEFINITIONS AND CONSTRUCTION SECTION**

As used in this Agreement, the following terms shall have the meanings as defined herein unless the context requires otherwise:

“**Assets**” means the Personal Property and the Real Property.

“**Aqua**” means Aqua Texas, Inc.

“**Assignment of Easements**” means the instrument pursuant to which RCH shall assign the Existing Easements to Aqua at Closing, the form of which is attached hereto as Schedule 8.02(B).

“**Assumed Liabilities**” shall have the meaning set forth in Section 2.06(3).

“**Closing**” means the closing of the transactions contemplated by this Agreement, specifically including the execution and delivery of all documents transferring ownership of the Personal Property, conveyance of the Fee Parcels, and assignment of the Existing Easements to Aqua, and the performance of all acts necessary to complete such execution and delivery.

“**Closing Date**” means the date on which Closing occurs.

“**Connection Charges**” means the funds held by RCH as of Closing, if any, collected from applicants for service from RCH Water System at or prior to initial connection to RCH Water System held in order to defray or fund the cost of making utility service available.

“**Contracts**” means contracts, licenses, leases and agreements utilized in RCH Water System and other similar arrangements and rights thereunder.

“**Customer Deposits**” means all customer deposits for RCH Water System in the possession of RCH as of Closing. A current listing of all customers and said Customer Deposits is attached hereto as Exhibit “A”. Said list shall be updated at Closing to reflect additions and subtractions from said listing from the Effective Date until the Closing Date.

“**Encumbrance**” shall mean any liens, charges, pledges, options, mortgages, deeds of trust, security interests, claims, restrictions (whether on voting, sale, transfer, disposition or otherwise), licenses, sublicenses, easements and other encumbrances of every type and description, whether imposed by law, agreement, understanding or otherwise.

“**Environmental, Health and Safety Laws**” shall mean all laws concerning pollution or protection of the environment, public health and safety, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or chemical, industrial, hazardous or toxic materials or waste into ambient air, surface water, ground water or lands or otherwise, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Emergency Planning and Community Right to Know Act of 1986, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Safe Drinking Water Act, the Radon and Indoor Air Quality Research Act of 1986 and the

Occupational Safety and Health Act, as all such Laws or acts have been amended, and any federal, state, and local regulations promulgated pursuant to all such Laws.

“Excluded Assets” shall have the meaning set forth in Section 2.04.

“Excluded Liabilities” shall have the meaning set forth in Section 2.05(C).

“Existing Easements” means all easements held by RCH utilized in connection with the operation of RCH Water System or in which any RCH Water System facilities are located, including but not limited to those easements set forth in Exhibit “B”. Said list shall be prepared before Closing.

“Fee Parcels” means all fee simple real property owned by RCH and in which any portion of RCH Water System is located, including those fee parcels listed in Exhibit “D”. Said list shall be prepared before Closing.

“Governmental Authorizations” means any approval, license, CCN, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Authority.

“Governmental Authority” means any government or any agency, bureau, commission, court, authority, department, official, political subdivision, administrative body, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign, including TCEQ and PUC.

“Law” or **“Laws”** shall mean any law, rule, regulation, code, plan, injunction, judgment, order, decree, ruling, charge or ordinance of any Governmental Authority, all of the foregoing as now or hereafter in effect.

“Membership Approvals” means any and all applicable approval(s) of the members of RCH required to complete the sale and conveyance of the Assets, and for RCH to otherwise perform its obligations, under this Agreement as required by Chapter 22 of the Texas Business Organizations Code and the RCH bylaws, or otherwise.

“Permitted Encumbrances” shall have the meaning set forth in Section 3.06.

“Personal Property” means the tangible personal property, intangible property and other property, rights and interests that are owned, used or held by RCH in connection with the operation of RCH Water System, including but not limited to the personal property identified on Exhibit “E” and the Water Supply. Said list shall be prepared before Closing.

“PUC” means the Public Utility Commission of Texas.

“PUC Approvals” means all authorizations by PUC required for the transfer by RCH of the Assets, including approval of the STM Application, in a form satisfactory to Aqua.

“Purchase Price” shall have the meaning set forth in Section 2.06.

“RCH” means RCH Water Supply Corporation.

“**RCH Debt**” means RCH’s current debt obligations attributable to the Assets as described in Section 5.01, if any.

“**RCH Water CCN**” means Water Certificate of Convenience and Necessity No. 10087.

“**Real Property**” means, collectively, the Fee Parcels and the Existing Easements.

“**Service Area**” means the certificated Service Area of RCH, as may be modified by the PUC from time to time, and that are subsequently certificated to Aqua pursuant to the STM Application.

“**STM Application**” shall have the meaning set forth in Section 4.01 of this Agreement.

“**Tariff**” means the Tariff approved by the PUC governing the provision of retail water services by Aqua, as may be amended from time to time.

“**TCEQ**” means the Texas Commission on Environmental Quality.

“**Title Commitment**” shall have the meaning set forth in Section 3.02 of this Agreement.

“**Title Company**” means the company identified by Aqua to issue the Title Commitment and Title Policy.

“**Title Policy**” means an owner policy of title insurance issued by Title Company and insuring, to the satisfaction of Aqua, that Aqua is the owner of the Real Property subject only to the Permitted Encumbrances and the standard printed exceptions, with the exception as to restrictions marked “none of record” (other than those that constitute Permitted Encumbrances), the exception for taxes limited to the year in which the Closing occurs and subsequent years, and the exception for “parties in possession” deleted and the area and boundary exception modified to read “any shortages in area”.

“**Water Supply**” means the water supplies available to RCH for the provision of retail water service in the RCH CCN.

ARTICLE II PURCHASE AND SALE OF ASSETS

SECTION 2.01. PURCHASE AND SALE COVENANT. Subject to the terms and conditions of this Agreement, Aqua agrees to purchase, and RCH agrees to sell, transfer, assign and deliver to Aqua, all of the Assets free and clear of all Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities on the Closing Date against receipt by RCH of the Purchase Price (as adjusted as provided herein).

SECTION 2.02. PERSONAL PROPERTY.

(A) The Personal Property consist of all rights, title and interest in RCH Water System, except for the Excluded Assets, including all (i) leaseholds and subleases, improvements, trade fixtures, easements, rights-of-way, pipes and lines, pressure and storage tanks, pumping stations, water wells, lift stations and other appurtenances thereto utilized in RCH Water System; (ii)

tangible personal property utilized in RCH Water System (including, without limitation, all machinery, meters, equipment, inventories and supplies and pumps, controls, disinfection equipment); (iii) Customer Deposits; (iv) Governmental Authorizations; (v) contracts, licenses, leases and agreements utilized in RCH Water System and other similar arrangements and rights thereunder assumed by Aqua; (vi) approvals, permits, licenses, orders, registrations, variances and similar rights utilized in RCH Water System obtained from Governmental Authorities, including the TCEQ and PUC, to the extent transferable; (vii) intellectual property of any type utilized in RCH Water System, including know-how relating to RCH Water System; (viii) books, ledgers, files, documents, correspondence, lists, maps, drawings, plans, specifications, warranties and plats relating to RCH Water System, if in the possession or control of RCH; (ix) water rights or claims to water rights; and (x) all rights, title and interest of RCH in the Water Supply. Without limitation to the generality of the foregoing, the Assets include the following:

