

Issues Matrix for Milford Water Company

(as of ~~July 10~~August 16, 2017)

Below is a summary of due diligence undertaken by Brown Rudnick LLP ("Brown Rudnick") on behalf of the Town of Milford (the "Town") in anticipation of the purchase of the Milford Water Company (the "Company" or "MWC"). Brown Rudnick has conducted a due diligence investigation of the Company in various areas including, but not limited to, management, stockholders, corporate matters, business operations, employees, employee benefits and environmental issues. The Town has also engaged other specialists (Lincoln Group, Dave Russell, Tata & Howard, Woodward & Curran) to conduct financial and engineering due diligence investigations and this summary does not include any results of those investigations. The information set forth herein is based entirely on responses from the Company or Company's counsel to questions posed by Brown Rudnick and documents shared by the Company or Company's counsel in response to the due diligence request list attached hereto as Exhibit BC. Brown Rudnick and the Company have engaged in follow up to the initial due diligence request list as well. This summary is preliminary and we cannot guarantee that the information is accurate or complete. We've included a new section below which links the various "Concerns/Actions" with sections in the eventual stock purchase agreement ("SPA") that will address the risks posed by those concerns.

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
I. Corporate Records and Stockholder Information				
1.	Consent of Stockholders Needed	Stock records provided are difficult to read and unclear about when stock was purchased and/or transferred.	<p>i. Maintain flexibility to switch to merger if not able to obtain all SHs signatures; merger would still require the affirmative vote of at least 6,666 shares of Common and Class A Preferred Stock (2/3rds vote).</p> <p>ii. Stock records not clear; obtain legal opinion from MWC counsel re: stock holdings; this was</p>	<p><u>i. This will be resolved, in part, based on the signatories to the SPA.</u></p> <p><u>ii. Opinion of counsel of MWC to be relied upon as</u></p>

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			<p>requested already, but MWC requested that we wait until the town vote to address any further.</p> <p><u>iii.</u> Will need to address DTC mechanics as certain stock is held by brokers through DTC.</p> <p><u>iv.</u> <u>iii. As of 8/9, Company has a request into Cede & Co. and is waiting to hear back on this issue.</u></p>	<p><u>well and required as a deliverable under the SPA.</u></p>
2.	Good Standing	<p>Certificate of Good Standing dated as of June 14, 2017.</p> <p>No foreign qualifications.</p>	<p>Confirm Company remains in good standing until purchase. <u>Consider when to request updated Certificate of Good Standing.</u></p>	<p><u>i. Condition to Close: delivery of up-to-date good standing certificate.</u></p> <p><u>ii. Covered by a Representation and Warranty ("Rep and Warranty") of MWC.¹</u></p>
3.	Corporate Formation	<p>A. Company formed on March 9, 1881 by a special Act of the Commonwealth of Massachusetts. Charter of Company dated December 20, 1972; Articles of</p>	<p>Confirm date of <u>The bylaws, copy provided is undated by the Company are a handwritten copy dated in 1907. Company confirms</u></p>	<p><u>i. Rep and Warranty verifying the</u></p>

¹ NOTE: All Reps and Warranties and covenants made by the MWC will be covered by indemnification.

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		<p>Amendment dated December 21, 1983; Restated Charter dated March 27, 1992; Amendment dated March 9, 2010.</p> <p>3 types of stock:</p> <ul style="list-style-type: none"> a. Class A Preferred Stock, par value \$50/share (2,000 shares authorized; 2,000 outstanding) - equal voting power with Common Stock, except with respect to retirement of preferred stock which is reserved for Common Stockholders. b. Class B Preferred Stock, par value \$50/share (6,000 shares authorized; 5,482 shares outstanding) - no voting power or right to participate in stockholder meetings. c. Common Stock, par value \$50/share (8,000 shares authorized; 8,000 outstanding). <p>B. Bylaws.</p> <p>C. Board and stockholder meeting minutes.</p>	<p><u>that no formal amendment exists aside from what is provided.</u></p>	<p><u>accuracy and completeness of the bylaws provided.</u></p> <p><u>ii. Condition to Close: delivery of Secretary's Certificate of MWC verifying accuracy of documentation.</u></p>
4.	Dividends	<ul style="list-style-type: none"> A. Class A Preferred Stock - entitled to cumulative dividends at the rate of, but not to exceed 6% per annum, payable semi-annually April and October. B. Class B Preferred Stock - entitled to non-cumulative dividends at the rate of, but not to exceed 6% per annum, payable semi-annually April and October. 	<p>Depending on timing of closing, accrued dividends on Class A Preferred will remain outstanding; confirm payment with proceeds of closing. As of July 3, 2017, \$3,000.00 has accrued for Class A Preferred.</p>	<p><u>i. Rep and Warranty: confirming any outstanding dividend payments.</u></p> <p><u>ii. Working Capital Adjustmen</u></p>

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				<u>t for</u> <u>payment</u> <u>thereof.</u> <u>iii. Covenant</u> <u>specifying</u> <u>permitted</u> <u>dividends,</u> <u>if any.</u>
5.	Securities Law Compliance	One Form D was provided; filed in connection with issuance of Class B Preferred Stock on December 21, 1983.	Confirm whether <u>Company</u> <u>confirmed that no other securities</u> law <u>SEC filings exist other than the</u> <u>Form D filed in 1983.</u>	<u>Rep and</u> <u>Warranty.</u>
II. Employee Matters				
6.	Pension	Pension Plan <ul style="list-style-type: none"> Participation limited to employees hired before January 1, 2016. Certain actuarial valuations. 	i. Obtain <u>updated</u> actuarial analysis on a plan termination basis <u>that reflects, in pertinent part, providing lump sum elections to all participants other than those in pay status.</u> ii. Prevent Town from becoming liable as successor entity. <u>iii. Ensure MWC pays necessary payments</u> <u>Company fully funds the pension plan on a termination basis</u> at or prior to closing and	<u>i. Rep and</u> <u>Warranty.</u> <u>ii. Condition</u> <u>to Close:</u> <u>terminatio</u> <u>n of the</u> <u>existing</u> <u>MWC</u> <u>plan.</u>

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			<p>terminates pension plan.</p> <p><u>iv. Ensure Company terminates pension plan as of a date no later than the closing date and makes all required filings with the Pension Benefit Guaranty Corporation, the U.S. Department of Labor, and the Internal Revenue Service (determination letter filing).</u></p> <p><u>v. Company did not amend and restate its pension plan to reflect changes in tax law. Company has agreed to submit a correction application to the Internal Revenue Service at or around Labor Day to correct.</u></p> <p><u>vi. Prior to termination date, determine whether benefit accruals for active participants should be frozen to mitigate liability.</u></p> <p><u>vii. Given that assets will be distributed after the termination date and likely after closing, determine whether the pension plan should be</u></p>	

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			<u>maintained by a municipal vehicle or by a Company-side vehicle.</u> iii.	
7.	Salary Advances	<p>The Company from time to time has entered into various salary advance agreements with its employees. A total of \$32,175.07 remains outstanding to various employees as of June 17, 2017.</p> <p>Employees with currently outstanding balances are:</p> <ul style="list-style-type: none"> • Linda Grandin; • Joseph Gallarant; and • Alex Hall. 	<p>i. Determine whether to require MWC to pay or to take on this potential liability.</p> <p>ii. <u>Confirm up-to-date amount of outstanding salary advances at time of agreement.</u></p>	<p>i. <u>Condition to Close.</u></p> <p>ii. <u>Working Capital Adjustment for payment.</u></p>
8.	Employees	<p>The Company currently has fifteen (15) employees. The Company does not have any employment agreements in place with its employees. The employees and their roles are as follows:</p> <ul style="list-style-type: none"> • David Condrey - General Manager - Hired 3/15/2010 • Vincent Farese - Operations Manager - Hired 6/8/2009 • Dana Pickering - Primary Distribution Operator - Hired 11/14/2011 • Joseph Gallarant - Foreman/Machine Operator - Hired 5/13/2013 • Alex Hall - Secondary Distribution Operator - Hired 4/19/2011 • Tommy O'Loughlin - Alternate Distribution 	<p>i. Consider offers to employees.</p> <p>ii. Use form employment agreement.</p> <p>iii. Build covenants to hire into purchase and sale to show townspeople the Town's intent?</p> <p>iv. Consider incentives?</p> <p>v. Confirm no union activity <u>currently or in the past and no participation in any multiemployer pension plan currently or in the past.</u></p> <p>vi. <u>Confirm no independent contractors.</u></p>	<p>i. <u>Rep and Warranty.</u></p> <p>ii. <u>Condition to Close: either termination or assumption of welfare benefit plans maintained by the Company.</u></p>

