

**AGREEMENT OF SALE BETWEEN**  
**SOUTH ORANGE VILLAGE, NEW JERSEY**  
**AND**  
**NEW JERSEY-AMERICAN WATER COMPANY, INC.**

**TABLE OF CONTENTS**

AGREEMENT OF SALE .....

ARTICLE I - DEFINITIONS.....

ARTICLE II - REPRESENTATIONS AND WARRANTIES OF THE VILLAGE .....

Section 2.1 - REPRESENTATIONS AND WARRANTIES OF THE VILLAGE.....

Section 2.2 - DISCLAIMER OF OTHER REPRESENTATIONS AND WARRANTIES .....

Section 2.3 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES.....

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF THE BUYER.....

Section 3.1 - REPRESENTATIONS AND WARRANTIES OF THE BUYER .....

Section 3.2 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES.....

ARTICLE IV - BASIC TRANSACTION.....

Section 4.1 - PURCHASE AND SALE OF ASSETS.....

Section 4.2 - EXCLUDED ITEMS .....

Section 4.3 - PURCHASE PRICE .....

Section 4.4 - VILLAGE TRANSACTION EXPENSE.....

Section 4.5 - ADDITIONAL OBLIGATIONS .....

Section 4.6 - THE CLOSING.....

Section 4.7 - DELIVERIES AT THE CLOSING .....

Section 4.8 - APPORTIONMENTS.....

Section 4.9 - SETTLEMENT STATEMENT .....

ARTICLE V - PRE-CLOSING COVENANTS AND CONTINGENCIES .....

Section 5.1 - PRE-CLOSING COVENANTS AND CONTINGENCIES .....

ARTICLE VI - TITLE AND CONDITION OF SYSTEMS.....

Section 6.1 - TITLE .....

Section 6.2 - PROPERTY INFORMATION MATERIALS .....

Section 6.3 - CONDITION OF THE SYSTEMS.....

ARTICLE VII - CONDITIONS TO OBLIGATION TO CLOSE .....

Section 7.1 - CONDITIONS TO OBLIGATION OF THE BUYER .....

Section 7.2 - CONDITIONS TO OBLIGATION OF THE VILLAGE .....

Section 7.3 - SCHEDULE FOR CLOSING CONDITIONS .....

ARTICLE VIII - POST-CLOSING OBLIGATIONS OF BUYER.....

Section 8.1 - CONTINUATION OF WATER SERVICES .....

Section 8.2 - MAINTENANCE, REPAIRS, AND REPLACEMENT .....

Section 8.3 - RATE STABILIZATION COVENANT .....

Section 8.4 - SENIOR DISCOUNT RATE PROGRAM.....

Section 8.5 - SERVICE TO VILLAGE FACILITIES .....

Section 8.6 - FIRE HYDRANTS .....

Section 8.7 - SERVICE LINE RESPONSIBILITY .....

Section 8.8 - PAVING .....

Section 8.9 – REQUIRED CAPITAL IMPROVEMENTS .....

Section 8.10 – CELL TOWER LEASE AGREEMENTS.....

Section 8.11 – POST-CLOSING COOPERATION OF THE VILLAGE .....

ARTICLE IX - REMEDIES FOR BREACHES OF THIS AGREEMENT .....

Section 9.1 - PRE-CLOSING DEFAULT BY THE BUYER.....

Section 9.2 - PRE-CLOSING DEFAULT BY THE VILLAGE.....

Section 9.3 - POST-CLOSING DEFAULTS .....

ARTICLE X - ESCROW .....

Section 10.1 - ESCROW.....

ARTICLE XI - NON-BINDING MEDIATION; FORUM FOR DISPUTE RESOLUTION.....

Section 11.1 - RIGHTS TO REQUEST AND DECLINE NON-BINDING MEDIATION.....

Section 11.2 - PROCEDURE.....

Section 11.3 - NON-BINDING EFFECT.....

Section 11.4 - RELATION TO JUDICIAL LEGAL PROCEEDINGS.....

Section 11.5 - FORUM FOR DISPUTE RESOLUTION.....

ARTICLE XII - INDEMNIFICATION.....

Section 12.1 - INDEMNIFICATION BY THE BUYER.....

Section 12.2 - INDEMNIFICATION BY THE VILLAGE.....

Section 12.3 - THIRD PARTY CLAIMS.....

Section 12.4 - NO OTHER DAMAGES.....

ARTICLE XIII - MISCELLANEOUS.....

Section 13.1 - THIRD PARTY BENEFICIARIES.....