- (1) all buildings, pipes, pipelines, wells, pumping stations, lift stations, storage tanks, standpipes, flush valves, plants, structures, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by RCH, or in which RCH has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (2) all machinery, equipment, tools, vehicles, furniture, furnishings, leasehold improvements, goods, and other tangible personal property relating to RCH Water System owned by RCH or in which RCH has an interest;
- (3) all supplies and inventories relating to RCH Water System;
- (4) all rights of RCH under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate, CCN, or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;
- (5) all rights and choses in action of RCH arising out of occurrences before or after the Closing relating to RCH Water System;
- (6) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the foregoing.
- (7) Any leaseholds, subleases, right of way utilized for RCH Water System;
- (8) the Governmental Authorizations;
- (9) all Customer Deposits held by RCH at the Closing;
- (10) the Contracts identified in Schedule 2.02(12);
- (11) all Connection Charges collected by RCH prior to the Closing Date for which the connection was not completed prior to Closing; and
- (12) all customer records, as-built surveys, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, studies, non-corporate accounting, and non-corporate business records, controlled by or in the possession of RCH that relate to the ownership and operation of RCH Water System.

SECTION 2.03. EASEMENT COVENANT. Subject to the terms and conditions of this Agreement, RCH agrees to assign all of the Existing Easements to Aqua. At Closing, RCH shall execute the Assignment of Easements.

SECTION 2.04. EXCLUDED ASSETS. Notwithstanding any other provision of this Agreement that may be construed to the contrary, the Assets do not include (the “*Excluded Assets*”):

- (1) any and all customer water service lines that run from outside the meter box to each individual residence, commercial or industrial structure served by the Assets;
- (2) all piping and fixtures internal to each individual customer’s structure;
- (3) RCH’s cash and accounts receivables as of the date of Closing;
- (4) the entity “RCH Water Supply Corporation,” including use of the name;
- (5) the Excluded Liabilities; and
- (6) any assets located within the Sonoma Verde Development and not owned by RCH, and any of the assets identified in Schedule 2.04, including any water facilities owned by the City of McLendon-Chisholm.

This transaction constitutes a sale of certain Assets of RCH and does not in any way constitute a sale of the nonprofit corporation entity RCH Water Supply Corporation, a merger between Aqua and RCH, or a conversion of RCH to another form of entity.

SECTION 2.05. EXCLUDED LIABILITIES.

(A) Aqua shall not assume any direct or indirect duties, liabilities or obligations of RCH of any kind or nature, fixed or unfixed, known or unknown, accrued, contingent or otherwise that is not expressly assumed by Aqua under this Agreement. Without limitation to the generality of the foregoing, it is specifically agreed that Aqua is not assuming, and the Assets do not include, the following:

- (1) Any liability for claims made under or arising out of the Contracts except for liability or claims arising after Closing for any Contracts assumed by Aqua as identified in Schedule 2.02(12);
- (2) Any liability for noncompliance of RCH Water System with any local, state or federal laws and regulations arising prior to the Closing Date, including fines or penalties for noncompliance prior to Closing; and
- (3) Any debts or liabilities of RCH.

(B) All debts, liabilities and obligations arising out of or related to RCH Water System prior to Closing shall remain the sole responsibility of RCH.

(C) Other than the Assumed Liabilities, Aqua does not assume any direct or indirect duties, liabilities or obligations of RCH of any kind or nature, fixed or unfixed, known or unknown, accrued, contingent or otherwise and it is understood that all such liabilities are retained by RCH,

and RCH shall be responsible for the payment and discharge of all such liabilities (such liabilities herein being defined as the “*Excluded Liabilities*”).

SECTION 2.06. PURCHASE PRICE.

(A) In consideration for the sale of the Assets, Aqua agrees to pay RCH on the Closing Date the aggregate amount (the “*Purchase Price*”) of SIX MILLION AND 00/100 DOLLARS (\$6,000,000.00), subject to prorations and adjustments set forth in this Agreement.

(B) In the event that RCH does not retain ownership of all of the Assets after the Effective Date of this Agreement and prior to Closing, or a portion of the RCH Water CCN service territory is decertificated after the Effective Date decreasing the number of active water service connections to which RCH provides retail water service, then the Parties agree to negotiate in good faith an adjustment to the Purchase Price to reflect the loss of Assets and retail water service customers and revenues. If the Parties cannot reach agreement on any such adjustment within thirty (30) days after a request by Aqua for such adjustment, then the Parties agree that the Purchase Price shall be adjusted to reflect the value of the Assets as determined by an independent third party appraiser approved by the PUC to conduct public water system valuations. If the Parties cannot agree upon a third party appraiser within ten (10) days after expiration of the thirty (30) day period for mutual agreement for an adjustment of the Purchase Price, then each Party shall identify a third party appraiser, and the appraisers selected by each of the Parties shall agree upon an independent third party appraiser qualified to conduct public water system appraisals by the PUC, and the valuation by such third party appraiser shall represent the adjusted Purchase Price and shall be binding upon both of the Parties. The Parties agree that the Purchase Price may be lowered or remain the same, but may not be increased, through the adjustment process described herein.

(C) The Purchase Price shall be payable by Aqua to RCH in immediately available funds at Closing, by wire transfer, pursuant to wire instructions to be provided by RCH to Aqua at or prior to Closing.

SECTION 2.07. ASSUMED OBLIGATIONS. After the Closing Date, Aqua agrees to:

(1) make available retail water service within the Service Area certificated to Aqua in accordance with the Tariff;

(2) assume and discharge all obligations of RCH: (a) which accrue and are due and performable subsequent to the Closing Date under the Contracts to be assigned in whole or in part to Aqua and listed on Schedule 2.02(12); (b) for Customer Deposits as transferred to Aqua; and (c) for the accounts payable of RCH which Aqua agrees to assume in writing at Closing, if any, set forth in Schedule 2.06(3) (collectively, the “*Assumed Liabilities*”); provided that, with respect to the Contracts to be assumed by Aqua, (x) the rights thereunder have been duly and effectively assigned to Aqua and (y) Aqua shall not assume any liability arising from or related to any breach of the Contracts by RCH prior to the Closing Date; and

(3) use commercially reasonable efforts to maintain RCH Water System in compliance with applicable regulatory requirements.

**ARTICLE III
INSPECTION, TITLE AND DUE DILIGENCE REVIEW**

SECTION 3.01. PROVISION OF INFORMATION BY RCH.

(A) Within thirty (30) days after the Effective Date, RCH will provide to Aqua an inventory, updated through the Effective Date, of equipment, parts and other Personal Property used by RCH in connection with the operation of RCH Water System.

(B) Within thirty (30) days after the Effective Date, RCH shall provide to Aqua copies of current customer records, as-built surveys and plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, studies, reports made to Governmental Authorities, assigned permits, permit applications, accounting and business records, controlled by or in the possession of RCH that relate to RCH Water System.

(C) After the Effective Date, RCH shall cooperate with Aqua in providing updated information and access to RCH Water System to Aqua's representatives during normal business hours upon reasonable advance notice.