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		<p>Operator - Hired 10/14/2014</p> <p>• _____ Manny Lago - Distribution Operator - Hired 11/13/2006</p> <p>• _____ Joe Goncalves - Distribution Operator - 7/27/2015</p> <p>• _____ Jeffrey Papuga - Primary Treatment Plant Operator - Hired 7/19/1999</p> <p>• _____ Paul Schneider - Secondary Treatment Operator - Hired 7/30/2012</p> <p>• _____ Eric Basset - Alternate Treatment Operator - Hired 7/1/2013</p> <p>• _____ Craig Grondin - Treatment Operator - Hired 5/13/2013</p> <p>• _____ Linda Grondin - Office Manager - Hired 12/4/2006</p> <p>• _____ Gina Pandozzi - Clerk - Hired 8/21/2006</p> <p>• _____ Courtney Dagnese - Meter Reader - Hired 10/14/2014</p>		
9.	Insurance	<p><u>Insurance policies have been requested. The insurance policies currently held by the Company are as follows:</u></p> <ul style="list-style-type: none"> • <u>Workers Compensation - Travelers Insurance (\$20,929 premium) (Proof of insurance obtained)</u> • <u>Package - Arch Insurance (\$81,859 premium) (Proof of insurance obtained)</u> • <u>Excess Liability - Arch Insurance (\$6,951 premium) (Proof of insurance obtained)</u> • <u>Directors & Officers - National Casualty (\$15,678 premium) (Proof of insurance obtained)</u> • <u>Business Auto - Travelers Insurance</u> 	<p>i. <u>Review policies. Confirm proof of insurance for Excess Auto Liability Insurance and Bond St. Opening Insurance.</u></p> <p>ii. <u>Confirm certain follow-up requests related to the Principal Financial Group Insurance.</u></p>	<p>i. <u>Rep and Warranty.</u></p> <p>ii. <u>Covenant of MWC.</u></p> <p>iii. <u>Potentially a Condition to Close.</u></p>

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
		<p><u>(\$18,170 premium) (Proof of insurance obtained)</u></p> <ul style="list-style-type: none"> • <u>Excess Auto Liability - Scottsdale Insurance (\$8,112 premium)</u> • <u>Bond St. Opening (Milford) - C.N.A Surety (\$150 premium)</u> • <u>Tufts Health Plan</u> • <u>Principal Financial Group - Group Life Insurance, Accidental Death and Dismemberment Insurance, Group Dental PPO Insurance, Group Long Term Disability Insurance, Group Short Term Disability Insurance, Group Vision Care Expense Insurance, Group Voluntary Term Insurance</u> 		
III. Debt				
10.	Long-Term Debt	<p>A. 4.28% Secured Mortgage Note payable to People's United Bank, N.A. ("People's") - Debt outstanding as of 12/31/2016 was \$1,854,166 (yield maintenance fee due at prepayment);</p> <p>B. 3.51% Secured Mortgage Note payable People's - Debt outstanding as of 12/31/2016 was \$1,146,250 (yield maintenance fee due at prepayment);</p> <p>C. 2.35% Secured Mortgage Note payable to People's - Debt outstanding as of 12/31/2016 was \$16,856,667 (yield maintenance fee due at prepayment); and</p> <p>D. \$1.5 million revolving line of credit with</p>	<p>i. Confirm payoffs at closing. Total outstanding long-term debt with People's was \$19,857,083 as of 12/31/16.</p> <p>ii. Confirm release of all liens and mortgages at closing.</p> <p>iii. Further documentation on the Genworth Letter of Credit has been requested.</p> <p><u>iii.</u> iv. Confirm whether Town would like Brown Rudnick</p>	<p><u>i. Rep and Warranty.</u></p> <p><u>ii. Condition to Close that all debt be paid off.</u></p> <p><u>iii. Working Capital Adjustments to account for any debt</u></p>

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		<p>People's - Debt outstanding as of 12/31/2016 was \$379,387 (prepayment allowed without penalty).</p> <p>The loans are secured by a Mortgage and Security Agreement of real estate located at (a) Dilla Street, Purchase Street, Cedar Street, Cedar Street Rear, South Cedar Street, Dilla Street Rear, Congress Street, Highland Street, Haven Street Rear, Pine Island Road, Central Street Rear and West Pine Street, Milford, MA, and (b) Echo Lake, Granite Street and Hayden Rowe Street, Hopkinton, MA.</p> <p><u>"Genworth Letter of Credit" is referenced in the People's Loan Agreement, but no information has been provided.</u></p>	<p>to run lien search for UCC filings. <u>Quote for cost of lien search provided to town along with this presentation.</u></p>	<p><u>continuing following close of the transaction.</u></p>
11.	Credit Card	<p>Wells Fargo credit card appears to be outstanding. Initial term is 3 years beginning on date bank first processed transaction, with auto renewal for yearly terms thereafter. Early termination fee will be applied (\$250 if less than 12 months remain from the date of termination to the end of the current term or \$500 if more than 12 months remaining).</p> <p><u>Company has provided email received from "TSYS" - its representative - that the account is a month-to-month agreement and there will be no closing fees associated with closure of the account.</u></p>	<p>i. Confirm termination. ii. Confirm payoff of all outstanding amounts.</p>	<p>i. <u>Rep and Warranty.</u> ii. <u>Condition to Close that all debt be paid off.</u> iii. <u>Working Capital Adjustment to account for any debt continuing following close of</u></p>

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				<u>the transaction.</u>
12.	Note to David White	According to the Company, this note has been repaid in full. \$500,000 note provided to David White with interest of 6% to be repaid on October 22, 2015.	Obtain written evidence of termination.	<u>i. Rep and Warranty.</u> <u>ii. Condition to Close that all debt be paid off.</u> <u>iii. Working Capital Adjustment to account for any debt continuing following the close.</u>
IV. Litigation				
13.	Class Action Lawsuit	Jameson Mello, et al. v. Company - settlement reached and authorized by Worcester Supreme Court on or about October 17, 2014. Terms of settlement provided for payment to plaintiffs of \$225,000; additional payment to various customers of \$35,000; Company required to construct replacement well on Clark Island at a	<u>i. Confirm Company has confirmed that</u> Bennett and Mello cases reference the same case. <u>ii. Clearly exclude any remaining liabilities (if any) from purchase.</u>	<u>i. Rep and Warranty.</u>

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		cost of not less than \$150,000; fees and expenses of Plaintiff's counsel to be paid by Company and Company agreed not to seek recovery from ratepayers of these costs. Board minutes from July 23, 2015 indicate that final payments and other obligations under the settlement were fulfilled at the end of June 2015.		
14.	Threatened and Pending Litigation	Company response indicates that they have not received any written notices of threatened litigation and that no litigation is currently pending.	i. Obtain representation in the P&S agreement to that effect. <u>i. ii--Confirm whether Town would like Brown Rudnick to run a docket search. Quote for cost of docket search provided to town along with this presentation.</u>	<u>i. Rep and Warranty that no written notices of threatened litigation have been received and that no litigation is currently pending.</u>
V. Related Party Transactions				
15.	<u>R.H. White and Related Parties</u>	<u>Per the subcontractor list in Item 16 below, RH White Construction was paid \$216,261.09 by MWC in 2016.</u> <u>A series of Chemical Bid letters from WhiteWater.</u>	<u>i. Insert covenant in P&S that MWC will not enter into related party transactions without consent of Town.</u>	<u>i. To be addressed in Covenants section of</u>