Section 13.2 - ENTIRE AGREEMENT.....

Section 13.3 - SUCCESSION AND ASSIGNMENT.....

Section 13.4 - COUNTERPARTS.....

Section 13.5 - HEADINGS.....

Section 13.6 - NOTICES.....

Section 13.7 - GOVERNING LAW.....

Section 13.8 - AMENDMENTS AND WAIVERS.....

Section 13.9 - SEVERABILITY.....

Section 13.10 - EXPENSES.....

Section 13.11 - CONSTRUCTION.....

Section 13.12 - VARIATIONS IN PRONOUNS.....

Section 13.13 - INCORPORATION OF EXHIBITS AND SCHEDULES .....

Section 13.14 - TRANSFER TAXES .....

Section 13.15 - TIME IS OF THE ESSENCE .....

Section 13.16 - REVIEW OR AUDIT BY OFFICE OF THE STATE COMPTROLLER .....

**LIST OF EXHIBITS**

- Exhibit A. Description of the Water System
- Exhibit B. Form of Assignment and Assumption Agreement
- Exhibit C. Form of Bill of Sale
- Exhibit D. Tariff
- Exhibit E. List of Written Contracts to Which Village is a Party which Relate to the Water System
- Exhibit F. Form of Assignment and Grant of Easements, Rights of Way and other Property
- Exhibit G. Form of General Assignment
- Exhibit H. Disclosure Schedule to the Agreement of Sale
- Exhibit I. Escrow Agreement
- Exhibit J. Customer Service Standards and Customer Service Plan
- Exhibit K. Capital Improvements
- Exhibit L. Form of Village Consent
- Exhibit M. List of Village Facilities

## **AGREEMENT OF SALE**

**THIS AGREEMENT OF SALE** (the "Agreement"), dated February 28, 2025 is made and entered into by and between **SOUTH ORANGE VILLAGE**, a public body corporate and politic in Essex County in the State of New Jersey, with municipal offices located at 76 South Orange Avenue, Suite 302, South Orange, NJ 07079 (the "Village") and New Jersey-American Water Company, Inc., a corporation of the State of New Jersey, in good standing in the State of New Jersey with principal corporate offices at 1 Water Street, Camden, NJ 08102 (the "Buyer"). The Buyer and the Village are referred to collectively as the "Parties."

**WHEREAS**, the Village currently owns and operates a water utility and distribution system (the "Water System"), more particularly described herein, located in the South Orange Village, New Jersey; and

**WHEREAS**, in connection with the proposed sale of its Water System and pursuant N.J.S.A. 40:62-1 et seq., the Village prepared, advertised, and made available to all prospective buyers a Request for Bids ("RFB") on April 15, 2024; and

**WHEREAS**, on June 25, 2024, the Village received two (2) bids in response to the RFB; and

**WHEREAS**, after review and clarifications (if any) of the Bid(s) received, the Village determined that the Buyer had submitted the highest responsible Bid; and

**WHEREAS**, pursuant to N.J.S.A. 40:62-1 et seq., a referendum to sell the Water System was successfully passed by a majority of the voters of the Village on November 5, 2024; and

**WHEREAS**, the Village and the Buyer have agreed to the terms and conditions set forth in this Agreement, which sets forth the terms upon which sale of the Village's Water System to the Buyer will take place, provided all conditions of the Closing are satisfied; and

**WHEREAS**, the Village desires to sell and the Buyer desires to purchase the Water System pursuant to the terms of the Agreement; and

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements, representations, promises and warranties herein made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I  
DEFINITIONS

"Agreement" shall mean this Agreement of Sale of the Water System and all exhibits, attachments, and schedules hereto, dated February 28, 2025.

"Assumed Liabilities" shall have the meaning set forth in Section 4.5 below.

"BPU" means the New Jersey Board of Public Utilities or any successor agency.

"Buyer" means New Jersey-American Water Company, Inc.

"Closing" has the meaning set forth in Section 4.6 below.

"Closing Date" shall mean the date upon which Closing takes place as more particularly described in Section 4.6 below.

"Deposit" shall mean a payment of money equal to 5% of the Purchase Price (\$985,000.00), which is payable to the Village upon execution of this Agreement, following a successful referendum process, and which shall be held by the Escrow Agent under the Escrow Agreement attached hereto and incorporated herein by reference as Exhibit I, and together with the earnings accrued thereon shall be the Deposit.

"Disclosure Schedule" has the meaning set forth in Section 2.1.