SECTION 3.02. TITLE COMMITMENT AND SURVEY. Within sixty (60) days after the date of this Agreement, RCH, at Aqua's sole cost and expense, shall deliver or cause to be delivered to Aqua the following:

(1) a Commitment for Title Insurance (the "*Title Commitment*") from the Title Company for a Texas standard form owner's policy of title insurance for the Fee Parcels and Easements in the amount of the Purchase Price and showing all Encumbrances and other matters of record, if any, relating to the Fee Property and Easements and referenced in the Title Commitment as conditions or exceptions to title to the Real Property. If the Title Commitment indicates that the Fee Parcels are located in a certificated service area of a utility service provider or in any water, sewer, drainage or flood control district, the Title Company shall immediately prepare and deliver to Aqua any required notices, and such notices, and the matters described therein shall constitute Permitted Encumbrances; and

(2) a true, correct and legible copy of all recorded documents referred to in the Title Commitment, including, without limitation, plats, deeds, restrictions and easements.

SECTION 3.03. UCC SEARCHES. Aqua may elect, at its option and expense, to obtain current searches (the "*UCC Searches*") performed by Capitol Commerce Reporter, UCC Reporting Service or other similar service acceptable to Aqua reflecting all UCC-1 filings which relate to the Real Property and the other Assets of RCH or any affiliate of RCH.

SECTION 3.04. SURVEY. Within thirty (30) days after the Effective Date, RCH shall provide to Aqua copies of all surveys in its possession relating to the Real Property. Aqua may elect, at its cost and expense, to have a survey of the Fee Parcels or Existing Easements prepared by a surveyor selected by Aqua (the "*Survey*").

SECTION 3.05. ENVIRONMENTAL ASSESSMENTS.

(A) Aqua, at its expense, may perform assessments, as it deems appropriate, including Phase I Environmental Site Assessments (ESA) pursuant to applicable ASTM standards and Phase II Environmental Site Assessments for recognized environmental conditions identified in the Phase I Environmental Site Assessments. RCH shall cooperate with Aqua and its agents by providing reasonable access to RCH Water System and Real Property so that Aqua or its agents may conduct any Environmental Site Assessments.

(B) If any ESA reveals Hazardous Materials on the Real Property that require remedial action, Aqua, in its sole discretion, may terminate this Agreement in its sole and absolute discretion at any time prior to the Membership Vote.

SECTION 3.06. ENCUMBRANCES. If the Title Commitment, Survey or the UCC Searches, or any update of the Title Commitment, Survey or UCC Searches, shows that the Real Property or any other Asset is subject to any Encumbrance other than the Permitted Encumbrances (herein defined), then RCH shall, subject to the terms hereof, use reasonable efforts to cure or remove such Encumbrances. Aqua shall have twenty (20) days from the date it has received the Title Commitment, Survey and UCC Searches in which to examine the same and notify RCH of those Encumbrances which Aqua finds objectionable (“*Aqua’s Objection Notice*”). All matters shown in the Title Commitment, Survey and UCC Searches as to which Aqua has not objected in the manner set forth in this Section shall be considered to be “*Permitted Encumbrances*.” As to items to which Aqua timely makes objections to in writing to RCH (“*Title Objections*”), RCH shall cooperate with Aqua to attempt to effectuate the cure of such Title Objections. Notwithstanding the foregoing provisions, RCH agrees that Aqua shall have no obligation to close the purchase of the Assets if RCH has not terminated, satisfied, cured or released (as the case may be) Aqua’s Title Objections to Aqua’s reasonable satisfaction, including all of the following defects relating to the Assets (“*Mandatory Cure Defects*”), if any, as of the Closing Date: (i) mortgages or deeds of trust; (ii) delinquent real property taxes; (iii) mechanic’s, materialmen’s or other monetary liens on the Assets.

SECTION 3.07. TERMINATION. In addition to the terms set forth herein that otherwise provide for termination of this Agreement, if Aqua is not satisfied with the results of its due diligence and feasibility investigations relating to the Assets, or if Aqua has determined the unfeasibility of obtaining a long-term water supply to serve the RCH Water System, Aqua may terminate this Agreement at any time up to fourteen (14) days after the Membership Vote by providing written notice of termination to RCH. RCH may terminate this Agreement at any time up to 14 days after the Membership Vote by providing written notice of termination to Aqua. In addition to the termination rights stated herein, should PUC Approvals be denied, this Agreement shall automatically terminate. Upon termination, Aqua shall, at RCH’s cost, continue to operate and maintain the RCH Water System according to the Parties’ Operation and Maintenance Services Agreement, dated July 18, 2023, as amended and restated from time to time, for sixty (60) days following the date of termination. Subject to the foregoing, the Parties shall be without further duty or obligation; provided, however, that the Parties shall cooperate to withdraw any applications for Governmental Authorizations that remain pending as of the date of termination.

ARTICLE IV AGREEMENTS THROUGH CLOSING

SECTION 4.01. AQUA’S PRE-CLOSING AGREEMENTS. During the period from the Effective Date until the Closing:

(1) At Aqua's sole cost and expense, Aqua shall prepare, file and prosecute at the PUC a Sale, Transfer or Merger Application pursuant to Section 13.301 of the Texas Water Code ("STM Application") for authorization to acquire the RCH Water System Assets;

(2) At Aqua's sole cost and expense, Aqua shall prepare, file and prosecute an application with the PUC for determining the fair market value of the Assets in accordance with Texas Water Code § 13.305 *et seq.* and 16 Tex. Admin. Code § 24.238; and

(3) Aqua shall use good faith and commercially reasonable efforts to secure all Governmental Authorizations required for Closing and, subject to the rights of the Parties thereunder, to satisfy all conditions to Closing, as promptly as practicable, and shall cooperate with RCH in all respects in connection therewith.

SECTION 4.02. RCH's PRE-CLOSING AGREEMENTS. During the period from the Effective Date until the Closing:

(1) RCH agrees to secure any and all applicable Membership Approvals required for the sale and conveyance of the Assets and otherwise carrying out its obligations under this Agreement. RCH shall conduct any elections required to secure such approvals in accordance with the requirements of Chapter 22 of the Texas Business Organizations Code, any other applicable laws, and its bylaws no later than January 31, 2024. Should RCH be unable to obtain the necessary Membership Approvals required by law or its governing documents prior to January 31, 2024 or any date otherwise approved by the Parties, this Agreement shall automatically terminate. Notwithstanding anything to the contrary in this Agreement, neither Party shall have the right to terminate this Agreement subsequent to the expiration of fourteen (14) days after RCH secures any and all applicable Membership Approvals, unless PUC Approvals are denied or a Party fails to cure a default after notice and opportunity to cure in accordance with Section 9.02 below.

