



Towamencin Township

PFM Update on the Sewer System Due Diligence Process As of July 16, 2021

Brooke Neve
Township Manager/Finance Director
Towamencin Township
1090 Troxel Road
Lansdale, PA 19446

RE: Status Update

Dear Brooke,

As part of the Township's ongoing exploration of a possible sale of its sewer system, the Township has asked PFM to provide regular updates to the Board on how the process has been proceeding. Below please find a list of events and actions that have occurred since our last update in this exploration phase.

Sincerely,

PFM Financial Advisors LLC

Recent Events:

- Continued to populate the data room with various documents that were requested from the bidders or uncovered as part of the Township's ongoing due diligence.
- Continue drafting all the necessary bidding documents including but not limited to the; Asset Purchase Agreement ("APA") & Schedules, Asset Lease Agreement ("ALA") & Schedules, and the Request for Bids.
 - The financing team held a call on July 8th to discuss the various schedules that would be required as part of the APA/ALA
 - The financing team held a call on July 12th to discuss & review the current draft of the APA & discuss next steps in the process



Immediate Next Steps:

- Continue fielding due diligence questions received from the bidders and continue populating the virtual data room accordingly.
- Continue drafting the various required bidding documents.
 - It is the goal of the financing team to have a draft of the bidding documents available to the various bidders for their review and comment by late August, 2021. Prior to releasing the draft bidding documents to the bidders, the financing team would brief the Board of the various terms in the documents and allow them to address any comments, questions or concerns.