"Encumbrances" means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim or restriction on use or transfer.

"Escrow Agent" shall mean Prestige Title Agency, Inc.

"Final Approval Order" shall mean an order of the BPU approving the Village Consent on terms and conditions satisfactory to the Buyer in its sole discretion, which will allow the Buyer and the Village to consummate the purchase of assets as contemplated by this Agreement; and as to which the time for filing an appeal as of right has expired, and as to which there are no appeals, petitions for reconsideration, petitions for re-argument, or similar petitions pending.

"Governmental Authority" means any federal, state, regional, or local legislative, executive, judicial, lending or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Monetary Liens" shall mean (a) judgment liens and tax liens entered against the Village and encumbering any part of the Water System, and (b) mortgages, security interests and other liens granted by the Village and encumbering the Water System.

"NJDEP" means the New Jersey Department of Environmental Protection or any successor agency.

"Party" shall mean either the Village or the Buyer and "Parties" shall mean the Village and the Buyer.

"Permits" shall mean all permits, certificates, licenses, orders, registrations, franchises, authorizations and other rights and approvals from any governmental authority with respect to the Water System held by the Village.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Permitted Encumbrances" shall have the meaning set forth in Article VI.

"Purchase Price" has the meaning set forth in Section 4.3 below.

"RFB" means the Request for Bids for the sale of the Water System issued by the Village on April 15, 2024 and responded to by the Buyer.

"Transaction Documents" means collectively this Agreement and all agreements, documents, and certificates required by this Agreement.

"Transaction Costs Payment" has the meaning set forth in Section 4.4 below.

"Village" means South Orange Village, New Jersey.

"Village Consent" shall mean the municipal consent ordinance that is to be enacted by the Village as a condition of the Closing and which grants the authority to Buyer to provide the services referenced hereunder and granting Buyer the right to utilize the roads, streets, alleys, byways and public places within the Village and conveying the franchise rights to the Water System, when approved by the BPU; the Village Consent will be in the form attached hereto as Exhibit L.

"Water System" shall mean the Village's water utility and distribution system, as described in Exhibit A.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE VILLAGE

Section 2.1 - REPRESENTATIONS AND WARRANTIES OF THE VILLAGE. Except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the "Disclosure Schedule"), which is attached as Exhibit H, the Village represents and warrants to the Buyer that the statements contained in this Article are correct and complete as of the date of this Agreement. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered paragraphs contained in this Article.

- (A) Organization of the Village. The Village is a public body corporate and politic in Essex County in the State of New Jersey.
- (B) Authorization of Transaction. The Village has full right and authority to execute and deliver this Agreement and to perform its obligations hereunder.
- (C) Title to Real Property. To the best of its knowledge, the Village is the sole owner and has good and marketable title to each fee parcel of real property included in the Water System, and leasehold interest, license or easement in all other real property necessary for ownership and operation of the Water System. Exhibit N sets forth a list of all such fee parcels (together with those leasehold interests and licenses (if any) and any easements enjoyed by the Village related to the Water System) that are necessary and required to own and operate the Water System.
- (D) Assets. The Village has clear, good and marketable title to all of the assets comprising the Water System, free and clear of all encumbrances. None of the assets are leased or on loan by the Village to a third party. The Water System constitutes all of the assets and property that, together with the rights granted in the Transaction Documents, are necessary for the ownership and operation of the Water System. Upon Closing, Buyer shall be vested with good title in the Water System.
- (E) No Litigation. To the best of the Village's knowledge, there is no litigation, either at law or in equity, nor any proceedings before any commission or regulatory body pending, or threatened against the Village, in any way that would adversely affect its ability to perform its obligations under the Agreement.
- (F) No Default. To the best of the Village's knowledge, the Village is not in default of any provisions of law, charter, by-laws, contract, franchise, rules or regulations of any governmental agency or any instrument to which it is a party and which in any way affects the Water System.

