

RECORD AND RETURN TO:

BILL OF SALE, ASSIGNMENT AND INDENTURE

THIS BILL OF SALE, ASSIGNMENT AND INDENTURE (this “**Agreement**”), made and entered into _____ but made effective as of the 1st day of September, 2025 (the “**Effective Date**”) by and between

CITY OF PITTSBURGH, having an office at City County Building, Pittsburgh, Pennsylvania 15219 (the “**City**”),

AND

THE PITTSBURGH WATER AND SEWER AUTHORITY D/B/A PITTSBURGH WATER, having its principal offices at 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222 (“**Pittsburgh Water**”) (the City and Pittsburgh Water collectively referred to herein collectively as the “**Parties**”).

WHEREAS, the City owns certain assets located in and around the City of Pittsburgh and Pittsburgh Water leases such assets in connection with the operation and maintenance of a water and sewer system (“**System**”) under that certain Capital Lease Agreement dated July 15, 1995 (the “**Capital Lease**”);

WHEREAS, pursuant to the Capital Lease, at the expiration of the term of the Capital Lease, Pittsburgh Water has the option to acquire all of the leased property from City in consideration of the payment of One Dollar (\$1.00) (the “**Option**”);

WHEREAS, Pittsburgh Water desires to, and does hereby, exercise the Option set forth in the Capital Lease;

WHEREAS, the City wishes to accordingly convey Pittsburgh Water all leased property pursuant to the Capital Lease as expressly set forth herein; and

NOW THEREFORE, THIS AGREEMENT WITNESSES that, in consideration of the sum of One Dollar (\$1.00) in hand paid by Pittsburgh Water to the City, the receipt of which is hereby acknowledged, the Parties, each intending to legally bind itself, its successors and assigns, do hereby covenant and agree as follows:

1. The Parties hereby agree that Pittsburgh Water has exercised the Option, as set forth in the Capital Lease, as of the Effective Date.
2. The Parties understand the following defined terms for purposes of this Agreement:
 - a. “Wastewater Collection Main” means collection and transmission pipelines and related equipment and facilities designed and built to carry Sewage and/or Storm Water in the Sewer System.
 - b. “Sewer Grates” means a grate that covers the entrance to an Authority Collection Main, which allows stormwater to enter the Sewer System.
 - c. “Sewer Lateral” means wastewater or sewer lines that connect a property to the Authority Collection Mains and carry sewage and/or stormwater from one or more buildings or premises to the Authority Collection Mains.
 - d. “Service Lines” means water lines that connect the water service of a residential or non-residential property to the Authority Water Mains and that deliver potable water from the Authority Water Mains to one or more buildings, premises, or facilities.
 - e. “Sewer System” means the portion of the System that 1) collects sanitary and combined sewage and conveys it to ALCOSAN and 2) collects and discharges stormwater.

- f. “Water Main” means water distribution pipe, excluding service connections and Service Lines, used in connection with transporting potable water.
- g. “Water System” means the portion of the System that treats and distributes drinking water.
- h. “Authority Collection Main” means those Wastewater Collection Mains that are a part of or connected to the public Wastewater collection, transmission and conveyance and that fall into one of the following classifications: (1) Wastewater Collection Mains leased to the Authority by the City under the Capital Lease Agreement effective July 27, 1995, as amended; (2) Wastewater Collection Mains constructed by the City or the Authority for public use since July 27, 1995; and (3) Wastewater Collection Mains dedicated to public use and accepted by the Authority on or after July 27, 1995.
- i. “Authority Hydrant” means hydrants owned and maintained by the Authority in the public right of way and used by the City of Pittsburgh for public fire protection services (not including privately owned hydrants as agreed to by the Parties).
- j. “Authority Service Line” means the water line from the distribution facilities of Pittsburgh Water which connects to the Residential Service Line at the hypothetical or actual line or the actual property line, including the control valve and valve box. For Residential Customers, the control valve and valve box determine the terminal point for Pittsburgh Water’s responsibility for the street service connection. This does not apply to Non-Residential Service Lines.