(2) RCH shall provide, upon receipt of two business days prior written notice and during RCH's normal business hours, Aqua with reasonable access to the Assets and its suppliers, contractors and employees, including access for the purposes of conducting environmental investigations or audits;

(3) RCH shall not, without the consent of Aqua, acquire or dispose of any Assets outside the ordinary course of business, terminate or amend any Contract to be assumed by Aqua, or commit to do any of the foregoing or make any other commitments or take any actions that are outside the ordinary course of business;

(4) RCH shall fully cooperate with respect to the preparation, filing and prosecution of the STM Application and the Notice of Intent to determine Fair Market Value;

(5) RCH shall use good faith and commercially reasonable efforts to secure the Governmental Authorizations required for Closing and, subject to the rights of the Parties thereunder, to satisfy all conditions to Closing, as promptly as practicable, and shall cooperate with Aqua in all respects in connection therewith;

(6) To the extent that RCH does not retain Aqua to operate the RCH Water System prior to Closing, RCH shall operate RCH Water System in the usual, regular and ordinary manner consistent with past practice (except as RCH deems necessary to protect all or any portion of the Assets from loss, damage or destruction and in such circumstances, RCH shall provide Aqua

with prompt notice of such conduct) and use commercially reasonable efforts to preserve RCH's present relationships with persons having business dealings with RCH;

(7) RCH shall confer with Aqua prior to implementing operational decisions relating to RCH Water System of a material nature;

(8) RCH shall comply with all legal requirements and contractual obligations applicable to the operation of RCH's business;

(9) RCH shall use its best efforts to maintain its relations and good-will with its suppliers, customers and any others having business relations with it;

(10) RCH shall maintain all books and records of RCH relating to RCH's business in the ordinary course of business;

(11) RCH shall notify and consult with Aqua prior to the initiation, development, or execution of any plans for expansion of or improvements to RCH Water System;

(12) RCH shall cooperate with Aqua in sending any customer notices that RCH and Aqua agree are necessary or desirable in connection with the transactions contemplated herein;

(13) RCH shall not allow the levels of raw materials, supplies or other materials included in the Assets to vary materially from the levels customarily maintained;

(14) RCH shall not make any material modification to any Governmental Authorization that relates to the Assets.

(15) RCH shall promptly notify Aqua, in writing, if it becomes aware of (a) any fact or condition that causes or constitutes a breach of this Agreement or (b) the occurrence after the Effective Date of any fact or condition that would or would be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of this Agreement. During the same period, RCH also shall promptly notify Aqua of the occurrence of any breach of any covenant of RCH in this Agreement or the occurrence of any event that may make the satisfaction of the conditions in this Agreement impossible or unlikely;

(16) RCH shall pay or otherwise satisfy in the ordinary course of business all of its liabilities and obligations as they come due;

(17) RCH shall maintain, or cause to be maintained, insurance in such amounts as are reasonable and prudent on the Assets. If, between the Effective Date and Closing, any part, whether substantial or minor, of the Assets are destroyed or rendered useless by fire, flood, wind, or other casualty, RCH shall be solely responsible for making repairs and replacements to restore the Assets to their prior condition.

(18) Except as otherwise approved by Aqua, RCH shall defend any and all petitions, applications and proceedings by any landowners, municipalities or other utilities that seek to decertify any lands from, or otherwise seek to amend, the RCH CCN. RCH also agrees to provide written notice of any such matters to Aqua within three (3) business days that RCH secures notice thereof.

(19) Except as otherwise approved by Aqua, RCH shall not amend the RCH CCN prior to Closing.

(20) RCH shall use good faith and commercially reasonable efforts to assist Aqua in obtaining a long-term water supply for the RCH Water System.

ARTICLE V RCH DEBT

SECTION 5.01. RCH DEBT.

(A) RCH represents and warrants that it has no outstanding debt that is secured by any lien or encumbrance upon the Assets, and that it will not enter into or incur any such debt prior to Closing. RCH will not incur debt without Aqua's consent, which consent shall not be unreasonably withheld.

ARTICLE VI CONDITIONS TO CLOSING

SECTION 6.01. AQUA'S CLOSING CONDITIONS. Aqua's obligation to purchase the Assets and to take the other actions required to be taken by Aqua at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Aqua, in whole or in part):

(1) RCH's Performance. All of the covenants and obligations that RCH is required to perform or to comply with pursuant to this Agreement at or prior to the Closing, and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

(2) RCH's Representations and Warranties. All representations and warranties made by RCH in this Agreement shall be true, correct and complete as of the Effective Date, and no uncured breach or violation of such representations and warranties shall have occurred from the Effective Date up to and including the Closing Date.

(3) Satisfaction with Operational and Real Property Title Issues. Aqua shall be satisfied with the results of its due diligence inspections of the overall operational functionality and sufficiency of the Assets, including the title of the Fee Tracts and Easements.

(4) Litigation Affecting Closing. On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency, that has not been disclosed to Aqua, in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no known investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

(5) Membership Approvals. RCH has secured any and all applicable Membership Approvals, if any.

(6) PUC Approvals. Aqua shall have received all required PUC Approvals, including approval of the STM Application, transfer of RCH's CCN rights to Aqua, and a determination of the Fair Market Value of the Assets. RCH and Aqua agree that in its STM application, Aqua will request that the PUC authorize Aqua to charge initial rates for service consistent with RCH's current rates. Aqua shall not implement new rates prior to January 1, 2027.

(7) Material Damage. The Assets shall not be materially adversely affected by fire, explosion, earthquake, disaster, accident, cessation or interruption of utility or other services, flood, drought, lack of water supply, contamination of water supply, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy, or any other event or occurrence.

(8) No Conflict. Neither the consummation nor the performance of this Agreement will, directly or indirectly, materially contravene or conflict with or result in a material violation of or cause Aqua to suffer any material adverse consequence under any applicable Governmental Authorization or other legal order.

(9) RCH Debt. RCH shall have paid off RCH Debt such that no RCH Debt shall remain outstanding.

SECTION 6.02. RCH'S CLOSING CONDITIONS. RCH's obligation to transfer the Assets and to take the other actions required to be taken by RCH at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by RCH, in whole or in part):

(1) Aqua's Performance. All of the covenants and obligations that Aqua is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects.

(2) Aqua's Representations and Warranties. All representations and warranties made by Aqua in this Agreement shall be true, correct and complete as of the Effective Date, and no breach or violation of such representations and warranties shall have occurred from the Effective Date up to and including the Closing Date.

(3) Membership Approvals. RCH shall have secured any and all applicable Membership Approvals.

(4) PUC Approvals. The PUC shall have approved the STM Application.

(5) Governmental Authorizations. All other Governmental Authorizations required for the transaction shall have been secured.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

SECTION 7.01. REPRESENTATIONS AND WARRANTIES OF RCH. RCH represents and warrants to Aqua as follows:

(1) RCH is duly organized, validly existing and has an active status under the laws of the State of Texas, and is duly qualified to do business in the State of Texas. RCH has the power and authority to enter into this Agreement and to perform the terms and conditions of this Agreement subject to receipt of any required Governmental Authorizations.

(2) Except as set forth in Schedule 7.01(2), there are no pending or threatened legal actions, suits, mediations, arbitrations, or other legal or administrative proceedings pending or threatened against RCH that could affect the Assets and there exist no facts that might result in any action, suit, mediation, arbitration, or other proceedings that might result in any adverse change in the Assets.

(3) Except as set forth in Schedule 7.01(3), RCH is not in default under any Governmental Authorization, and RCH has not received notice of any claim with respect to any Governmental Authorization. RCH is not in default with respect to any judgment, order, writ, verdict, injunction, decree or award applicable to it of any court or other government instrumentality or arbitrator having jurisdiction over it as pertaining to the Assets.

(4) RCH is not in default under any Contract, agreement, lease or other instrument to which it or the Assets are bound. Except as set forth in Schedule 7.01(4), RCH has no knowledge of any outstanding debts or accounts payable relating to the Assets.

(5) RCH has not dealt with a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, insofar as it knows; no broker, salesman or other person is entitled to any commission or fee with respect to such transaction as a result of RCH's actions.