- (G) No Reimbursement Obligations. To the best of the Village's knowledge, the Village is not party to any agreement or other contract which, if assigned to the Buyer, would obligate the Buyer by rebate, reimbursement, or other payment to return moneys to third parties.
- (H) Tariff. The tariff, attached as Exhibit D, represents rates to be adopted via ordinance by the Village prior to the Closing Date and represents the rates that will be effective as of the Closing Date.
- (I) Permits. Exhibit G, Schedule 1 sets forth a complete and accurate list of all Permits held by the Village, all of which are in full force and effect and no appeals or other proceedings are pending or threatened with respect to the issuance, terms or conditions of any such Permits. The Village has provided to Buyer true and complete copies of all Permits set forth on Exhibit G, Schedule 1. Except as set forth in the Disclosure Schedule set forth in Exhibit H, (i) the Village holds all Permits which are necessary or required under applicable Law for the ownership, operation and maintenance of the Water System and the assets to be conveyed to Buyer as currently or previously operated and maintained, (ii) the Village is, and for the past five (5) years has been, in compliance in all material respects with all terms, conditions and requirements of all Permits held by it (whether or not set forth on Exhibit G, Schedule 1) and all applicable Laws relating thereto, and (iii) the Village has not received any written notice or other written communication from any Governmental Authority or other Person regarding (1) any actual or alleged violation or failure to comply with any such Permits, or (2) any revocation, withdrawal, non-renewal, suspension, cancellation or termination of any such Permits except as disclosed. With respect to any Permits held by the Village that are scheduled to expire within six (6) months following the date of this Agreement, any applications for renewal of such Licenses and Permits have been or will be duly filed by the Village with the applicable Governmental Authority within the time frame required under applicable law.
- (J) Environmental.
- (i) To the best of the Village's knowledge except as otherwise disclosed to the Buyer, the Village is and at all times has been in full compliance with and has not been and is not in violation of or liable under any applicable environmental law related to the Water System. The Village has no basis to expect nor has it received any actual or threatened order, notice or other communication from any Governmental Authority or other Person of any actual or potential violation or failure to comply with any environmental law or of any actual or threatened obligation to undertake or bear the cost of any environmental, health and safety liabilities with respect to the Water System.

- (ii) To the best of the Village's knowledge, there are no pending or threatened claims, encumbrances or other restrictions of any nature, resulting from any environmental, health and safety liabilities or arising under or pursuant to any environmental law with respect to or affecting the Water System.
- (iii) To the best of the Village's knowledge, there are no hazardous materials, except those used in connection with the operation of the Water System present on or in the Water System, including any hazardous materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent.
- (iv) To the best of the Village's knowledge, none of the following exists or are part of the Water System: (1) materials or equipment containing polychlorinated biphenyl; or (2) landfills, surface impoundments, or disposal areas.
- (v) The Village has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by the Village pertaining to hazardous materials in, on or under the Water System, or concerning compliance by the Village with environmental laws.

Section 2.2 - DISCLAIMER OF OTHER REPRESENTATIONS AND WARRANTIES. Except for representations and warranties as expressly set forth in this Article, the Village makes no other representation or warranty, express or implied, at law or in equity, with respect to the Water System or operations, including with respect to merchantability or fitness for any particular purpose and any such other representations or warranties are hereby expressly disclaimed. The Buyer hereby acknowledges and agrees that the Buyer is purchasing the Water System on an "as-is, where-is" basis. The Buyer has satisfied itself on all aspects, of the Water System, including but not limited to all physical, economic, operational, regulatory, tax and title matters that the Buyer deems relevant, and is not relying on any representation of the Village in connection therewith except for the representations and warranties set forth in this Agreement. The Village shall not be liable for any latent or patent defects in the Water System.

Section 2.3 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All of the representations and warranties made by the Village are true and correct as of the date of this Agreement and shall be true and correct and deemed repeated as of Closing, subject to the Disclosure Statement as same may be modified by the terms of this Agreement. No claim for a misrepresentation or breach of warranty of the Village shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to the Buyer prior to the Closing.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE BUYER

Section 3.1 - REPRESENTATIONS AND WARRANTIES OF THE BUYER. Except as set forth in the Disclosure Schedule, the Buyer represents and warrants to the Village that the statements contained in this Article are correct and complete as of the date of this Agreement. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered paragraphs contained in this Article.

- (A) Organization of Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the law of the State of New Jersey.
- (B) Authorization of Transaction. The Buyer has full right and authority to execute and deliver this Agreement and to perform its obligations hereunder.
- (C) No Litigation. To the best of the Buyer's knowledge, there is no litigation, either at law or in equity, nor any proceedings before any commission or regulatory body pending, or threatened against the Buyer, in any way that would affect its ability to perform its obligations under this Agreement.
- (D) No Warranties. Except for the representations and warranties set forth in this Agreement, the Buyer is purchasing the Water System "as is, where is", and that the Buyer will have no recourse against the Village with respect to any condition of the Water System that might be discovered after the Closing.
- (E) Right to Inspect. Prior to the Closing Date, the Buyer has been afforded the opportunity to inspect and has inspected the Water System to the extent that the Buyer deemed necessary and has made such examination of the Water System, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Buyer deemed necessary. In entering into this Contract, the Buyer has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by the Village or any agent, employee or other representative of the Village or by any broker or any other person representing or purporting to represent the Village, which are not expressly set forth in this Contract, whether or not any such representations, warranties or statements were made in writing or verbally.
- (F) Other Limitations of Local, State, and Federal Laws and Regulations. The Buyer accepts the terms of this Agreement subject to the terms and limitations of all applicable local, State, and federal laws, statutes, rules and/or regulations.