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		<u>Inc., a subsidiary of R.H. White Companies, Inc. was provided along with the list of the Company's top suppliers.</u>	<u>ii. WhiteWater bid letters appear to be from WhiteWater to unrelated third parties. Following up with Company as to relevance.</u>	<u>ii. SPA. Rep and Warranty.</u>
16.	Subcontractors	<p><u>Requested list of 20 largest subcontractors including annual dollar amounts contracted for and any agreements with subcontractors Company has noted that they do not utilize the services of "Subcontractors" on an annual basis but does hire various "Contractors" for projects or jobs as needed. The following is a list of the largest contractors utilized by the Company in 2016 and the amount paid to such contractor:</u></p> <ul style="list-style-type: none"> <u>i. J.A. Polito & Sons Inc. (\$342,642.63)</u> <u>ii. RH White Construction (\$216,261.09)</u> <u>iii. Tata & Howard, Inc. (\$150,490.57)</u> <u>iv. Subsurface Technologies, Inc. (\$72,220.00)</u> <u>v. Maher Services, Inc. (\$59,865.04)</u> <u>vi. Diving Services Incorporated (\$44,500.00)</u> <u>vii. Asphalt Paving & Maintenance (\$39,970.00)</u> <u>viii. R.M. Pacella, Inc. (\$17,701.37)</u> <u>ix. Blueleaf Incorporated (\$17,316.38)</u> <u>x. B&J Electric, Inc. (\$14,466.89)</u> <u>xi. Claro Construction Corporation (\$13,760.00)</u> <u>xii. R.E. Erickson Co., Inc. (\$13,087.43).</u> 	<u>Follow up with Company to receive diligence requested on any underlying agreements with such Contractors that have not been received to date.</u>	<u>i. Rep and Warranty.</u>
17.	Suppliers	<u>Requested list of 20 largest suppliers including annual dollar amounts purchased and any</u>	<u>Follow up with Company to receive diligence requested on any</u>	<u>i. Rep and Warranty.</u>

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		<p><u>agreements with suppliers Company provided list of their top 2016 Suppliers, listed below including amount of purchases Company made from such Supplier:</u></p> <ul style="list-style-type: none"> <u>i. National Grid (\$285,213.58)</u> <u>ii. Badger Meter, Inc. (\$155,364.79)</u> <u>iii. Tufts Health Plan (\$153,744.21)</u> <u>iv. Univar USA Inc. (\$118,675.99)</u> <u>v. Bright Insurance Agency (\$109,233.70)</u> <u>vi. Northern Data Systems, Inc. (\$60,200.21)</u> <u>vii. Holland Company, Inc. (\$56,584.01)</u> <u>viii. Putnam Pipe Corp (\$47,352.84)</u> <u>ix. Travelers CL Remittance Center (\$46,892.00)</u> <u>x. Stowe & Degon LLC (\$32,335.00)</u> <u>xi. Dauphinais Concrete, Inc. (\$31,264.70)</u> <u>xii. New England Testing Laboratory (\$30,077.00)</u> <u>xiii. John Hoadley & Sons, Inc. (\$29,466.70)</u> <u>xiv. PLIC - SBD Grand Island (\$26,675.84)</u> <u>xv. Harcross Chemicals Inc. (\$21,621.60)</u> <u>xvi. David Sanches (\$20,917.50)</u> <u>xvii. Carus Phosphates, Inc. (\$19,212.43)</u> <u>xviii. Riley Brothers, Inc. (\$18,614.22)</u> <u>xix. Wylie & Julian Oil, Inc. (\$16,896.23)</u> <u>xx. Borden & Remington Corp. (\$13,406.88)</u> 	<u>underlying agreements with such Contractors that have not been received to date.</u>	
VI. Environmental				
18.	Turbidity	Letters dated as of October and November 2013 indicate that the Company received notice that	Review additional information requested	<u>i. Rep and Warranty.</u>

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
		<p>their water was experiencing abnormal turbidity levels (transparency of water based on number of particles therein). It appears that actions such as installation of turbidity meters, decanting system and turbidity alarms were undertaken and public notice was made to all customers.</p> <p>In May 2013, the Company applied for a pilot study that appears to be related to the turbidity issue.</p>	related to turbidity pilot study.	<p>ii. <u>Potentially a Covenant as well.</u></p>
19.	Godfrey Brook Water Treatment Facility	<p>June 4, 2014 DEP Notice of Noncompliance - disinfection system was changed from chlorine to liquid sodium hydrochlorite without permit approval, a day tank for potassium hydroxide as required in a January 29, 2013 Sanitary Survey report had not been installed, and a spill of potassium hydroxide (KOH) had occurred in the containment area. Requirements imposed included hiring an engineer to evaluate pH throughout the treatment process and conducting testing, submitting a BRP WS 29 permit application (for modification to the KOH feed system), and submitting certification that spilled KOH has been removed and the area evaluated, repaired and repainted. By letter dated January 23, 2014, the Company notified DEP that the KOH spill area had been cleaned and repainted. On July 17, 2014, DEP approved plans submitted by the Company for system modification under BRP WS 29 for KOH and sodium hydrochloride chemical feed systems.</p>	Confirm no further actions necessary.	<p>i. <u>Rep and Warranty.</u></p> <p>ii. <u>Potentially a Covenant as well.</u></p>
20.	Manganese Levels	<p>May 4, 2016 - DEP Notice of Noncompliance - indicating that a test of the Company's manganese levels in the Company's water was greater than</p>	Confirm no further actions necessary.	<p>i. <u>Rep and Warranty.</u></p>

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
		the DEP's guidance level. Because the health advisory on manganese was provided in Customer Confidence Reports (CCR), only new customers need to be notified until DEP decides that the level is consistently below 0.3 mg/l. An attached form of notice must be used, or if a different form is used, approval from DEP must be obtained. Manganese results must be included in the annual CCR and specific language set forth in the regulations must be included.		<u>ii. Potentially a Covenant as well.</u>
21.	Sanitary Survey	December 12, 2016 - Letter from DEP requiring corrections found in the Sanitary Survey. The Survey includes a detailed description of the water system. The survey includes a number of deficiencies that need to be corrected, some of which appear to have been corrected prior to the issuance of this letter and are noted with an "action complete date" in the letter. However, a number of deficiencies were to be corrected at various points in 2017, including leaks that were letting water into manholes, and leaks from the system, the poor condition of tanks, and concerns with Echo Lake Dam. The Company has provided a "Table B-Deficiencies" with completion dates handwritten in for a number of the 2017 requirements. It appears that only the requirement that a plan for making the "Chemical Addition Manhole" water tight by June 30, 2017 remains open.	<u>i. Confirm no further actions necessary. Information was provided listing dates of compliance with all requirements except for upgrades required to the Echo Lake intake (which were apparently not completed due to high water levels).</u> <u>ii. DEP extended the compliance deadline for this work until September 29, 2017.</u> <u>iii. Confirm compliance with such requirements by September 29, 2017.</u>	<u>i. Rep and Warranty.</u> <u>ii. Potentially a Covenant as well.</u>
22.	2009 Boil Water Order	On August 8, 2009, routine bacteria samples were positive for coliform and E. coli. A Boil Water Order was required by DEP. DEP directed MWC to	<u>i. Review requested copy of ACOP and Return to Compliance letter.</u>	<u>i. Rep and Warranty.</u>

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		inspect tanks and system. Congress Street Tank inspection found holes and sampling showed coliform and E. coli. Tank had been represented to have been inspected, but may not have been inspected for years. DEP indicated that there was a buried valve that had not been flushed or exercised in some time, and had not been shown on a system plan as had been required in Sanitary Survey non-compliance letter the year before. That valve failure caused chlorine to not be drawn into system. Once fixed, test results were OK, and Boil Water Order was lifted (<u>confirmed as of August 21, 2009</u>). ACOP required submission of a plan to replace or repair the tank, correction of distribution system, and submission of Capital Improvement Plan. ACOP also required plan for pilot study of Stage 2 Disinfectants, submission of a Pilot Study Report, and by July 2011 a plan for modification for the Dilla Street treatment facility, with construction completed by April 2013 and placed in service the following month. The Company must also prepare an Environmental Management System plan (that details how to respond to various emergencies). A "return to compliance" letter was to be issued by DEP. Finally, the Company was to pay for a "Reverse 911 System" for the Town, along with penalties to DEP. The Town has confirmed that the Reverse 911 System has been installed and paid for by the Company.	<p>i. <u>No Return to Compliance letter was provided; however, a series of documents showing Responses to DEP requirements was provided. Note that the Consent Order issued by DEP in response to this incident included a penalty that was suspended unless the Company violated the Consent Order or violated other regulations within one year. A copy of a DEP Demand Letter was provided whereby DEP reinstated a \$10,000 penalty for discontinuing chemical treatment at the Dilla Street Facility without approval. It is unclear if this penalty was paid and the violation resolved.</u></p> <p>ii. <u>Confirm no outstanding liabilities whether penalty was paid and if violation was resolved.</u></p>	<p>ii. <u>Potentially a Covenant as well.</u></p>
23.	21E - Notice of Environmental Response Action	Related to 160 East Main Street - doesn't appear to be related to Company from its face.	<u>Confirm whether Company has confirmed that the information provided related to 160 East Main</u>	<p>i. <u>Rep and Warranty.</u></p>