- k. “Authority Storm Water Sewer Mains” means those Storm Water Sewers that are a part of or connected to the public Sewer System and that fall into one of the following classifications: (a) Storm Water Sewers leased to the Authority by the City under the Capital Lease Agreement effective July 27, 1995, as amended; and (b) Storm Water Sewers constructed by the City or the Authority for public use since July 27, 1995; (c) Storm Water Sewers dedicated to public use and accepted by the Authority on or after July 27, 1995.
- l. “Authority Water Main” will mean those Water Mains that are a part of or connected to the public water distribution system and that fall into one of the following classifications: (1) Water Mains leased to the Authority by the City under the Capital Lease Agreement effective July 27, 1995, as amended; (2) Water Mains constructed by the City or the Authority for public use since July 27, 1995; and (3) Water Mains dedicated to public use and accepted by the Authority on or after July 27, 1995.

3. The City does hereby remise, release, quitclaim, transfer, convey and assign unto Pittsburgh Water, its successors and assigns, and Pittsburgh Water does hereby purchase and accept all right, title, interest and claim of the City in and to the following (collectively, the **“Acquired Property”**):

- a. The System insofar as it comprises the following: Authority Water Mains, Authority Collection Mains, Authority Stormwater Sewers, Sewer Grates, Authority Service Lines, and Authority Hydrants including the entire network of water and sewage transmission pipelines and water storage facilities as originally detailed on the City’s engineering maps and

modified, accepted, updated and supplemented in Pittsburgh Water's GIS Maps ;

- b. Certain water storage facilities including tanks and reservoirs, pumping stations, treatment plants, warehouses, structures, and appurtenances situated upon certain property listed and demarcated on Exhibit 1 attached hereto and incorporated herein;
- c. Certain Real Property and fixtures relating to such Real Property identified on Exhibit 1; each such parcel shall be conveyed by Quitclaim Deed, in substantially the same form attached hereto as Exhibit 1-A, duly executed and notarized by the City and delivered to Pittsburgh Water (**"Real Property"**);
- d. Certain express easements as identified on Exhibit 2, each of which shall be conveyed by an easement, in substantially the form attached hereto as Exhibit 2-A, duly executed and notarized by the City and delivered to Pittsburgh Water or easements by implication for the operation of the System as further detailed in Exhibit 2;
- e. All equipment used in connection with or related to the operation of the System (the **"Equipment"**);
 - a. all spare parts wherever located and used in connection with the Equipment; and
 - b. all inventory used in connection with the operation of the Equipment;

- f. Patents, copyrights, contracts with municipalities or authorities outside the boundaries of the City, and leases related to the System as set forth in Exhibit 3.

4. **TO HAVE AND TO HOLD** all of the aforesaid hereby granted or mentioned and intended so to be, to and for the use and behalf of Pittsburgh Water, its successors and assigns so long as Pittsburgh Water does not lease, sell, or transfer the Acquired Property to a private entity. Notwithstanding the foregoing, nothing contained herein shall prohibit Pittsburgh Water from transferring any Real Property and/or Equipment, or portion thereof, that Pittsburgh Water reasonably deems to not be appurtenant to or part of, or essential for the operation of the System to any entity subject to appropriate notice to the City and an opportunity for City to match the offer to purchase said Real Property and/or Equipment, or portion thereof.

5. **SPECIFICALLY EXCLUDING** certain Service Lines and/or Sewer Laterals servicing City-owned property as a customer which shall all remain the property of the City in addition to exclusions and reservations in Exhibit 1 and 3 of the Agreement.

6. **FURTHER RESERVING** the rights of the Parties to agree to convey discovered infrastructure to the System and agreements as noted above in Section 3(f) whereby such infrastructure conveyance will constitute transference of the ownership of said infrastructure as though originally set forth herein.