- (G) Source of Funds. The funds comprising the Purchase Price to be delivered to the Village in accordance with this Contract are not derived from any illegal activity.
- (H) Not a Blocked Person. The Buyer is not a, and is not acting directly or indirectly for or on behalf of any, person, group, entity or nation named by Executive Order of the United States Treasury Department as a terrorist, "Specifically Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control and the Buyer is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity or nation.
- (I) No Obligation of Village to Implement Improvements. None of the Buyer's obligations herein are conditioned upon the implementation of any improvements to the Water System to be made by the Village and the Buyer acknowledges and agrees that the Village has no obligation to implement any improvements nor is the Village precluded from making such improvements prior to Closing

Section 3.2 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All of the representations and warranties made by the Buyer are true and correct as of the date of this Agreement and shall be true and correct and deemed repeated as of Closing, subject to the Disclosure Statement as same may be modified by the terms of this Agreement.

#### ARTICLE IV

##### BASIC TRANSACTION

Section 4.1 - PURCHASE AND SALE OF ASSETS. Subject to the terms and conditions of this Agreement, at the Closing, the Village will sell to the Buyer, and Buyer will buy from the Village, all of the Village's rights, title, and interest in the Water System as further described in Exhibit A for the consideration specified below as the Purchase Price.

Section 4.2 - EXCLUDED ITEMS. Except as specifically described in Exhibit A, in no event shall the Water System include personal property, office equipment, office supplies, vehicles, cash, securities, and the accounts receivable of the Village relating to the Water System up to and including the Closing Date.

Section 4.3 - PURCHASE PRICE. The Buyer agrees, subject to the terms and conditions set forth in this Agreement, to pay to the Village, at the Closing, the sum of \$ 19,700,000.00 (the "Purchase Price"). Upon the execution of this Agreement, the Buyer shall pay the Deposit to be held by Escrow Agent pursuant to the terms of the Escrow Agreement, with any interest or earnings to follow the

Deposit, and which Deposit shall be credited against the Purchase Price. Subject to the terms and conditions of this Agreement, the balance of the Purchase Price less the Deposit, increased or decreased by the items to be apportioned pursuant to Section 4.8 of this Agreement (such sum, before the apportionments referred to herein is referred to as the "Closing Balance" and after such apportionments is referred to as the "Adjusted Closing Balance") shall be paid on the Closing Date by wire transfer in federal funds to a bank account designated in writing by the Village at least five (5) business days prior to the Closing Date.

Section 4.4 - VILLAGE TRANSACTION COSTS. Notwithstanding any obligations of the Village set forth in the Agreement to solely bear its expenses and costs in connection herewith, and in addition to the Purchase Price provided for in Section 4.3, the Buyer agrees to pay the Village One-Hundred and Seventy-Five Thousand (\$175,000) Dollars for costs and expenses incurred and reasonably anticipated to be incurred by the Village in connection with the sale of the Water System, including, but not limited to, outside attorney, engineering, inspection, and other consultant costs (collectively the "Transaction Costs Payment"). The Buyer agrees to pay the Village \$75,000.00 of the Transaction Costs Payment upon the execution of this Agreement, which amount shall be non-refundable. The Buyer agrees to pay the Village up to the remaining \$100,000 of the Transaction Costs Payment at Closing.

Section 4.5 - ADDITIONAL OBLIGATIONS. In addition to the payment of the amounts set forth in Sections 4.3 and 4.4 hereof, the Buyer agrees to:

- (A) assume responsibility for all claims and liabilities relating to the Water System subsequent to Closing;
- (B) assume and meet all contractual commitments of the Village on and after the Closing Date in connection with the Water System and the contracts set forth in Exhibit E (collectively, this subparagraph (B) and subparagraph (A) immediately before this subparagraph constitute the "Assumed Liabilities");
- (C) comply with the Rate Stabilization Covenant;
- (D) Provide formal record of termination as of the Closing Date of the Commodity-Demand Regional Water Sales Agreement and any amendments thereto;
- (E) provide the customers of the Water System with continuous, safe and reliable service in accordance with applicable laws and regulations, and the Buyer's tariff as approved by the BPU;
- (F) maintain or expand the Water System in conformance with existing Village land use and zoning ordinances, master plan, and historic district standards, as applicable;
- (G) make the required capital improvements pursuant to Section 8.9; and

- (H) make application, with the assistance of the Village, for the transfer, effective at the Closing, of all Water system permits and approvals issued to the Village prior to Closing by the NJDEP or any other local, State or federal agency.