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			<u>Street was provided as an FYI and the Company owns nothing at this property other than a water service and meter.</u>	<u>ii. Potentially a Covenant as well.</u>
24.	Permits	<p>The following permits were provided:</p> <ul style="list-style-type: none"> • 2017 Certificate of Registration as a Public Water System under 310 CMR 22; • Draft 2010 Water Management Act Permit - April 5, 2010; • Draft Water Withdrawal Permit- expires 2/28/2009; • DCR Dam registration - 4/26/2016; • Flammable storage permit from State Fire Marshall for pump station - 2016; • Radio Station Authorization and Telecom License- 2014; and • June 9, 2017 - DEP Letter on Permit Extension Act - Water Management Registration now expires December 31, 2021. The extension request was originally due on June 30, 2017. 	<p><u>i. Confirm whether any further steps necessary for Town to begin running Company with respect to permitting.</u></p> <p><u>ii. Confirm transferability of such permits.</u></p>	<p><u>i. Rep and Warranty.</u></p> <p><u>ii. Potentially a Condition to Closing.</u></p>
25.	Phase I Environmental Site Assessment	Brown Rudnick requested any Phase I surveys that had been done, but didn't receive any in the response to that request.	Consider having a Phase I survey done. <u>Quote for cost of Phase I survey provided to town along with this presentation.</u>	<u>N/A</u>
VII. Assets				
26.	Owned Real Property	<u>See All real property owned by Milford Water Company, including without limitation the properties identified by Sellers set forth on the</u>	<p><u>i. Residential property to be excluded from P&S.</u></p> <p><u>ii. Review of entitlements</u></p>	<p><u>i. Rep and Warranty.</u></p> <p><u>ii. Covenant.</u></p>

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		chart attached <u>hereto</u> as Exhibit A, <u>but excluding certain residential real property to be specifically identified by the SPA.</u>	<u>benefitting water distribution system</u> iii. Review deeds and title for properties once provided upon receipt. iv. Consider <u>having</u> title searches now? done. <u>Quote for cost of title searches provided along with this presentation.</u>	
27.	Leases	A. Worcester Tower Holdings LLC Lease - Company leases to Worcester Tower Holdings LLC; initial lease term runs through January 2025 with extension options for 5 year periods thereafter. B. Tabitha Daigle Lease - Company leases office space to Ms. Daigle to operate a salon at 64 Dilla Street; initial lease expires September 30, 2018 with tenant option to extend for 2 additional 3-year terms. C. Indenture dated April 28, 1969 by and between the Town and the Company for lease of certain property owned by Town.	i. At or after closing, provide notices to tenants to pay rent to Town; confirm town authority to collect rent. ii. <u>Consider whether to terminate indenture?</u>	i. <u>Rep and Warranty.</u>
2	Easements	Company hasn't provided information with respect to easements for pipes.	Request documentation related to easements.	
28.	Vehicles	Copies of certificates of title and documents summarizing vehicle information have been requested.	Review documentation once provided.	i. Rep and Warranty.
29.	Personal Property	We requested an inventory of personal property	Consider pushing further for a	i. Rep and

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
9		and received a tax return and some invoices for certain equipment.	personal property inventory list.	<u>Warranty.</u>
VIII. Material Contracts				
3	Net Metering Credit Agreements	<p>These agreements require the Company to accept all metering credits from the seller's solar field via their National Grid energy bill.</p> <p>A. May 31, 2016 – 373-383 West St. Nominee Realty; continues through May 31, 2026, with 5 year extension period unless terminated.</p> <p>B. July 13, 2016 – Strafello Inc.; continues through July 13, 2026, with 5 year extension period unless terminated.</p> <p>C. July 13, 2016 – Gideon LLC; continues through July 13, 2026, with 5 year extension period unless terminated.</p>	Request additional information from Company on financial impact of net metering credits.	
30.	Hudson Energy Services <u>Third Party Property Rights and Easements</u>	<p>Agreement between the Company and Hudson Energy Services, LLC ("HES"), dated May 16, 2013, for the utilities used in the Company's 66 Dilla Street offices. Initial term runs through July 2018. <u>We requested copies of all searches, deeds, back up and exceptions related to the Company's Lender Insurance Policy of 2011. We also requested copies of all entitlements running in favor of the Company including, without limitation, all easements, grants, takings, licenses or other encumbrances, including rights to lay pipes, etc.</u></p>	<p>i. <u>Consent of HES will be necessary to transfer contract to the Town. Company has not, to date, provided information with respect to these requests.</u></p> <p>ii. <u>Town has sent to BR any such records the Town has on these issues. BR received 8/14 and is reviewing.</u></p> <p>iii. <u>Company has acknowledged that much</u></p>	i. <u>Rep and Warranty.</u>

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
			<u>of this documentation is on-site and in such a condition that scanning or copying will be very difficult. Consider sending someone on-site to review hard documentation.</u>	
3	Water Sales	Bellingham Agreement dated January 21, 2016—purchase up to 300,000 gallons of water per day; appears to be seasonal/temporary	Mentioned in board minutes. Will need to review full agreement.	
VIII 4. <u>M</u> <u>a</u> <u>t</u> <u>e</u> <u>r</u> <u>i</u> <u>a</u> <u>l</u> <u>C</u> <u>o</u> <u>n</u> <u>t</u> <u>r</u> <u>a</u> <u>c</u> <u>t</u> <u>s</u>	CAT maintenance	Agreement between the Company and CAT Maintenance provider for on-site maintenance of certain equipment. The agreement may be terminated by either party upon thirty days' prior written notice provided to the other party.	Determine whether to keep contract in place or terminate.	
31.	Invoices <u>Material Agreements</u>	<u>See chart attached as Exhibit B.</u> A variety of invoices have been provided, but <u>all of the</u> underlying contracts have not. We've	Review other material agreements.	<u>i.</u> <u>Rep and Warranty.</u> <u>ii.</u> <u>Disclosure Schedules.</u>

#	Issue	What has been reviewed	Concerns/Actions	SPA Section
		requested these <u>Certain of these contracts have been provided and reviewed but certain others will be further requested.</u>		<u>iii. Potentially certain Conditions to Closing.</u>
IX. Miscellaneous				
<u>32.</u> 6	Cybersecurity	We have not yet requested any <u>received invoices and network services agreements which indicate potential cyber security and customer information about the Company's systems</u> issues.	Consider whether review <u>scope of cybersecurity assessment necessary.</u> <u>Consider obligations with respect to customer data on file in connection with transition from Private to municipal ownership.</u>	

Exhibit A
Real Property

Land	Location	Use	Notes
	Hopkinton & Milford—Echo Lake	Storage Reservoir	Roughly 194 acres; purchased in 1882 & 1901 for an unknown amount.
	Milford—Wildcat Pond	Storage Reservoir—Stream Control	Roughly 37 acres; purchased in 1885 & 1924 for \$940.00.
	Milford	Pumping Station & Filters	Roughly 30 acres; purchased in 1881, 1884 & 1896 for an unknown amount.
	Milford	Supt. House, Shop, Purchase, Standpipe, Congress	Roughly 7 acres; purchased in 1886, 1909, 1910 & 1912 for \$5,800.00.
	Hopkinton—Echo Lake	Watershed	Roughly 10 acres; purchased in 1928 for \$950.00.
	Milford—Highland Street	Standpipe Lot	Roughly 0.58 acres; purchased in 1962 for \$3,500.00.
	Milford	Reservoir Pipeline	Roughly 18 acres; purchased in 1965 & 1966 for an unknown amount.
	Hopkinton—Granite Street	Watershed	Roughly 26 acres; purchased in 1976 for an unknown amount.
	Milford—Godfrey Brook	Wellfield	Roughly 37.29 acres; purchased in 1977 for \$178,806.50.
	Hopkinton—Granite Street, Lot		

Location	Use	Notes
10	Watershed	Roughly 8.1 acres; purchased in 1985 for \$70,000.00.
Hopkinton—Granite Street, Lot 9	Watershed	Roughly 14.7 acres; purchased in 1987 for \$350,411.83.
Milford Bear Hill	Standpipe Lot	Roughly 11.5 acres; purchased in 1987 for \$42,278
Milford—Godfrey Brook Wellfield	Wellfield—expand protection zone around wells	Roughly 2.51 acres; donated to the Company in 1999.
Milford—64-66 Dilla Street	Office Building	Roughly 1.38 acres; purchased in 2000 for \$111,390.22.
Hopkinton—45 Granite Street	Watershed—expand protection zone around reservoir	Roughly 19.73 acres; purchased in 2000 for \$769,581.32.
Hopkinton—Additional Dibbern Property	Watershed—expand protection zone around reservoir	Unknown acreage; purchase in 2003 for \$356,066.47.