(6) There are and have been no unresolved violations by RCH of any Environmental, Health and Safety Laws and, no violations of any such laws have been committed on the Assets during RCH's ownership thereof.

(7) Except as set forth in Schedule 7.01(7), the Assets are in all material respects in substantial compliance with all Laws that are applicable to it or to the conduct or operation of RCH Water System or the ownership or use of any the Assets, including, without limitation, any rules or regulations of the TCEQ, PUC, the Environmental Protection Agency, and any other Governmental Authority.

(8) RCH has made no binding commitment, and has undertaken no obligation, oral or written, fixed or contingent on the occurrence of any other action or event, to construct any water infrastructure, install any pumps, lay any lines or take any similar actions over \$10,000.00.

(9) The representations and warranties of RCH contained in this Agreement are complete and accurate in all material respects and do not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made not misleading in any material respects.

(10) Systems Ownership. RCH holds the exclusive right, title and interest to the Assets and facilities comprising RCH Water System.

(11) Current Operations. RCH has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory

authorizations and other instruments required to conduct the business of RCH Water System as it has been and is now being conducted and to own and operate RCH Water System.

(12) Defeasance. As of the Closing, (if applicable) RCH Debt will be defeased, and any and all liens and encumbrances on the Assets will have been removed. The Defeasance will be done in a proper and lawful manner.

(13) List of Assets. The description of the Assets attached to this Agreement shall be true and complete.

(14) Customer Records. The updated customer list and address information provided to Aqua shall be true and accurate.

(15) Title of Assets. RCH has good and marketable title to the Assets, free and clear of all liens, encumbrances and security interests.

(16) Undisclosed Liabilities. There are no liabilities or obligations of RCH, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility either accrued, absolute, contingent or otherwise.

(17) No Other Parties. No person other than RCH owns or has any interest in any equipment or other tangible assets or properties currently utilized or necessary to the operations or business of RCH's Assets.

(18) Adequacy of Rights. All agreements, contracts, commitments, leases, certificates, permits and other instruments related to the Assets to which RCH is a party are valid and enforceable in accordance with their terms, are in good standing, and the parties thereto are in compliance with the provisions thereof. No party is in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained therein, and no event has occurred, which with or without the giving of notice or lapse of time, or both, would constitute a default thereunder.

(19) Adequacy of Property Rights. All leases, licenses, rights of way, and easements related in any manner to the assets and properties comprising RCH's Assets and all other instruments, documents and agreements pursuant to which RCH has obtained the right to use any real property in connection with the Assets are in good standing, valid and effective in accordance with their respective terms, and with respect thereto, there is no existing default or event which could constitute a default. RCH possesses all property rights necessary to operate the Assets.

(20) Rights to Facilities. RCH has good and valid rights to occupy and to obtain access to the areas where the facilities comprising the Assets are located.

(21) Pending Litigation. There are no pending claims, actions, investigations or legal or administrative proceedings regarding RCH's ability to transfer the Personal Property, grant the Fee Parcel Easement, or assign the Existing Easements.

(22) Threatened Litigation. To the best of RCH's knowledge, there are no threatened claims, actions, investigations or legal or administrative proceedings regarding RCH's

ability to transfer the Personal Property, convey the Fee Parcels, or assign the Existing Easements, nor does RCH know of any basis for any such claim, action or proceeding.

(23) Contract for Refunds. RCH is not a party to any contract for future payment of refunds under any extension agreement, customer deposit agreement or similar agreement with respect to the Assets.

(24) Contract with Suppliers. RCH is not a party to any contract for the purchase of, or payment for supplies, equipment or for services related to the Assets, except such contracts that shall not survive Closing.

(25) No Material Change. Within the past two years, RCH has not: 1) made or suffered any amendment or termination of any material agreement, contract, commitment or lease or any governmental permit or authorization to which it is a party or by which it is bound; or 2) canceled, modified or waived any debts or claims held by it; or 3) waived any rights of substantial value.

(26) No Material Adverse Conditions. There are no conditions or developments existing or, to the knowledge of RCH, threatened which would have a material adverse effect on the Assets.

(27) Compliance with Law. Except as set forth in this Agreement, RCH is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets or properties is subject and has not failed to obtain, or to adhere to the requirements of, any certificate, license, permit or other governmental authorization necessary to the ownership of its assets and properties or to the conduct of its business.

(28) Agreements with Customers. RCH has not entered into an agreement to provide fire flow levels of water service to any customer except as set forth in Schedule 7.01.

(29) Representations about Fire Service. RCH has not made a representation to any customer or other person, business or governmental agency that the System is capable of providing flows to any lands where fire flow levels of water service from the RCH System are not available except as set forth in Schedule 7.01.

(30) No Misleading Statements. No representation or warranty by RCH in this Agreement or in any document delivered or to be delivered pursuant hereto or in connection herewith, and no statement, document, agreement, information or certificate made or furnished or to be made or furnished to Aqua pursuant hereto or in connection with the negotiation, execution or performance of this Agreement, now and as of the Closing Date, contain any untrue statement of a material fact, or fail to state any fact necessary to make any statement herein or therein not misleading.

SECTION 7.02. REPRESENTATIONS AND WARRANTIES OF AQUA. Aqua represents and warrants to RCH as follows:

(1) Aqua is duly organized, validly existing and has an active status under the laws of the State of Texas, and is duly qualified to do business in the State of Texas. Aqua has the power and authority to enter into this Agreement and to perform the terms and conditions of this Agreement subject to receipt any required Governmental Authorizations.

(2) Aqua is not subject to, nor a party to any proceeding, legal requirement or any other restriction of any kind or character that would prevent consummation of the transactions contemplated by this Agreement.

(3) The execution and performance of this Agreement by Aqua does not and will not violate or result in the breach of any term or condition, or require the consent of any person not a party hereto under: (i) the bylaws of Aqua or (ii) any material mortgage, indenture, contract, lease, license or other instrument, document or understanding, oral or written, to which Aqua is a party or subject.

ARTICLE VIII CLOSING AND RELATED PROCEDURES AND ADJUSTMENTS

SECTION 8.01. CLOSING DATE AND PLACE. The Closing shall be held at such place as is mutually agreed upon by the Parties within thirty (30) days following the receipt of both of the following approvals: (i) receipt of all applicable Governmental Authorizations, including but not limited to approval by the PUC of the STM Application, and (ii) receipt of all required Membership Approvals.

SECTION 8.02. MANNER OF TRANSFER.

(A) Transfer by RCH of all Fee Parcels shall be by Special Warranty Deed in the form attached hereto as Schedule 8.02(A).

(B) Assignment of Easements shall be in the form attached hereto as Schedule 8.02(B).

(C) Transfer by RCH of all personal property and assumed contracts (if any) that constitute Assets will be by Bill of Sale and Assignment in the form attached hereto as Schedule 8.02(C).

SECTION 8.03. COSTS AND EXPENSES. Each Party will be responsible for all costs and expenses that it incurs in connection with the Closing.

SECTION 8.04. CLOSING DELIVERABLES.