Section 4.6 - THE CLOSING. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at Village offices located at 76 South Orange Avenue, Third Floor, South Orange, New Jersey 07079 forty-five (45) days after the satisfaction of the last condition to be satisfied pursuant to Article VII herein but in no event sooner than any advance notice period required by applicable Governmental Authorities and quasi-governmental entities for review and approval of this transaction (the "Closing Date"). The Parties may mutually agree in writing to have the Closing at another time or place or to conduct the Closing via electronic document execution and transfer.

Section 4.7 - DELIVERIES AT THE CLOSING. At the Closing:

- (A) The Village will execute, acknowledge (if appropriate), and deliver to the Buyer:
- (i) a bargain and sale deed associated with the Water System without covenant against grantor's acts, in recordable form, duly executed by the Village;
  - (ii) an assignment of easements in the form attached hereto as Exhibit F, to convey all easement rights associated with the Water System, which to the extent possible shall be listed, subject to the Permitted Encumbrances;
  - (iii) a Bill of Sale in the form attached hereto as Exhibit C;
  - (iv) an Assignment and Assumption Agreement in the form attached hereto as Exhibit B;
  - (v) a General Assignment in the form attached hereto as Exhibit G;
  - (vi) a Settlement Statement;
  - (vii) a certified copy of the appropriate Village resolution(s) and/or ordinances authorizing the transactions contemplated hereunder;
  - (viii) a signed certification by the Village that the warranties and representations in Article II are true and correct as of the Closing Date;
  - (ix) originals or copies of all governmental permits and licenses for the Water System, or any component thereof, in the Village's possession, to the extent transferable;

- (x) Any other tax information regarding the Village that the Settlement Agent (as that term is used in Section 6045 of the Code) is required to report to the Internal Revenue Service pursuant to the Code;
  - (xi) An adopted ordinance establishing rates as outlined in Exhibit D. Tariff;
  - (xii) Such other resolutions, instruments, affidavits and documents as may be reasonably necessary to effectuate the transaction.
- (B) Buyer will execute, acknowledge (if appropriate) and deliver to the Village:
- (i) an assignment of easements in the form attached hereto as Exhibit F, to convey all easement rights associated with the Water System, which to the extent possible shall be listed, subject to the Permitted Encumbrances;
  - (ii) an Assignment and Assumption Agreement in the form attached hereto as Exhibit B;
  - (iii) a General Assignment in the form attached hereto as Exhibit G;
  - (iv) a Settlement Statement;
  - (v) Certified copy of appropriate corporate resolution(s) authorizing the transactions contemplated hereunder;
  - (vi) a signed certification by Buyer that the warranties and representations in Article III are true and correct as of the Closing Date;
  - (vii) Any tax information regarding Buyer that the Settlement Agent (as that term is used in Section 6045 of the Code) is required to report to the Internal Revenue Service pursuant to the Code;
  - (viii) Notice of Termination as of the Closing Date of that Commodity-Demand Regional Water Sales Agreement dated January 13, 2015 and any amendments thereto
  - (ix) The Purchase Price;
  - (x) The balance of the Transaction Costs Payment; and
  - (xi) Such other documents, resolutions, instruments, affidavits and documents as may be reasonably necessary to effectuate the transaction.

Section 4.8 - APPORTIONMENTS. At the Closing, real estate taxes, if any, for the fee parcels constituting Water System assets to be transferred to the Buyer and all other operating expenses for the Water System allocable to periods before and after the Closing Date, including adjustments necessary pursuant to this Section and Section 4.9 below, shall be apportioned for the Water System as of 11:59 p.m. on the day preceding the Closing Date.

Section 4.9 - SETTLEMENT STATEMENT. At the Closing, the Parties shall jointly execute the Settlement Statement setting forth all adjustments to the Purchase Price and the basis for same. In the event that any adjustments or apportionment cannot be apportioned or adjusted at the Closing by reason of the fact that final amounts have not been ascertained, or are not available as of such date, the Parties hereto agree to apportion or adjust such items on the basis of their best estimates of the amounts known at the Closing and to re-prorate any and all of such amounts promptly when the final amounts are ascertained, which obligation shall survive the Closing.