<u>Hopkinton Properties</u>						
#	Parcel ID ²	Address	Size	Date Acquired	Use	Notes
1.	U25 8 0	0 Granite Street	17.00103	12/5/2000	Echo Lake Watershed.	Permit acquired in 2003 to demolish a house and barn on the property Property acquired by taking.
2.	U25 9 0	0 Granite Street	22.87 acres	8/6/1987	Echo Lake Watershed.	
3.	R30 11 0	49 Granite Street	0.68113 acres	6/6/1978	Vacant lot off of granite street.	

² Each parcel ID refers to the assessors map and parcel identification for each property.

<u>4.</u>	<u>R30 12 0</u>	<u>0 Granite Street (Tract I)</u>	<u>26.00306 acres</u>		<u>Echo Lake Watershed.</u>	
<u>5.</u>	<u>R30 13 05</u>	<u>5 Granite Street</u>	<u>2.36306 acres</u>	<u>2/09/1980</u>	<u>Vacant lot off of granite street.</u>	
<u>6.</u>	<u>R34 14 0</u>	<u>0 Granite Street (Tract II)</u>	<u>12.0</u>	<u>6/2/1963</u>	<u>Echo Lake Watershed.</u>	
<u>7.</u>	<u>R34 150</u>	<u>0 Echo Lake</u>	<u>288.00001 acres</u>	<u>1/1/1928</u>	<u>Storage Reservoir; Watershed.</u>	<u>The Company's 2016 tax return lists just 204 acres worth of land associated with Echo Lake. Some of this parcel is located in Milford (See 16 below).</u>
<u>8.</u>	<u>R34 15B</u>	<u>0 Haden Rowe St. (Tract XII)</u>	<u>1.43 acres</u>	<u>6/26/1975</u>	<u>Land along the banks of the Charles River downstream from the Echo Lake Dam.</u>	
<u>Milford Properties</u>						
<u>#</u>	<u>Parcel ID</u>	<u>Address</u>	<u>Size</u>	<u>Date Acquired</u>	<u>Use</u>	<u>Notes</u>
<u>9.</u>	<u>01-0-06</u>	<u>Purchase Street</u>	<u>2.10 acres</u>		<u>Vacant lot (2007 assessment) - Lot located within and around residential land.</u>	
		<u>Tract I</u>	<u>total</u>	<u>7/26/1912</u>		
		<u>Tract II</u>		<u>5/24/1916</u>		
<u>10.</u>	<u>03-0-05</u>	<u>Rear Haven Street (Parcel I)</u>	<u>4 acres</u>	<u>11/8/1901</u>	<u>Watershed.</u>	
<u>11.</u>	<u>03-0-10</u>	<u>Rear Haven Street</u>	<u>0.02 acres</u>	<u>10/16/1901</u>	<u>Watershed</u>	
		<u>Parcel II - Tract 1</u>	<u>total</u>	<u>9/23/1901</u>		
		<u>Parcel II - Tract 2</u>		<u>6/10/1902</u>		
<u>12.</u>	<u>04-0-05</u>	<u>Rear Cedar Street</u>	<u>2.50 acres</u>	<u>8/10/1959</u>	<u>Echo Lake Watershed.</u>	
<u>13.</u>	<u>04-0-06</u>	<u>Rear Cedar Street</u>	<u>11.20 acres</u>	<u>6/9/1909</u>	<u>Echo Lake Watershed.</u>	
<u>14.</u>	<u>04-0-07</u>	<u>Rear Cedar Street</u>	<u>6.6 acres</u>	<u>5/24/1909</u>	<u>Echo Lake Watershed.</u>	
<u>15.</u>	<u>04-0-08</u>	<u>Rear Cedar Street</u>	<u>3.0 acres</u>	<u>6/11/1909</u>	<u>Echo Lake Watershed.</u>	
<u>16.</u>	<u>04-0-10</u>	<u>Rear Cedar Street</u>	<u>14.73 acres</u>	<u>8/10/1909</u>	<u>Echo Lake.</u>	<u>Land encompassing the banks of Echo Lake located in Milford.</u>
<u>17.</u>	<u>04-0-11</u>	<u>Rear Cedar Street</u>	<u>5.7 acres</u>	<u>7/19/1911</u>	<u>Echo Lake Watershed.</u>	

<u>18.</u>	<u>06-0-04</u>	<u>Rear Cedar Street (Parcel 8)</u>	<u>1.498 acres</u>	<u>6/28/1965</u>	<u>Reservoir Pipeline.</u>	<u>Three miles of 24" pipe from Echo Lake to the pumping station. This pipe has a dual purpose to bring water to the plant and the ability to pump back for storage.</u>
<u>19.</u>	<u>06-0-05C</u>	<u>Cedar Street</u>	<u>8,421 square feet</u>	<u>7/12/1977</u>	<u>Reservoir Pipeline.</u>	
<u>20.</u>	<u>06-0-09</u>	<u>Cedar Street</u>	<u>5.00 acres</u>	<u>4/14/1909</u>	<u>Reservoir Pipeline.</u>	
<u>21.</u>	<u>10-0-44</u>	<u>Pine Island Road</u>	<u>1.33 acres</u>	<u>2/8/1994</u>	<u>Undeveloped residential lot (2007 assessment).</u>	
<u>22.</u>	<u>15-0-03</u>	<u>Rear Cedar Street</u>	<u>11.20 acres total</u>		<u>Storage Reservoir - Stream Control.</u>	<u>Wildcat Pond</u>
		<u>Tract I</u>		<u>4/23/1885</u>	<u>Storage Reservoir - Stream Control.</u>	
		<u>Tract II</u>		<u>11/3/1924</u>	<u>Storage Reservoir - Stream Control.</u>	
<u>23.</u>	<u>15-0-07</u>	<u>Cedar Street</u>		<u>6/8/1966</u>	<u>Reservoir Pipeline.</u>	
		<u>Parcel 4</u>	<u>0.404 acres</u>			
		<u>Parcel 6</u>	<u>0.884 acres</u>			
<u>24.</u>	<u>15-0-09</u>	<u>Cedar Street (Parcel 2)</u>		<u>6/15/1965</u>	<u>Reservoir Pipeline.</u>	
<u>25.</u>	<u>15-0-11</u>	<u>Rear Cedar Street</u>	<u>13,282 square feet</u>	<u>7/12/1977</u>	<u>Reservoir Pipeline.</u>	<u>Property acquired by taking.</u>
<u>26.</u>	<u>15-0-16</u>	<u>Rear Cedar Street (Parcel 3)</u>	<u>1.39 acres</u>	<u>6/15/1965</u>	<u>Reservoir Pipeline.</u>	
<u>27.</u>	<u>19-0-12</u>	<u>I-495</u>	<u>2.20 acres</u>		<u>Taking Surplus</u>	<u>Appears landlocked.</u>
<u>28.</u>	<u>19-0-17</u>	<u>Rear Cedar Street (Parcel 5)</u>	<u>.426 acres</u>	<u>6/16/1965</u>	<u>Reservoir Pipeline.</u>	
<u>29.</u>	<u>27-0-01</u>	<u>Rear Dilla Street (Parcel 7)</u>	<u>.248 acres</u>	<u>6/17/1965</u>	<u>Reservoir Pipeline.</u>	
<u>30.</u>	<u>27-0-74</u>	<u>Dilla Street (Tract III)</u>	<u>3.25 and 12 rods</u>		<u>Undeveloped land.</u>	
<u>31.</u>	<u>28-0-08</u>	<u>Dilla Street (Tract II)</u>	<u>80 square rods</u>		<u>Milford Pond</u>	