(A) RCH Deliverables. At the Closing, RCH shall deliver the following to Aqua:

- (1) a Special Warranty Deed in the form attached as Schedule 8.02(A);
- (2) an Assignment of Easements in the form attached as Schedule 8.02(B);
- (3) a Bill of Sale and Assignment in the form attached as Schedule 8.02(C);

(4) such other instruments of transfer, assignment and conveyance in form and substance reasonably satisfactory to Aqua sufficient to transfer to and effectively vest in Aqua all right, title, and interest in the Assets together with possession of the Assets free and clear of all Encumbrances, other than the Permitted Encumbrances;

(5) any notices required under the Texas Water Code or any other applicable federal, state or local laws, rules or regulations;

(6) any other certificates, resolutions or documents reasonably requested by Aqua in connection with the Closing, including, without limitation, (A) any Certificate of Completion as required by the PUC; (B) a letter to the PUC confirming the transfer of the Customer Deposits to Aqua pursuant to this Agreement; and (C) a certificate confirming that the information set forth in the schedules hereto remain accurate and identifying any revisions thereto;

(7) Assignment and copies of, or the originals as appropriate, of all the agreements, contracts, commitments, leases, plans, bids, quotations, proposals, instruments, certificates, permits and other instruments belonging to RCH that are part of or related to the Assets to the extent in RCH's possession;

(8) a complete and accurate updated list of the names and addresses of all customers of RCH, both in paper form and in electronic format that can be readily downloaded to a computer, along with a billing history for each customer;

(9) a certificate, in form and substance satisfactory to Aqua, executed by each third party to any contract listed on Schedule 2.02(12) confirming that all representations and warranties of RCH with respect to such contract are true and correct, and that there is no defense, counterclaim or asserted set off by such party under the contract, and that RCH and such party are each in compliance with the requirements of the contract, and to the extent such party's consent is required to an assignment of the contract to Aqua, such consent; and

(10) keys to any and all buildings and gates.

Simultaneously with such delivery, all such steps shall be taken as may be required to put Aqua in actual possession and operating control of the Assets.

(B) Aqua Deliverables. At the Closing, Aqua shall deliver to RCH acknowledgement of receipt of any notices required under the Texas Water Code or any other applicable Laws. Aqua shall pay at Closing the Purchase Price (less any adjustments pursuant to the provisions hereof) via wire transfer to RCH at Closing in accordance with wire transfer instructions provided by RCH to Aqua at least two business days prior to the Closing.

(C) Excluded Assets. Aqua and RCH acknowledge that the Excluded Assets shall not be conveyed to Aqua. RCH shall be solely responsible for any liability or obligation related to the Excluded Assets.

SECTION 8.05. BUYER DELIVERABLES. At Closing, Aqua shall deliver to RCH the Purchase Price, as adjusted as provided in this Agreement, by wire transfer of immediately available funds.

SECTION 8.06. FINAL METER READING. Aqua and RCH agree that final meter readings shall be conducted at the end of the regular meter reading period within seven (7) days immediately prior to the Closing Date. These readings shall be utilized by RCH for the purpose of issuing final bills, and shall constitute the opening readings for Aqua. Aqua shall use these readings to begin the billing cycle for its new customers following Closing.

SECTION 8.07. REVENUES AND LIABILITIES.

(A) Aqua shall be entitled to all revenues arising from the provision of retail water service within the Service Area after Closing and shall be solely responsible for the collection of

such revenues. RCH shall be entitled to all revenues arising from the provision of retail water service within the Service Area prior to Closing, and shall be solely responsible for collection of any such revenues. However, any funds received by Aqua for service provided prior to Closing shall be forwarded to RCH by Aqua. Aqua agrees, to the extent authorized by all applicable laws and regulations, to assist RCH in collection of any funds due for services rendered prior to Closing by disconnection of water service to any customer who fails to provide payment to RCH for services rendered by RCH prior to Closing. Aqua shall be entitled to payment of its standard disconnection and connection fees as a condition of such disconnection.

(B) RCH shall be responsible for all liabilities relating to, or arising out of, RCH Water System that accrue prior to Closing other than the Assumed Liabilities, if any. In the event Aqua receives any bill or invoice relating to or arising out of the provision of service with the Assets that accrues prior to Closing, Aqua shall send such bill or invoice to RCH, which shall timely provide payment in full. Aqua shall be responsible for all liabilities relating to, or arising out of, RCH Water System that accrue after Closing (except those that constitute Excluded Liabilities). The Parties obligations under this Section 8.07 shall survive Closing.

SECTION 8.08. CONNECTION CHARGES.

(A) Connection Charges collected by RCH prior to the Closing Date for which the connection was not completed prior to Closing shall be an Asset transferred to Aqua.

(B) Connection Charges collected from and after Closing shall be Aqua's sole and separate property.

SECTION 8.09. TRANSFER TAXES ON REAL PROPERTY. Any real estate and personal property taxes, utility expenses and rents shall be prorated as of the Closing Date, RCH being charged and credited for all of the same up to such date and Aqua being charged and credited for all of the same on and after such date.

SECTION 8.10. TRANSFER OF UTILITIES. RCH and Aqua will cooperate to transfer utility service, including telephone, electric and gas service providing such service to any of the Assets as of the Closing Date. In the event service cannot be transferred in the name of Aqua as of the Closing Date, the bills shall be pro-rated as of the Closing Date.

SECTION 8.11. FURTHER ASSURANCES. Each of the Parties hereto, without compensation, will cooperate with the other and execute and deliver to the other such other instruments and documents and take such other actions as may be reasonably requested from time to time by any other Party hereto as necessary to carry out, evidence and confirm the purposes of this Agreement.

SECTION 8.12. RECORDING FEES. Fees to record the special warranty deed for conveyance of the Fee Parcels and Assignment of Easements and any other instruments necessary to deliver title to Aqua shall be paid by Aqua.

SECTION 8.13. COSTS AND PROFESSIONAL FEES. Each Party shall be responsible for securing its own counsel and advisors for representation in connection with the negotiation of this Agreement and all other matters associated with performance, cancellation or closing hereunder, unless otherwise specified herein. Except as provided below with respect to reimbursement by Aqua, each Party shall be responsible for the payment of the fees of its own attorneys, bankers, engineers, accountants, and other professional advisors or consultants in connection herewith. Aqua will be responsible for the recording of the deeds and other instruments

necessary to deliver title to Aqua. At Closing, Aqua shall reimburse RCH for up to \$50,000 of actual third party costs and expenses incurred by RCH in connection with the transactions that are the subject of this Agreement. Upon request and as a condition of reimbursement, RCH shall provide copies of invoices and proof of payment in reasonable detail to substantiate the costs and expenses to be reimbursed.

SECTION 8.14. DOCUMENTS AFTER THE CLOSING. From time-to-time after the Closing, each Party hereto shall, upon request of the other, execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, bills of sale, transfers or other documentation for: (1) confirming or correcting title in the name of Aqua or its successor(s) or perfecting possession by Aqua or its successor(s) of any or all of the Assets, including the establishment of a record of Easements without resort to litigation, expenditure of monies or other extraordinary means, for all facilities that are a part of RCH Water System in existence or use at the time of Closing, or (2) otherwise fulfilling the obligations of the Parties hereunder including, without limitation, providing all information required to be submitted to PUC or any other entity with relevant jurisdiction in connection with securing all required Governmental Authorizations applicable to the transactions that are the subject of this Agreement. Further, from time-to-time after Closing, should the Parties discover that certain land parcels, Easements, or other rights owned or enjoyed by RCH at Closing and necessary to the proper operation and maintenance of RCH Water System were not included in the exhibits or appendices hereto, and thus not transferred to the Aqua or its successor(s) at Closing in accordance with this Agreement, then the Parties agree that RCH and Aqua as applicable shall execute or cause to be executed the documents including, but not limited to, deeds, easements and bills of sale necessary to convey such ownership or rights to Aqua or its successor(s), at no cost to Aqua, provided such conveyances may be accomplished without resort to litigation, expenditure of monies or other extraordinary means. This covenant shall not merge with the instruments of conveyance, transfer, or assignment to be delivered hereunder but shall survive the Closing.

