

AGREEMENT OF SALE

MADE this \_\_\_\_ day of \_\_\_\_\_, 2016,

BETWEEN

**CHARLES O. ZEBLEY, JR.**, Trustee in Bankruptcy for the **SOMERSET REGIONAL WATER RESOURCES, LLC** (“SRWR”), Bankruptcy Number 15-70766 JAD, Western District of Pennsylvania (“Bankruptcy Court”), hereinafter called “SELLER,”

AND

\_\_\_\_\_, a, \_\_\_\_\_ hereinafter called “PURCHASER.”

WITNESS THAT, in consideration of the mutual covenants herein contained and with the intent to be legally bound hereby, the parties hereto agree as follows:

1. By order of the Bankruptcy Court dated May 17, 2016 [Docket No. \_\_\_\_], Industrial Assets Corp. (“Auctioneer”) was authorized to conduct an auction on behalf of the Trustee for certain real property owned by SRWR, including the Premises.
2. Seller will sell and convey to Purchaser, and Purchaser will buy the that certain real property commonly identified as [Address or other Description] (the “Premises”).
3. Purchaser will pay Seller \$\_\_\_\_\_ (“Purchase Price”) for the Premises, as follows: (i) 10% of the Purchase Price, or \$\_\_\_\_\_ (“Hand Money”) at the signing of this Agreement, the receipt whereof Seller acknowledges, and (ii) the balance of the Purchase Price, \$\_\_\_\_\_, at the time of closing. Closing on the transaction contemplated by this Agreement is not contingent on financing by the Purchaser. The Hand Money and Purchase Price shall be paid directly to the Trustee by wire transfer to the following account: [Account Info.]
4. At the time of closing, Seller will execute and deliver to Purchaser a special warranty deed for the Premises.
5. Purchaser will pay all realty transfer taxes applicable to this conveyance.
6. The parties will prorate all real estate taxes and municipal assessments assessed against the Premises as of the time of closing on a fiscal year basis.
7. The time of closing will be no later than July 8, 2016. Time is of the essence.
8. In the event Purchaser fails to close on the sale, Seller may, at Seller’s sole option, elect to:

- (a) Retain the Hand Money deposit as liquidated damages, in which event this Agreement will become null and void, and both parties will thereupon be released from all further liability hereunder. Because, without resale Seller's damages will be difficult to ascertain, Purchaser's hand money deposit constitutes a reasonable liquidation of Seller's damages and not a penalty.
- (b) Apply the Hand Money deposit and all other money paid on account of the Purchase Price toward the Purchase Price and proceed with an action for specific performance.
- (c) Apply all of the Hand Money toward Seller's loss on the resale of the Premises and proceed with an action at law for all damages sustained by Seller.
- (d) No election of (b) or (c) shall be final or exclusive until Seller receives full satisfaction.

9. Pursuant to the Act of July 17, 1957, P.:. 984, as amended and for no other purpose, the following paragraph is made a part hereof:

“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 THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND 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 AND ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT.”

- 10. Purchaser has had the opportunity to inspect the Premises to their satisfaction. The sale of the premises is “as is,” “where is,” free of all liens and encumbrances with no contingencies. Seller makes no representation regarding either the condition of the Premises, or its suitability for Purchaser's intended use of it. Seller will not remediate any problem that Purchaser later finds on the Premises. Seller makes no representation regarding the title to any personal property still on the Premises as of closing on the sale provided for in this Agreement.
- 11. Purchaser has investigated the current occupancy of the Premises. After the closing Purchaser, at Purchaser's sole expense, will have sole responsibility to dispose of any items of personal property still on the Premises and to remove occupants from the Premises. Seller makes no representation whether any such occupant will later claim to have paid a security deposit or is entitled to any other credit against future rent. Seller will make no refund to either the Purchaser or any occupant of any amount the occupant claims to be owed.

12. Seller will make no representation to Purchaser's lender at time of closing.
13. Purchaser represents that to the best of Purchaser's knowledge, it has no prior relationship with SRWR, its officers or directors. Purchaser further represents that it participated in the Auctioneer's sale process relating to the Premises in good faith, without collusion, and not in violation of applicable law. Purchaser also represents that it has full and valid authority to execute and perform under this Agreement.
14. Seller reserves the right to select a settlement agent to handle the closing.
15. At closing Purchaser will bear the commission of the Auctioneer, which is 5% of the Purchase Price ("Auctioneer Commission") together with all closing costs including but not limited to all transfer taxes, cost of lien letters, and the settlement agent's fees and expenses. Other than the prorated municipal liens and the real estate taxes, no other costs of closing will appear on Seller's side of the closing statement (unless Seller is obligated by applicable law to pay a lien or encumbrance in order to convey free and clear title to the Premises).
16. Other than the real estate taxes, municipal assessments and Auctioneer Commission, the settlement officer will deliver all sales proceeds to Seller.
17. The Bankruptcy Court will have jurisdiction and venue over any dispute in connection with this Agreement. The parties consent to the Bankruptcy Court rendering a final judgment to the extent allowed by federal law as part of bankruptcy case 15-70766.
18. The laws of the Commonwealth of Pennsylvania governs this Agreement and the sale transaction contemplated by this Agreement .
19. This writing represents the parties' complete agreement and no oral agreements or understandings exist. This Agreement may only be amended or modified in a writing executed by each of Seller and Purchaser.
20. Pursuant to the Liquidation Protocol approved by the Bankruptcy Court by Order dated April 14, 2016, the Trustee is authorized to withhold from the Purchase Price at closing (a) reasonable, necessary and documented legal fees and costs of the Trustee directly associated with the sale contemplated in this Agreement (b) any other documented costs of sale directly attributable to the sale of the real property contemplated by this Agreement, and (c) payment of a 10% fee to the Trustee. Somerset Trust Company reserves the right to seek relief from the automatic stay with respect to the real estate subject to this Agreement and/or credit bid any lien that Somerset Trust Company may have against the real estate subject to this Agreement.
21. This Agreement may be executed by one or more of the parties hereto in separate counterparts, each of which when so executed shall be deemed an original and all said counterparts when taken together shall be deemed to constitute one and the same instrument. The exchange of copies of this Agreement and of signatures

pages by email or facsimile shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original Agreement for all purposes. Signatures of parties transmitted by email or facsimile shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_(SEAL)  
Charles O. Zebley, Jr., Trustee, for the  
Somerset Regional Water Resources, LLC,  
Case Number 15-70766 JAD

“SELLER”

\_\_\_\_\_  
Witness

By \_\_\_\_\_(SEAL)  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
“PURCHASER”

CONSENT AS TO PURCHASE PRICE:

SOMERSET TRUST COMPANY

By \_\_\_\_\_  
Its: \_\_\_\_\_