					<u>Watershed.</u>	
<u>32.</u>	<u>28-0-10</u>	<u>Dilla Street:</u> • <u>68 Dilla Street;</u> • <u>0 Dilla Street</u>		<u>9/20/1894</u>	<u>Pumping Station;</u> <u>Storage Sheds; Garage;</u> <u>Charles River Intake</u> <u>Structure; New</u> <u>Treatment Plant;</u> <u>Backwash Pump Station.</u>	
<u>33.</u>	<u>28-0-10A</u>	<u>64-66 Dilla Street</u>	<u>1.38 acres</u>	<u>4/12/2000</u>	<u>Office Building.</u>	<u>Tabitha Daigle - Salon Lease</u>
<u>34.</u>	<u>35-0-16</u>	<u>Congress Street</u>	<u>5.01</u>		<u>Congress Street</u> <u>standpipe storage</u> <u>capacity of 1,133,000</u> <u>gallons;</u>	<u>Playground/ ball field also</u> <u>located on lot.</u>
<u>35.</u>	<u>36-0-24</u>	<u>Highland Street</u>	<u>0.67</u>	<u>8/6/1962</u>	<u>Standpipe with storage</u> <u>capacity of 271,000</u> <u>gallons</u>	<u>Cell Tower.</u>
<u>36.</u>	<u>48-0-649</u>	<u>16 West Pine Street</u>	<u>0.18</u>	<u>3/26/1909</u>	<u>Manager's Home.</u>	<u>Residential.</u>
<u>37.</u>	<u>48-0-650</u>	<u>16 West Pine Street</u>	<u>0.78</u>	<u>3/26/1909</u>	<u>Company shop and</u> <u>garage.</u>	
<u>38.</u>	<u>53-0-14</u>	<u>Rear Central Street</u>	<u>11.160 acres</u>	<u>3/17/1987</u>	<u>2,650,000 gallon Tank</u>	<u>"Bear Hill"</u>
<u>39.</u>	<u>53-0-21</u>	<u>14 South Cedar Street</u>	<u>Roughly 39.8</u> <u>total acres</u>		<u>Milford - Godfrey Brook.</u> <u>Wellfield.</u>	
		<u>Lot A</u>	<u>10.6 acres</u>	<u>8/23/1977</u>	<u>1,024 square foot pump</u> <u>house located within</u> <u>this parcel.</u>	<u>Property acquired by taking.</u>
		<u>Lot B</u>	<u>12.3 acres</u>			
		<u>Lot C</u>	<u>5,100 square</u> <u>feet</u>			
		<u>Lot D</u>	<u>32,034 square</u> <u>feet</u>			
		<u>Lot E</u>	<u>6.64 acres</u>	<u>12/24/1982</u>		
		<u>Lot F</u>	<u>6.9 acres</u>	<u>8/23/1977</u>		<u>Property acquired by taking.</u>
		<u>Lot G</u>	<u>1,465 square</u> <u>feet</u>			<u>Property contains an easement.</u>
		<u>Parcel B</u>	<u>2.51 acres</u>	<u>1/22/1999</u>		

Exhibit B
Material Agreements
Buildings

Location	Use	Notes
68 Dilla Street	Pumping Station & Storage Sheds	
Addition to Pumping Station (presumably 68 Dilla Street pumping station)	Garage and Storage	Purchased for \$27,174.81.
West Pine Street	Manager's House	
Rear 16 West Pine Street	Company Shop & Garage	Purchased for \$5,000.00
Rear 68 Dilla Street	Garage & Storage	Purchased for \$116,713.00
Rear 68 Dilla Street	Charles River Intake Structure	Purchased for \$198,500.00
South Cedar Street	Godfrey Brook Station	Purchased for \$25,273.00
64-66 Dilla Street	Main Office Building/Lease to Ms. Tabitha Daigle	Purchased for \$428,072.00
Rear 68 Dilla Street	New Treatment Plant	Purchased for \$3,609,215.00
Rear 68 Dilla Street	Backwash Pump Station	Purchased for \$676,109.00

<u>Agreement</u>	<u>Summary</u>	<u>Concerns/Actions</u>	<u>Consent Required Prior to Execution</u>	<u>Consent Required Post- Closing and Prior to</u>
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			<u>of SPA?</u>	<u>Dissolution of Company?</u>
<u>Net Metering Credit Agreements</u>	<p><u>These agreements require the Company to accept all metering credits from the seller's solar field via their National Grid energy bill.</u></p> <p><u>A. May 31, 2016 - 373-383 West St. Nominee Realty; continues through May 31, 2026, with 5 year extension period unless terminated.</u></p> <p><u>B. July 13, 2016 - Strafello Inc.; continues through July 13, 2026, with 5 year extension period unless terminated.</u></p> <p><u>C. July 13, 2016 - Gideon LLC; continues through July 13, 2026, with 5 year extension period unless terminated.</u></p>	<u>Request additional information from Company on financial impact of net metering credits.</u>	<u>No.</u>	<u>No</u>

<u>Hudson Energy Services</u>	<u>Agreement between the Company and Hudson Energy Services, LLC ("HES"), dated May 16, 2013, for the utilities used in the Company's 66 Dilla Street offices. Initial term runs through July 2018.</u>	<u>Consent of HES will be necessary to transfer contract to the Town.</u>	<u>No.</u>	<u>Yes.</u>
<u>Water Sales</u>	<u>Bellingham Agreement dated January 21, 2016 - purchase up to 300,000 gallons of water per day; appears to be seasonal/temporary</u>	<u>Mentioned in board minutes. Will need to review full agreement.</u>	<u>Awaiting further documentation.</u>	<u>Awaiting further documentation.</u>
<u>CAT maintenance</u>	<u>Agreement between the Company and CAT Maintenance provider for on-site maintenance of certain equipment. The agreement may be terminated by either party upon thirty days' prior written notice provided to the other party.</u>	<u>Determine whether to keep contract in place or terminate.</u>	<u>No.</u>	<u>No.</u>
<u>Holliston Water Purchase Agreement</u>	<u>Agreement by and between the Board of Water Commissioners of the Town of Holliston and the MWC dated September 11, 2013. The sale of water may</u>	<ul style="list-style-type: none"> <u>i. Confirm whether the contract remains in place.</u> <u>ii. If so, confirm whether to keep the contract in place or terminate.</u> 	<u>No.</u>	<u>No.</u>

	<u>be terminated by the MWC in its sole discretion by providing 5-day notice. The Agreement itself may be terminated by either party with 30 days' notice.</u>			
<u>Ashdown Technologies</u>	<u>Monthly website hosting.</u>	i. <u>Does not appear to be governed by an overarching agreement.</u> ii. <u>Confirm whether to continue using their web services.</u>	<u>No.</u>	<u>No.</u>
<u>License Agreement with Consolidated Rail Corporation</u>	<u>License to lay piping underneath railroad tracks by and between Consolidated Rail Corporation and MWC dated May 15, 1979.</u>	i. <u>Follow up request for plans and schematic references for the location of the piping.</u> ii. <u>Confirm that the agreement remains in full force and effect.</u>	<u>No.</u>	<u>Yes.</u>
<u>68 Dilla Street - Custom Alarm Services, Inc.</u>	<u>Alarm service agreement for 68 Dilla Street between Custom Alarm Service, Inc. and the MCW dated May 30, 2017. The agreement is for an initial term of 3 years with automatic 1-year renewals unless written notice of termination is received. Service cost is \$770 per year.</u>	i. <u>Consent of Custom Alarm Service, Inc. is required prior to assignment of contract.</u> ii. <u>Determine whether to keep the contract in place or look to terminate.</u>	<u>No.</u>	<u>Yes.</u>
<u>66 Dilla Street -</u>	<u>Alarm service</u>	<u>Determine whether to keep the</u>	<u>No.</u>	<u>Yes</u>

<u>Custom Alarm Service, Inc.</u>	<u>agreement for 66 Dilla Street between Custom Alarm Service, Inc. and MWC dated October 18, 2012. The agreement is for an initial term of 3 years with automatic 1-year renewals unless written notice of termination is received. Service cost of \$290 per year.</u>	<u>contract in place or look to terminate.</u>		
<u>Northern Data Systems, Inc. - "Edifice" Billing Services</u>	<u>"Edifice" billing system agreement between Northern Data Systems, Inc. ("NDS") and MWC dated September 5, 2013.</u>	<u>i. Written consent of NDS required prior to assignment of contract.</u> <u>ii. Determine whether to keep the contract in place or look to terminate.</u>	<u>No.</u>	<u>Yes.</u>
<u>Northern Data Systems, Inc. - "EBM" Backup Services</u>	<u>"EBM" daily backup services agreement between NDS and MWC dated February 18, 2015.</u>	<u>i. Written consent of NDS required prior to assignment of contract.</u> <u>ii. Determine whether to keep the contract in place or look to terminate.</u>	<u>No.</u>	<u>Yes.</u>
<u>Northern Data Systems, Inc. - "Sage 100" Hosting Services</u>	<u>"Sage 100" Hosting Services agreement for Software between NDS and MWC dated August 9, 2016.</u>	<u>i. Written consent of NDS required prior to assignment of contract.</u> <u>ii. Determine whether to keep the contract in place or look to terminate.</u>	<u>No.</u>	<u>Yes.</u>
<u>NBM Copier Maintenance</u>	<u>Maintenance Agreement between</u>	<u>1. Agreement is not accessible due to the age of the machine.</u>	<u>Agreement not provided.</u>	<u>Agreement not provided.</u>