SECTION 8.15. POST-CLOSING ADJUSTMENT. Notwithstanding anything to the contrary in the Agreement, if any adjustments pursuant to Article VIII are not made at Closing, or subsequent to Closing are found to be erroneous, then either Party hereto who is entitled to additional monies shall invoice the other Party for such additional amounts as may be owing within sixty (60) days of Closing, and such amount shall be paid within thirty (30) days from receipt of the invoice. This covenant shall not merge with the instruments of conveyance, transfer, or assignment to be delivered hereunder but shall survive the Closing.

ARTICLE IX DISPUTES

SECTION 9.01. REMEDIES. After providing notice and an opportunity to cure in accordance with Section 9.02 below, the Parties shall have the right to request any court, agency or other governmental authority of appropriate jurisdiction to grant any and all remedies which are appropriate to assure conformance to the provisions of this Agreement to the extent allowed by law. The Defaulting Party (as defined below) shall be liable to the other for all costs actually incurred in pursuing such remedies, including reasonable attorney's fees, and for any penalties or fines as a result of the failure to comply with the terms. Except as otherwise provided herein, it is specifically acknowledged and agreed that after Closing, the Parties shall be without further obligation or duty to each other of any kind, and neither Party shall have a right of enforcement against the other after Closing.

SECTION 9.02. NOTICE AND OPPORTUNITY TO CURE. If either Party (referred to herein as the “*Defaulting Party*”) fails to comply with its obligations under this Agreement or is otherwise in breach or default under this Agreement (collectively, a “*Default*”) then the other Party (referred to herein as the “*Non-Defaulting Party*”) may not invoke any rights or remedies with respect to the Default until and unless: (i) the Non-Defaulting Party delivers to the Defaulting Party a written notice (the “*Default Notice*”) which specifies all of the particulars of the Default and specifies the actions necessary to cure the Default; and (ii) the Defaulting Party fails to commence the cure of any matters specified in the Default Notice within a reasonable period of time after the Defaulting Party's receipt of the Default Notice or fails to thereafter pursue curative action with reasonable diligence to completion.

**ARTICLE X
GENERAL PROVISIONS**

SECTION 10.01. APPLICABLE LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas excluding any choice of law rules that may direct the application of the laws of any other jurisdiction. Venue for any disputes between the Parties relating to this Agreement shall be in Rockwall County.

SECTION 10.02. NOTICE.

(A) All notices, certificates or other communications hereunder shall be sufficiently given when hand delivered or mailed by registered or certified mail, postage prepaid, or by courier service, charges prepaid, to the Parties at the following addresses:

To RCH:

RCH Water Supply Corporation
P.O. Box 2318
Rockwall, TX 75087
Attn: President

With copy to:

James D. Bradbury
James D. Bradbury, PLLC
201 Main Street, Suite 600
Fort Worth, Texas 76102
jim@bradburycounsel.com

To Aqua:

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723
Attn: President

With copy to:

Aqua Texas, Inc.
Office of General Counsel

762 W. Lancaster Avenue
Bryn Mawr, PA 19010

(B) Either Party may, by notice in writing given to the Party, designate any future or different address to which the subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand, or courier, or five (5) days after the date mailed.

SECTION 10.03. ASSIGNMENT.

(A) This Agreement may not be assigned without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Aqua may freely assign this agreement to an affiliate, a successor by merger or stock purchase, or an entity acquiring substantially all of Aqua's utility assets.

(B) This Agreement shall be construed as solely for the benefit of RCH and Aqua and their successors and assigns and no claim or cause of action shall accrue to or for the benefit of any other Party.

(C) This Agreement shall be binding on and shall inure to the benefit of the Parties to it and their respective successors and permitted assigns.

SECTION 10.04. AMENDMENTS AND WAIVERS. Except as otherwise provided in this Agreement, no amendment, supplement, modification or waiver of this Agreement shall be binding upon any Party hereto unless executed in writing by such Party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided in writing.

SECTION 10.05. ENTIRE AGREEMENT. This Agreement is the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the agreements, understandings, negotiations and discussions of the Parties, whether oral or written, pertaining to the subject matter hereof, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 10.06. EXCLUSIVITY. RCH acknowledges that the transactions contemplated by this Agreement will involve the expenditure of time and money by Aqua prior to Closing. During the period from the Effective Date until the earlier of: (A) the Closing Date, or (B) the termination of the Agreement by either Party as provided herein, neither RCH, nor its representatives shall directly or indirectly in any manner: (1) entertain or solicit, (2) furnish or cause to be furnished any information to any persons or entities (other than Aqua or its representatives) in connection with, or (3) pursue any proposal or discussions for any possible sale of the Assets, no matter how structured.

SECTION 10.07. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be considered an original

SECTION 10.08. SECTION HEADINGS. Any headings preceding the texts of the several articles, sections or exhibits in this Agreement shall be solely for the convenience of reference and shall not constitute a part of this Agreement, nor affect its meaning, construction or effect.

SECTION 10.09. SEVERABILITY. In the event any term or provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the remainder of this Agreement shall be construed to be in full force and effect.

SECTION 10.10. EXHIBITS AND SCHEDULES. All exhibits, schedules and attachments referred to herein are intended to be and hereby are made specifically a part of this Agreement.

SECTION 10.11. INTERPRETATION. Each Party agrees that (a) it has participated substantially in the negotiation and drafting of this Agreement and is thoroughly aware of all of the terms of this Agreement and the intent of same, and (b) all presumptions and/or burdens of proof concerning any interpretation of this Agreement shall not be affected by any statutory or judicial principles casting such presumptions against and/or burdens of proof on a Party responsible for the drafting and/or written form of an agreement or contract.

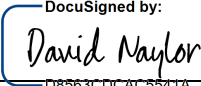
SECTION 10.12. SURVIVAL. All covenants, agreements, representations and warranties made herein and in documents delivered in support of this Agreement shall be deemed to have been material and relied on by the Parties and shall survive the Closing and delivery of the Warranty Deed.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and entered into as of the Effective Date.

RCH:

RCH WATER SUPPLY CORPORATION, a Texas nonprofit water corporation

By:  _____
DocuSigned by:
D8563CDCAC554TA...