7. The Parties agree that this Agreement represents only a partial conveyance of all property to be transferred from the City to Pittsburgh Water as certain stormwater facilities are not being conveyed hereby. With respect to such stormwater facilities, the Parties are entering into that certain Bill of Sale, Assignment and Indenture [Stormwater Assets] as of even date herewith.

8. Pittsburgh Water assumes and agrees to pay, perform, and discharge when due any and all liabilities and obligations of the City arising out of or relating to the Acquired Property on

or after the effective date of this Agreement, other than liabilities or obligations caused primarily by the City's negligence or willful misconduct.

9. Pittsburgh Water accepts the Acquired Property in "as is" condition in its present condition and location. THE CITY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE ACQUIRED PROPERTY, INCLUDING ANY WARRANTY RELATED TO THE FITNESS OR CONDITION OR SUITABILITY FOR USE OF ANY SUCH ACQUIRED PROPERTY, NOR DOES THE CITY WARRANT ITS TITLE TO, OR THE TRANSFERRABILITY OF, ANY REAL PROPERTY, AND THE PARTIES AGREE THAT ALL SUCH WARRANTIES ARE DISCLAIMED.

10. Pittsburgh Water represents and warrants that the execution, delivery, and performance of this Agreement has been duly and validly authorized by Pittsburgh Water's Board of Directors, and Pittsburgh Water's signatory has been duly authorized to execute this Agreement on Pittsburgh Water's behalf. The City represents and warrants that the execution, delivery, and performance of this Agreement has been duly and validly authorized by City Council, and the City's signatories have been duly authorized to execute this Agreement on the City's behalf.

11. This Agreement is entered into by the City pursuant to Resolution No. _____, approved _____, 2025, effective _____, 2025. A copy of which is attached hereto and incorporated herein as Exhibit 5. This Agreement is entered into by Pittsburgh Water pursuant to Resolution No. ____ of 2025, approved on _____, 2025. A copy of which is attached hereto and incorporated herein as Exhibit 6.

12. Pittsburgh Water's authorization is conditioned upon the approval of this Agreement by the PUC, if legally required; Pittsburgh Water agrees that it will submit this Agreement for PUC review and/or approval, as the same may be legally required, and that Pittsburgh Water will take all good-faith actions needed to obtain such approval from the PUC as

promptly as possible. No title of any property hereunder shall be transferred under this Agreement, nor shall this Agreement be recorded until such time as the PUC grants approval of the Agreement.

13. This Agreement shall be effective as of 12:00:01 a.m. on the Effective Date.

14. This Agreement is subject to the provisions of the Pittsburgh Home Rule Charter, and the liability of the City thereunder is limited to zero dollars.

NOTICE: THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE, OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE/HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, THE OWNER OR OWNERS OF SUCH COAL MAY NOT DAMAGE THE SURFACE OF THE LAND OR ANY HOUSE, BUILDING, OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT, OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED, OR RESERVED BY THIS INSTRUMENT. [This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments, if any.]

THIS INSTRUMENT IS EXEMPT FROM REALTY TRANSFER TAX PURSUANT TO 91 PA. CODE §§ 91.192 AND 91.193(A) AS A TRANSFER FROM AN EXCLUDED PARTY TO ANOTHER EXCLUDED PARTY.