	<u>NBM and MWC for copier maintenance on Sharp M257 copier.</u>	<ul style="list-style-type: none"> ii. <u>Consider requiring MWC begin process of negotiating termination or handover of agreement.</u> 		
<u>R.E. Erickson Server Computer Service Agreement</u>	<u>Email correspondence from 2016 and price quote.</u>	<ul style="list-style-type: none"> i. <u>It is unclear based on the documents provided whether they've extended the term of their contract with R.E. Erickson.</u> ii. <u>Request being made for further information.</u> 	<u>No.</u>	<u>No.</u>
<u>SolarBee Beekeeper Program</u>	<u>Beekeeper Service Program Agreement between Medora Brands and MWC dated September 1, 2015. Upfront one-time cost for a 3-year term.</u>	<ul style="list-style-type: none"> i. <u>MWC is in the midst of the 3-year program, and no indication exists that the program renews automatically.</u> ii. <u>Determine whether to keep the contract in place, look to terminate or finish out the term.</u> 	<u>No.</u>	<u>No.</u>

Exhibit BC

Legal Due Diligence
Document Production List

Set forth below is a preliminary list of documents and information which must be reviewed by Brown Rudnick, legal counsel to the Town of Milford, in connection with the proposed acquisition of the Milford Water Company (the "**Company**"). Please provide the information requested in each item below. If there is no information or documentation of the Company which is responsive to that particular request, please place the words "NONE" or "NOT APPLICABLE" opposite such request. We have found it most convenient if these materials, when assembled, are identified by reference to the item numbers that follow. Please note that this is an initial document production request and additional items may be requested as the review proceeds.

1. Corporate Records

- 1.1 The Company's Articles or Certificate of Incorporation, together with all amendments and restatements to date.
- 1.2 The Company's Bylaws, as currently in effect.
- 1.3 Minutes of meetings and Actions by Written Consent of the board of directors of the Company and all committees thereof for the past three years.
- 1.4 Minutes of meetings and Actions by Written Consent of the shareholders of the Company for the past three years.
- 1.5 List of all names and jurisdictions of incorporation of the Company's subsidiaries, if any, and percentage and method (i.e., direct or through a subsidiary) of ownership thereof.
- 1.6 Minutes of meetings of the board of directors and shareholders of the Company's subsidiaries, if any, for the past three years.
- 1.7 List of states in which the Company and its subsidiaries are qualified to do business as a foreign corporation and copies of documentation evidencing qualification. List of any additional states in which (a) property is owned or leased, (b) products are produced or sold, (c) employees, consultants or distributors reside or operate on behalf of the Company or (d) there are material contractual relationships.
- 1.8 List of all states and foreign countries in which the Company conducts business or contemplates undertaking business operations.
- 1.9 Current organizational chart of the Company showing names and titles of key personnel, including directors.

- 1.10 List of any parties or entities whose consent to the proposed agreement and plan of reorganization and merger will be required and copies of relevant documents.
- 1.11 Agreements in effect with any person with respect to election or appointment as an officer or director.

2. **Shares and Shareholders**

- 2.1 Stock ledgers and journals.
- 2.2 Current list of all shareholders showing name, address, class of security, amount held, price paid and date of purchase.
- 2.3 Current list of all outstanding options, warrants, restricted share and restricted share unit awards that have not vested, stock appreciation right awards that could be settled in shares and convertible and nonconvertible debt securities showing name, amount issued or granted, date of issuance or grant, consideration received, exercise price, vesting schedule, and expiration date.
- 2.4 Stock purchase or other agreements used in connection with sales of shares of the Company to employees and other investors.
- 2.5 Any agreements where the Company repurchased its own shares.
- 2.6 Any buy-sell, voting trust or other agreements in effect among shareholders of the Company.
- 2.7 Stock option or purchase or any equity or equity-based incentive plans and forms of related agreements. Also copies of documents, and current list of holders, relating to options, warrants, unvested restricted shares, unvested restricted share units, stock appreciation rights and other agreements for the issuance of capital stock, including name, address, grant date, exercise price and share numbers, and vesting dates.
- 2.8 Warrant agreements and agreements evidencing other outstanding securities.
- 2.9 Correspondence and filings with the SEC and state securities commissions, as applicable, with respect to securities and options issued to date.
- 2.10 Schedule of all dividend declarations, corresponding record dates and payments since incorporation.
- 2.11 List of any persons holding pre-emptive or registration rights with respect to securities of the Company and copies of relevant documents.
- 2.12 All outstanding agreements or other instruments limiting in any way the Company's ability to declare and pay dividends.
- 2.13 Form of the Company's stock certificates and restrictive legends.

- 2.14 Copies of all notices of annual shareholders' meetings, including proxies and financial reports and related communications, for the past three years.
- 2.15 Any other communications to shareholders, option holders or warrant holders for the past three years.

3. **Business - General**

- 3.1 Any offering circular, private placement memorandum or other disclosure document used by the Company or any of its subsidiaries or affiliates in any offering of its securities.
- 3.2 Any general memoranda to prospective real estate sellers, joint venture partners, lenders, investment bankers or governmental entities, or other write-ups about the Company's businesses that have been prepared or used by the Company.
- 3.3 Any reports on or analyses of the Company prepared by financial analysts, by the Company or for the Company by others during the past three years.
- 3.4 Current Dun & Bradstreet report on the Company, if available.
- 3.5 Any partnership, joint venture or strategic alliance agreements or contracts to which the Company or any of its subsidiaries is a party.
- 3.6 List of all real property owned, leased or subject to conditional purchase agreements (optioned), including size, location, amount paid and/or potentially to be paid, permit status and work-in-process (WIP) balance.
- 3.7 List of 20 largest suppliers and copies of form of purchase order and any material supply agreements to which the Company or any of its subsidiaries is a party. Include annual dollar amounts purchased.
- 3.8 List of 20 largest subcontractors and copies of agreements with such subcontractors. Include annual dollar amounts paid.
- 3.9 List of 20 largest customers and copies of agreements with such customers. Include annual dollar amounts invoiced and received.
- 3.10 Any marketing or distribution agreements or contracts to which the Company or any of its subsidiaries is a party (if oral, please summarize the terms).
- 3.11 Any material royalty agreements, franchises and conditional sales contracts to which the Company or any of its subsidiaries is a party.
- 3.12 Any material licensing agreements by which rights are granted to the Company.
- 3.13 Any material licensing agreements by which rights are granted by the Company.

- 3.14 Any other contracts or agreements (or forms thereof), that are material to the Company's business.
- 3.15 List of acquisitions or dispositions of Company assets or significant real or personal properties during the past three years, or currently proposed, and documentation relating thereto.
- 3.16 List of acquisitions or dispositions of significant stock holdings during the past three years, or currently proposed and documentation relating thereto.
- 3.17 List of material purchase and sales orders not yet fulfilled and details of backlog at end of most recent fiscal year and fiscal quarter.
- 3.18 Aged accounts receivable list by product line.
- 3.19 Describe warranty policy and procedure. Include sample warranty language.
- 3.20 Copies of sales literature, price lists, catalogs, etc.

4. **Business - Financial**

- 4.1 Audited financial statements (including auditors' reports and notes) for the past three fiscal years. Include description of and reasons for (a) any change in accounting methods or principals, (b) bad debt reserves, and (c) unusual charges to operations for the past three fiscal years. Additionally, identify any change in accountants during the past three fiscal years.
- 4.2 Unaudited quarterly financial statements, if prepared, for the past three fiscal years, the unaudited interim reports since the last audited financial statement.
- 4.3 Current three-year business plan or similar long-range plans.
- 4.4 All agreements pursuant to which the Company is subject to any obligation to provide funds to or to make investments in any other person (in the form of a loan, capital contribution or otherwise).
- 4.5 List of financial institutions and types of accounts, with copies of all material correspondence with and from lenders in the past three years.
- 4.6 All documents purporting to create liens, mortgages, security agreements, pledges, charges or other encumbrances on real or personal property in favor of the Company. Indicate whether the Company has been in continual compliance with the financial covenants contained in these agreements.
- 4.7 All Uniform Commercial Code financing statements filed with respect to the above.
- 4.8 Agreements, instruments, etc. creating liens, mortgages, security agreements, pledges, charges or other encumbrances relating to real or personal property, including (a) lines of credit, (b) term loans, (c) notes, debentures or bonds,

(d) industrial development bonds and (e) any other material debt or financing instruments.