Name: David Naylor

Title: President

Date: 8/22/2023

AQUA:

AQUA TEXAS, INC., a Texas Corporation

By: DocuSigned by: *Craig L. Blanchette*
824BBC1A43A44C8...
Name: Craig L. Blanchette
Title: President
Date: 8/21/2023

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Summary of Exhibits

Exhibit "A"	Customer List and Summary of Customer Deposits
Exhibit "B"	Existing Easements
Exhibit "C"	Fee Parcels
Exhibit "D"	Personal Property

Summary of Schedules

Schedule 2.02(12)	Assumed Contracts
Schedule 2.04	Excluded Assets
Schedule 2.06(3)	Assumed Liabilities/Accounts Payable
Schedule 7.01(2)	Pending Litigation
Schedule 7.01(3)	RCH Defaults under Governmental Authorizations
Schedule 7.01(4)	RCH Defaults under Contracts
Schedule 7.01(7)	Summary of Noncompliance of Assets
Schedule 8.02(A)	Form of Special Warranty Deed
Schedule 8.02(B)	Form of Assignment of Easements
Schedule 8.02(C)	Form of Bill of Sale and Assignment

Exhibit "A"

Customer List and Customer Deposits (to be determined and scheduled at time of Closing)

Exhibit "B"

Existing Easements (to be determined and scheduled at time of Closing)

Exhibit "C"

Fee Parcels (to be determined and scheduled at time of Closing)

Exhibit “D”

Personal Property (to be determined and scheduled at time of Closing)

Schedule 2.02(7)

Assumed Contracts (to be determined and scheduled at time of Closing)

Schedule 2.03

Excluded Assets (to be determined and scheduled at time of Closing)

Any and all water system assets within the Sonoma Verde Public Improvement District

Schedule 2.06(3)

Assumed Liabilities/Accounts Payable (to be determined and scheduled at time of Closing)

Schedule 7.01(2)

Pending Litigation (to be determined and scheduled at time of Closing)

Schedule 7.01(3)

RCH Defaults under Governmental Authorizations (to be determined and scheduled at time of Closing)

Schedule 7.01(4)

RCH Defaults under Contracts (to be determined and scheduled at time of Closing)

Schedule 7.01(8)

Summary of Noncompliance of Assets (to be determined and scheduled at time of Closing)

Schedule 8.02(A)
Form of Special Warranty Deed

GRANTOR:

RCH WATER SUPPLY CORPORATION, a
Texas nonprofit water supply corporation:

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on this ____ day of _____, _____,
by _____, as _____ for RCH Water Supply Corporation, a
Texas nonprofit water supply corporation, on behalf of said nonprofit corporation.

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723
Attn: President

Exhibit "A"

Description of Fee Parcels

Schedule 8.02(B)

Form of Assignment of Easement Rights

ASSIGNMENT OF EASEMENTS

THE STATE OF TEXAS)

) **KNOW ALL MEN BY THESE PRESENTS:**

ROCKWALL COUNTY)

WHEREAS, RCH WATER SUPPLY CORPORATION, a Texas general law municipality (“*Assignor*”) desires to assign to **AQUA TEXAS, INC.**, a Texas Corporation (“*Assignee*”) those certain easement rights identified on **Exhibit “A”** attached hereto (collectively, the “*Easements*”):

WHEREAS, Assignee desires that Assignor assign its rights under the Easements to Assignee, and Assignor desires to assign such rights in accordance with the terms and limitations of this instrument (the “*Assignment*”).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor has ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does ASSIGN, TRANSFER AND CONVEY unto Assignee all of Assignor’s rights, title and interest in and to the Easements free and clear of any liens, security interests and encumbrances.
2. It is specifically agreed that Assignor shall not be responsible for the discharge and performance of any duties or obligations in connection with the Easements from and after the date hereof.
3. To facilitate execution, this Assignment may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. All executed counterparts of this Assignment will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

SIGNED AND DELIVERED as of the last date of execution below.

ASSIGNOR:

RCH WATER SUPPLY CORPORATION:

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on this ____ day of _____, _____,
by _____, as _____ for RCH Water Supply Corporation, a
Texas nonprofit water supply corporation, on behalf of said water supply corporation.

Notary Public, State of Texas

ASSIGNEE:

AQUA TEXAS, INC., a Texas Corporation:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, _____, by _____, _____ of Aqua Texas, Inc., a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

(SEAL)

Exhibit "A"
Easements

Schedule 8.02(C)

Form of Bill of Sale and Assignment

BILL OF SALE AND ASSIGNMENT

Date: _____, _____

Grantor: RCH Water Supply Corporation, a Texas nonprofit water supply corporation

Grantor's Mailing Address:

RCH Water Supply Corporation
P.O. Box 2318
Rockwall, TX 75087
Attn: _____

Grantee: AQUA TEXAS, INC., a Texas Corporation

Grantee's Mailing Address:

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723
Attn: President

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Grantee.

Facilities: See Exhibit "A" attached hereto.

Intangible Assets: See Exhibit "B" attached hereto.

Conveyance:

Grantor, for the consideration herein expressed, has GRANTED, SOLD, ASSIGNED, TRANSFERRED AND SET OVER, and by these presents does hereby GRANT, SELL, ASSIGN, TRANSFER AND SET OVER unto Grantee, its successors and assigns, all of Assignor's now existing and hereafter arising right, title, interest in, to and under the following:

- a) The Facilities as described on Exhibit "A"; and
- b) the Intangible Assets described on Exhibit "B."

Representations and Warranties:

Grantor makes the following representations and warranties, to the best of Grantor's knowledge, to Grantee relating to the Facilities and Intangible Assets:

- i. Grantor has the full legal right and authority to make the sale, transfer and assignment herein;
 - ii. Grantor has good and marketable title to the Facilities and Intangible Assets;
 - iii. The Facilities are being conveyed free and clear of all liens and encumbrances of any kind;
- and
- iv. The Facilities are located within dedicated easements.

Grantor agrees to hereafter cooperate with Grantee and execute such other specific documents as may be necessary or appropriate to accomplish the transfers contemplated in the Agreement and this document.

When the context requires, singular nouns and pronouns include the plural.

Executed effective _____, _____.

GRANTOR:

RCH WATER SUPPLY CORPORATION:

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on this ____ day of _____, _____, by _____, as _____ for RCH Water Supply Corporation, a Texas nonprofit water supply corporation, on behalf of said water supply corporation.

Notary Public, State of Texas

GRANTEE:

AQUA TEXAS, INC., a Texas corporation:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, _____, by _____, as _____ of Aqua Texas, Inc., a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

(SEAL)

EXHIBIT A

Description of Facilities

EXHIBIT B

Description of Intangible Assets

1. All books, records, construction records, contract rights, bonds, bid documents, financial records, plans and specifications, surveys, records, performance bonds, payment bonds, maintenance records, regulatory records and correspondence, permits, certificates, soil reports, inspection reports, engineering reports and other property and rights of any kind related to the Facilities;
2. All governmental licenses, approvals, authorizations, permits and similar approvals to the extent they relate to the Facilities;
3. All third party plans, studies, drawings, specifications, surveys, renderings and other technical descriptions to the extent (but only to the extent) they relate to the Facilities;
4. All contracts for the design and construction of the Facilities;
5. Any and all guaranties, indemnities, and warranties of any contractors, subcontractors, vendors, service contractors and suppliers involved in the construction, development, engineering and surveying associated with the Facilities, including without limitation, all rights and claims with respect thereto relating to quality, defects, and similar matters relating to the Facilities;
6. All service and management contracts relating to the Facilities;
7. All claims, causes of action, bonds, and similar rights to the extent (but only to the extent) they relate to the Facilities;
8. All rights to real property interests relating to the Facilities; and
9. Any other documents and instruments pertaining to the Facilities and any and all other ownership and use rights (intangible or otherwise) relating to the Facilities, and all rights, titles and interests appurtenant in any way to any of the foregoing.