[signature page follows]

**THE PITTSBURGH WATER AND
SEWER AUTHORITY D/B/A
PITTSBURGH WATER**

By: _____
Chief Financial Officer

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Exhibit 1

Real Property, Easements, Rights of Way and Appurtenances Thereto

All of that certain real property identified as “Pittsburgh Water and Sewer Authority Facility Block & Lot Numbers, Deed Registry Records” on Exhibit “A” of the Capital Lease as follows shall be conveyed to Pittsburgh Water:

Water Treatment Plant - 171-B-1,
Lanpher Reservoir - 119-B-300,
Brashear Tanks - 162-S-25,
McNaugher Tanks - 46-L-240,
Garfield Tank - 50-H-334,
Herron Hill Pump Station - 27-D-35,
Howard Pump Station - 46-S-87,
Lincoln Pump Station - 123-R-12,
Lincoln Tank - 173-G-104,
Saline Pump Station - 54-F-6,
Spring Hill Tanks - 47-P-271,
Squirrel Hill Tank - 55-M-306,
Mifflin Pump Station - 243-G-144,
Rodgers Pump Station - 184-P-35,
Evergreen Pump Station - 163-G-23, and
25th Street Warehouse - 25-P-3.

And further conveying to Pittsburgh Water a subdivided portion of the following parcels as set forth in respective subdivision plans referenced as Exhibit 1-A, and reserving the remainder of such parcels to the City:

Highland Park – 82-H-1,
Herron Hill – 26 - P- 250,

Allentown Tanks – 3-J-180, and

Bruecken Pump Station - 122-L-50.

And further conveying the following properties not expressly listed in the Capital Lease but deemed to comprise parcels belonging to the Acquired Property by the Parties:

Bedford Tank - 10-J-400,

Mission Pump Station - 12-P-210,

Howard Pump Station - 46-M-232,

Lincoln Tank - 173-G-120,

Spring Hill Tanks - 47-P-263. and

Squirrel Hill Tank - 55-M-305.

Expressly excluding and reserving the following properties listed in the Capital Lease from transfer:

Mission Pump Station - 12-P-152, and

Browns Hill Sewer Pump - 89-C-64.

And further reserving an easement for City to continue use of the Herron Hill Pump Station Facilities, at 27-D-35, for the City's continued use consistent with the City's long-term prior use of the property, subject to a written agreement between the City and Pittsburgh Water with respect to the costs associated with the maintenance of the City's use of the property.

Exhibit 1-A

Subdivision Plans

[attached]

Exhibit 2

Easements

A. Express Easements:

The parties shall work together, in good faith, to identify express easements and facilitate the assignment of such express easements to Pittsburgh Water.

B. Scope of limited non-exclusive implied easement:

The City and Pittsburgh Water acknowledge that any easement by implication extends only onto City-owned parcels without duly recorded easements for entry, and only permits entry insofar as access to the Acquired Property is required for maintenance and operation. No implied easement shall be construed to exist over any City-owned or operated public right-of-way.

Such implied easements shall also:

- be non-exclusive so long as it does not interfere with Pittsburgh Water's maintenance and operation of the Acquired Property;
- exist for a period of six hundred (600) days from the execution of this Agreement or until an express easement is duly acquired and recorded, whichever is shorter in time, with respect to those known as the time of this Agreement's execution. If such implied easement was unknown at the time of this Agreement's execution, upon identification, Pittsburgh Water will promptly bring it to the attention of the City at which point such implied easement shall exist for a period of six hundred (600) days from said notice or until an express easement is duly acquired and recorded, whichever is shorter in time;
- require prompt written notice to the Director of the Department of Public Works for access, along with submission of the anticipated duration of entry and the proposed scope of work for activities anticipated to be completed within three (3) business days and performed without any material alteration of the landscape;

- require written approval of the Director of the Department of Public Works for any capital project involving engineering design and coordination with the City, or for any work lasting greater than three (3) business days or involving material alteration of the landscape;
- require the Parties to cooperate, in good faith, with each other and for Pittsburgh Water to exercise best efforts to minimize any disruption or damage to City operations and property during any entry;
- require following any work in the easement, Pittsburgh Water to promptly restore the ground surface of the easement area to substantially the same condition it was in prior to the performance of the work.

Exhibit 3

Leases

[attached]

Exhibit 4

Additional Excluded property

[attached]

Exhibit 5
City Resolution

[attached]

Exhibit 6
Pittsburgh Water Board Resolution

[attached]