- 4.9 Copies of notes payable to or notes receivable from any employee, director, affiliate, agent or shareholder of the Company for the past three years.
- 4.10 Copies of all federal, state, employment or other tax returns for the past three years.
- 4.11 Current status or disposition of any tax audits pending or closed in the past five years.
- 4.12 List of top 20 accounts receivable with contact name, address and phone number.
- 4.13 List of top 20 accounts payable with contact name, address and phone number.

5. **Business - Property**

- 5.1 List of real property owned or leased, including size, location and use of each parcel.
- 5.2 All deeds, mortgages, leases, construction contracts and other commitments and title insurance policies relating to real property owned or leased.
- 5.3 Any appraisals of the Company's real property obtained within the past three years.
- 5.4 Inventory of personal property owned or leased, and copies of all purchase contracts, leases and security agreements, etc., relating to material equipment and personal property or licenses regarding equipment usage. Provide copies of service or maintenance contracts, if applicable.

6. **Environmental Matters**

- 6.1 All communications, notices, reports, studies, documents or correspondence with any third-party entity concerning any alleged or noticed violation or enforcement action or any pending or threatened investigation, claim, action or litigation, whether administrative or judicial, against the Company involving an alleged violation of any environmental statute, regulation or permit ("Notices") within the last five (5) years, and any such Notices unresolved as of this date, including without limitation all "potentially responsible party" notices, and other documents relating to potential liability under the Comprehensive Environmental Response, Compensation and Liability Act
- 6.2 All environmental audits, reports, assessments, work plans or studies that concern any current or formerly leased or owned property, whether or not prepared by the Companies, including without limitation all Phase I reports, Phase II reports, environmental compliance audits, subsurface or hydrogeological studies, spill reports, excess emission reports or other environmental assessment reports and other documentation reflecting the release of hazardous substances, materials or wastes into any environmental medium at any facility currently or formerly owned or leased by the Companies

- 6.3 All documents (including correspondence, notices, reports, studies, pleadings, documents or other communications) relating to any federal, state or other agency matter or proceeding, including any off-site matters, any pending or threatened investigation or enforcement action, any notice of violation, or litigation against the Companies concerning any environmental matters
- 6.4 All documents related to the investigation of any formerly owned or leased real property and/or any assessments of the environmental conditions on such properties arising out of compliance with any real estate property transfer or disclosure laws in connection with previous transactions related to the properties
- 6.5 All current permits or permit applications pertaining to, without limitation, wastewater, air, storm water, treatment, storage and disposal of hazardous wastes, hazardous materials or hazardous substances, copies of all required submissions or reports pursuant to such permits and copies of any filings required under the Emergency Planning and Community Right-to-Know Act
- 6.6 A list of all hazardous waste identification and EPA identification numbers for facilities currently owned or leased by the Companies.
- 6.7 A list of the identity and location of all off-site locations at which any waste from any of the Companies' operations have been disposed at any time; manifests documenting the shipment of waste.
- 6.8 Description of the Companies' environment, health, and safety management systems, policy, organizational structure, and responsibilities

7. **Business – Intellectual Property**

- 7.1 Schedule of trademarks, trade names, service marks, copyrights, trade names or brands owned by, licensed to or applied for by the Company and correspondence files relating thereto. Name of contact person at law firm who handles patent, trademark or copyright matters for the Company.
- 7.2 Description of policies to protect Company's intellectual property rights. Documents relating to any claims of infringement of intellectual property right (a) by the Company against the rights of others, and (b) by others against the rights of the Company.
- 7.3 Copies of information regarding all patents or patents pending.
- 7.4 List of all agreements with third parties for the design, development, programming, enhancement or maintenance of Company products.

8. **Business - Management/Employees**

- 8.1 All corporate policy manuals covering hiring, regulatory compliance, internal controls, etc. Include number of employees by department. Include any employee handbooks.
- 8.2 Copies of employment contracts, confidentiality agreements, noncompetition agreements, management and consulting contracts, severance agreements, change in control agreements, tax gross-up agreements, union contracts, collective bargaining agreements, etc.
- 8.3 Documents representing all profit sharing and savings plans, pension or retirement plans, retiree medical plans, and any severance, deferred compensation, bonus, incentive, performance or similar plans or arrangements and related agreements; materials describing any of the foregoing; and the latest applicable IRS Form 5500 filing, trust accounting, actuarial reports, multiemployer pension plan withdrawal liability estimate and other applicable financial statements. Disclosure should be made of any plan or arrangement described herein, whether written or oral, established, sponsored or maintained by, contributed to, ever contributed to, or for which a liability, whether actual or contingent, exists on the part of, the Company, any of its shareholders and/or any of its subsidiaries.
- 8.4 Descriptions of and agreements relating to any transactions with any insiders (e.g. directors, officers, key employees and principal shareholders), including loans, leases, purchases or sales of property, etc. not disclosed in 4.9 above.
- 8.5 Any indemnification agreements with any directors, employees or agents.
- 8.6 Distribution, sales representative, consultant, agency and dealer agreements currently in effect (if not already provided pursuant to Section 3.10 above).
- 8.7 Commission agreements with non-employee salespersons.
- 8.8 Executive and/or director compensation plans.
- 8.9 All documentation relating to previous employment of key employees or consultants insofar as such employees or consultants may have potential trade secrets, noncompetition or other restrictions carried over from previous employer or carried from the Company to a subsequent employer.
- 8.10 Form of nondisclosure of proprietary information agreements used by the Company and a list of any employee of the Company who is not a party to such agreement.
- 8.11 All contracts or agreements with or pertaining to the Company and to which directors, officers or owners of more than 5% of the shares of the Company are bound.
- 8.12 Any documents relating to any other transactions between the Company and any director, officer or owner of more than 5% of the shares of the Company.

- 8.13 Description of any threatened or pending labor disputes or work stoppages since inception, indicating disposition thereof. Copies of NLRB or Department of Labor filings, if any.
- 8.14 Schedule of all compensation paid during the last fiscal year to officers, directors and key employees showing separately salary, bonuses and non-cash compensation.

9. **Business - Litigation**

- 9.1 Current list of any significant litigation, administrative or regulatory proceedings, investigations or governmental actions involving the Company or its subsidiaries with brief description of basis for each such matter. Include name of court or agency in which the litigation proceeding is pending, date instituted and principal parties thereto.
- 9.2 Copies of all claims, demands, charges, audits and inquiries, and complaints, threats or disputes asserted against the Company, its executive officers or any of the directors, by any individual, lawyer, third party representative or government agency or authority, whether or not a formal complaint has been filed with a court, tribunal or agency (including employment matters, intellectual property matters, privacy matters, environmental matters, product liability matters, real estate matters, contract and warranty claims).
- 9.3 Any currently effective consent decrees, judgments, other decrees or orders, settlement agreements and other similar agreements to which the Company is a party or by which the Company is bound.
- 9.4 Responses from the Company's counsel to auditor's inquiries for the past three years, if applicable.

10. **Business - Insurance**

- 10.1 A schedule of all policies of insurance or self-insurance arrangements, including medical, disability, professional liability, officers' and directors liability and key-man life insurance, with coverage limits and other significant terms.
- 10.2 A schedule of insurance claims over the last three years, if applicable.
- 10.3 A schedule of threatened or potential claims.

11. **Business - Regulations and Filings**

- 11.1 Reports filed and significant correspondence with any state or federal regulatory agencies during the past three years.
- 11.2 A schedule of all material governmental permits, licenses, etc. of the Company, including environmental permits, exemptions or proceedings.

- 11.3 Description of any inquiries or known noncompliance with any laws or regulations (including OSHA), for the past five years.

12. **Miscellaneous**

- 12.1 Copies of any finder's fee arrangements regarding the proposed transaction.
- 12.2 Any other documents or information which are significant with respect to the business of the Company or which should be considered and reviewed by the purchaser in connection with the proposed transaction.

Summary Report:	
Litéra® Change-Pro ML WIX 6.5.0.395 Document Comparison done on	
8/16/2017 7:18:25 AM	
Style Name: Standard	
Original Filename:	
Original DMS: iw://WORKSITE/WorkSiteUS/62809663/4	
Modified Filename:	
Modified DMS: iw://WORKSITE/WorkSiteUS/62809663/7	
Changes:	
<u>Add</u>	219
<u>Delete</u>	68
<u>Move From</u>	2
<u>Move To</u>	2
<u>Table Insert</u>	35
<u>Table Delete</u>	9
<u>Embedded Graphics (Visio, ChemDraw, Images etc.)</u>	0
<u>Embedded Excel</u>	0
Total Changes:	335