

RECORD AND RETURN TO:

**BILL OF SALE, ASSIGNMENT AND INDENTURE
[STORMWATER ASSETS]**

THIS BILL OF SALE, ASSIGNMENT AND INDENTURE [STORMWATER ASSETS]
(this “**Agreement**”), made and entered into _____ but made effective
as of the ____ day of _____, 2025 (the “**Contract 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 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, and pursuant to that certain Bill of Sale,
Pittsburgh Water has exercised its option to acquire all of the leased property from the City in
consideration of the payment of One Dollar (\$1.00) (the “**Option**”); a portion of which conveyance
has been effectuated pursuant to that certain Assignment and Indenture of even date herewith (the

“**Primary Bill of Sale**”; with the leased property conveyed pursuant to the Primary Bill of Sale being defined therein as the “**Acquired Assets**”);

WHEREAS, notwithstanding the conveyance of the Acquired Assets pursuant to the Primary Bill of Sale, the Parties acknowledge that certain property has not, as of the Effective Date, been fully accounted, including without limitation certain facilities, infrastructure and contract rights comprising a portion of the System (e.g., those facilities which collect and convey stormwater);

WHEREAS, insofar as such additional property comprising a portion of the System was not included as part of the Acquired Assets, and by reason of the Parties’ need to: (i) further identify and account such stormwater facilities and infrastructure; and (ii) convey to Pittsburgh Water such remaining property as, the Primary Bill of Sale expressly contemplates the Parties’ execution of this Agreement for such purposes; 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. **Identification of Stormwater Assets.**

a. Following the Contract Date, the Parties shall utilize commercially-reasonable efforts to identify, account and agree upon such stormwater facilities, infrastructure and contract rights that: (i) comprise leased property pursuant to the Capital Lease; (ii) are part of the System to be conveyed to Pittsburgh Water pursuant to its exercise of the Option; (iii) are properly assignable to Pittsburgh Water in accordance with its role as a stormwater utility, and/or (iv) were not included as part of the Acquired Assets conveyed pursuant to the Primary Bill of Sale, including, without limitation and by way of illustrative example only, all such System components,

all equipment used in connection with or related thereto, together with all spare parts wherever located and used in connection with such equipment, all related inventory used in connection therewith, all real property and fixtures relating thereto, express easements, and all applicable patents, copyrights, permits, contracts with municipalities or authorities outside the boundaries of the City, and leases related thereto.

b. Once so agreed by the Parties pursuant to Section 1.a. above, such stormwater facilities and infrastructure shall be identified in writing pursuant to an Amendment to this Agreement (the “**Stormwater Amendment**” which, once agreed in writing by the Parties, shall conclusively identify the “**Stormwater Assets**” to be conveyed pursuant to Section 2 below).

c. In the event that the Parties do not agree, in writing, to the Stormwater Amendment pursuant to Sections 1.a. and 1.b. above on or before June 30, 2026, then either Party, upon thirty (30) days’ notice, may request that the Parties agree upon a mediator to resolve any existing disputes and, if the Parties are unable to agree upon a mediator, to submit a request for mediation to the American Arbitration Association. The Parties agree that the mediator shall be experienced in environmental law and have in excess of twenty (20) years’ experience as an attorney. A request by one Party for mediation is an absolute condition precedent to any Party commencing dispute resolution proceedings. If the Parties cannot agree as to proceeding with mediation or such mediation does not resolve remaining disputes, either Party may submit to the exclusive jurisdiction in the federal or state courts located in Allegheny County, Pennsylvania, for full and final resolution of any remaining disputes and division of assets under Sections 1.a. and 1.b. above. The provision shall not preclude the Parties from mutual agreement on an alternative dispute resolution forum, including but not limited to arbitration.

2. **Conveyance of Stormwater Assets.**

a. Expressly conditioned upon the Parties' execution of the Stormwater Amendment in strict compliance with Section 1.b. above (the date of such Stormwater Amendment being the "**Conveyance Effective Date**," the City does, by operation of this Section 2, 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 Stormwater Assets.

b. Without limiting the foregoing, any applicable real property, if any, comprising the Stormwater Assets shall be conveyed by Quitclaim Deed, in form to be agreed by the Parties as part of the Stormwater Amendment, duly executed and notarized by the City and delivered to Pittsburgh Water; and any applicable easements, if any, comprising the Stormwater Assets shall be conveyed by an easement, in form to be agreed by the Parties as part of the Stormwater Amendment, duly executed and notarized by the City and delivered to Pittsburgh Water or easements by implication for the operation of the System. Pittsburgh Water shall, upon transfer, assume sole performance of all obligations under any such permits.

3. **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 Stormwater Assets 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.

4. **FURTHER RESERVING** the rights of the Parties to agree to convey discovered infrastructure to the System and agreements whereby such stormwater infrastructure conveyance

will constitute transference of the ownership of said stormwater infrastructure as though originally set forth herein.

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

6. Pittsburgh Water accepts the Stormwater Assets in "as is" condition in its present condition and location. THE CITY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE STORMWATER ASSETS, INCLUDING ANY WARRANTY RELATED TO THE FITNESS OR CONDITION OR SUITABILITY FOR USE OF ANY SUCH STORMWATER ASSETS, 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.

7. 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.

8. This Agreement is entered into by the City pursuant to Resolution No. _____, approved _____, 202____, effective _____, 202____. A copy of which is attached hereto and incorporated herein as Exhibit 1. This Agreement is entered into by Pittsburgh Water pursuant to Resolution No. ____ of 202____, approved on _____, 202____. A copy of which is attached hereto and incorporated herein as Exhibit 2.

9. 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.

10. This Agreement shall be effective as of 12:00:01 a.m. on the Contract Date; subject, however, to conveyance of the Stormwater Assets being effective only upon the occurrence of the Conveyance Effective Date.

11. 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]

CITY OF PITTSBURGH

By: _____
City Controller

Error! Unknown document property name.

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

By: _____
Chief Financial Officer

Error! Unknown document property name.

Exhibit 1

City Resolution

[Attached]

Exhibit 2

Pittsburgh Water Board Resolution

[Attached]