## ARTICLE V

### PRE-CLOSING, COVENANTS AND CONTINGENCIES

Section 5.1 - PRE-CLOSING, COVENANTS AND CONTINGENCIES. The performance of this Agreement is contingent upon the satisfaction of all the conditions set forth below. In that regard, the Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

- (A) General. Each of the Parties will use its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Transaction Documents.
- (B) Access to Books. Upon reasonable prior notice, the Village will give the Buyer, its accountants, engineers, counsel and other representatives full access during normal business hours throughout the period from the date of this Agreement through the Closing Date to all of the Village's records, books, and properties with respect to the Water System, including, without limitation, all customer usage data and will furnish the Buyer copies, including in electronic format reasonably acceptable to the Buyer, at the Buyer's expense, of such documents or portions of documents related to the ownership, operation and maintenance of the Water System as the Buyer may reasonably request, provided such documents and electronic media are in the Village's possession or in the possession of third parties under contract with the Village.
- (C) Permits. Prior to the Closing, the Parties shall cooperate to effect the transfer of all Permits related to the operation of the Water System which were granted

to the Village by any Governmental Authority, which transfer shall be effective on or after but not before the Closing. The Village shall provide reasonable assistance to the Buyer as reasonably requested by the Buyer with respect to such applications.

- (D) Operation of Water System. The Village will:
- (i) direct and permit American Water Operations and Maintenance, Inc. to operate the Water System in compliance with all local, state and federal rules and regulations as required between the parties under that operations and maintenance agreement between the Village and American Water Operations and Maintenance, Inc. dated as of July 11, 2016;
  - (ii) use good faith efforts to continue to operate the Water System in compliance with all local, state and federal rules and regulations;
  - (iii) maintain the Water System in at least as good order and condition as existed on the date of this Agreement, casualty and normal wear and tear excepted; and
  - (iv) timely comply with the provisions of all leases, agreements, and contracts relating to the Water System.
- (E) BPU Approvals.
- (i) The Buyer shall as soon as reasonably practicable after (i) approval of a public referendum authorizing the sale of the Water System, (ii) the execution of this Agreement by both Parties, and (iii) the adoption of the Village Consent as set forth in Section 5.1(F) below, at its sole cost and expense, file or cause to be filed all necessary documentation with the BPU to obtain the Final Order of the BPU approving the Village Consent.
- (F) Village Consent. The Village shall adopt pursuant to applicable law, the Village Consent in substantially the same form as set forth in Exhibit L. The Buyer shall be responsible, at its sole cost and expense, with reasonable assistance from the Village, for obtaining BPU approval of the Village Consent pursuant to N.J.S.A. 48:2-14.
- (G) Village Approval. On July 8, 2024, the Village introduced Ordinance 2024-15 to authorize the sale of the Water System subject to public referendum and placing the question on the November 2024 general ballot for public referendum for voter

approval of the sale of the Water System. On July 29, 2024, Ordinance 2024-15 was duly adopted by the South Orange Village Council. The question was placed on the ballot used at the November 5, 2024 general election and was approved, in the affirmative, by a majority of the voters of South Orange Village.

- (H) Risk of Loss. The Parties agree that the Village shall bear the risk of and be responsible for loss with respect to the assets and properties constituting the Water System from the date of this Agreement through the Closing Date. In event that the condition of the Water System is significantly adversely changed from the date of this Agreement to the Closing Date by virtue of fire, casualty, act of God or condemnation, the Village and the Buyer may mutually agree, in writing, to a reduction in Purchase Price or other consideration as compensation for the significant adverse change in the System. If the Village and the Buyer cannot reach agreement within sixty (60) days of the event despite good faith efforts, either Party has the option to terminate this Agreement upon written notice to the other Party. If the Buyer terminates the Agreement pursuant to this section, the Village shall promptly, and in no event later than five (5) business days after such termination, repay to the Buyer, the Deposit, and upon such termination this Agreement shall be deemed canceled, null and void and neither Party shall have any further obligation or liability to the other hereunder.
  
