

STATEMENT CONCERNING THE AGREEMENT OF SALE FOR THE SILVER LAKE ROAD PROPERTY

On Tuesday, July 28, 2026, at a special meeting of the Board of Directors of the Newtown Bucks County Joint Municipal Authority (Newtown Sewer Authority), we voted to approve an agreement of sale of the 17.5-acre parcel on the Newtown Bypass to DeLuca Newtown, LLC. We agreed to a price of \$11,500,000., the same price we purchased it for from the owners at that time via condemnation (eminent domain).

A brief review of the history of this transaction - Our original intention had been to construct a new wastewater treatment facility for the future of our growing community. That concept met with considerable resistance, and ultimately Newtown Township withdrew its support for the project, and we determined we could not and should not proceed without the backing of the elected officials from the township. We realized we had to sell the land, which required returning to court for permission to do so pursuant to the laws of the Commonwealth. The court agreed that the first step was to offer the land back to the parties from whom we took it. One of those owners made a timely offer to purchase the land, but it was several million dollars below our purchase price. We rejected it because that would have resulted in a huge financial loss that would have left the Authority in debt to the bank; a debt that would be borne by our customers. That was not acceptable.

The next step was to return to court for permission to sell the land on the open market. The court authorized us to do so. After many months of discussions with interested parties, we have now entered into an Agreement of Sale for the full \$11,500,000 owed on the property with a local developer. There are conditions in the agreement that require the buyer to move forward with their plans and seek approval for them from Newtown Township, as with any land development project. We think this will be the best way to allow the Authority to recover our investment, protect our ratepayers from the continuation of debt into the future, while complying with all legal requirements.

As is customary in all large commercial real estate transactions, the Agreement of Sale includes a reasonable due diligence time period which allows the prospective purchaser to work with Newtown Township to evaluate the feasibility of its plans for the property, and make them better. We are hopeful that the purchaser and the township reach an agreement that moves those plans to fruition. We are optimistic that these local buyers know the community well and are prepared to complete this process with Newtown Township, and thereafter, complete this project that we anticipate will be a benefit to the entire community.