- (I) Customer List and Information; Final Bills. The Village shall provide or cause to be provided to the Buyer a full and complete customer list for the Water System as of the date of the execution of the Agreement by both parties, together with an electronic data file, in a format reasonably satisfactory to the Buyer, containing such customer information; such list and electronic file are to be updated by the Village and provided to the Buyer within sixty (60) days before the Closing or as otherwise agreed to between the Parties. The Parties shall agree no later than sixty (60) days before the Closing to a process and method for the final billing of the Water System customers.
  
- (J) Publicity. The Parties agree to cooperate on any formal public announcement or statement regarding this Agreement or the transactions contemplated herein. Each Party shall make a good faith effort to provide the other with advance notice of the proposed content of any public announcement or statement.
  
- (K) Identification of Contracts to be Assigned. As set forth in Section 4.5(B), the Buyer must assume the Village's obligations on and following the Closing Date for those agreements set forth in Exhibit E.
  
- (L) Buyer Access. The Village shall provide the Buyer, at the Buyer's sole cost, reasonable access to the Water System from the Contract Date until the Closing

Date for purposes including, but not limited to, examination of customer accounts, ordinances, deeds, contracts, maps, and plans; inspection and tests of equipment; and surveys of the real property comprising the Water System and easements. In addition, Buyer shall have ninety (90) days from the date of the Agreement to complete and be satisfied with the results of any Phase I and Phase II environmental site assessment or other environmental assessment performed with respect to the real property. If Buyer determines that it is not satisfied with the environmental assessments, Buyer shall notify the Village prior to the expiration of the Evaluation Period. The Village shall then have fifteen (15) days from the date of its receipt of the notice to exercise the Village's right to either remedy the environmental issue prior to Closing or to advise Buyer that the Village is unable or unwilling to remedy the environmental issue. If the Village notifies Buyer that it is unable or unwilling to remedy the environmental issue, then Buyer may elect to (1) terminate the Agreement and forfeit the full amount of the Transaction Costs (\$175,000.00) and one-half of the Deposit (\$492,500.00) for a total forfeiture of \$667,500.00, or (2) accept the real property as is and proceed to Closing (provided all other contingencies have been satisfied) with no adjustment in purchase price.

- (M) The Buyer hereby agrees to indemnify and hold the Village harmless from any and all claims, demands, suits, actions, damages, liabilities, or expenses with respect to or arising from the Buyer's access to the Water System during this period. The Buyer's rights under this Section shall be exercised during normal business hours, with reasonable notice and shall not interfere with the Village's continuing operation of the Water System. The Village shall cooperate with the Buyer with respect to such access to ensure a smooth transition in ownership of the Water System.
- (N) Confidentiality. Any information provided by the Village to the Buyer regarding the Village's customers and the Water System that is not generally available to the public shall remain confidential.
- (O) Cooperation During Transition. Generally, the parties shall cooperate to facilitate a smooth transition and the Buyer shall not do anything that will interfere with the Village's operation and administration of the Water System. The Village shall assist the Buyer in supplementing the Property Information Materials to ensure the Buyer has the necessary property rights to own and operate the Water System upon Closing.
- (P) Referendum Education Campaign. The Buyer shall provide reasonable assistance to the Village in connection with its public referendum education campaign.

- (Q) Watershed Property Review Board. To the extent applicable, and with the cooperation and assistance of the Buyer, the Village shall submit an application for review and approval of the transfer of any fee parcels or easements associated with the Water System to the Watershed Property Review Board ("WPRB") in accordance with the Watershed Moratorium and Protection Act and obtain the WPRB written approval or exemption as the case may be.
- (R) Review by New Jersey Office of the State Comptroller. To the extent applicable, and with the cooperation and assistance of the Buyer, the Village shall submit for review and approval of the sale of the Water System to the New Jersey Office of the State Comptroller and obtain written approval or exemption as the case may be.
- (S) Additional Municipal Consents. If there are customers in adjacent municipalities served by the Water System, municipal consent ordinances from those municipalities may be required and in such instance the Village shall cooperate with the Buyer in obtaining said consents as soon as reasonably possible.

## ARTICLE VI

### TITLE AND CONDITION OF SYSTEMS

Section 6.1 - TITLE. Good and marketable title to the Water System, including the real property comprising same, including valid licenses and/or easements necessary to own, operate and access all assets constituting the Water System shall be conveyed by the Village to the Buyer at the Closing free and clear of all Encumbrances, subject only to the Permitted Encumbrances. "Permitted Encumbrances" means any and all:

- (A) matters disclosed by the Property Information Materials (as defined in Section 6.2 hereof);
- (B) matters that become Permitted Encumbrances in accordance with the provisions of this Article VI;
- (C) matters that would be revealed by a physical inspection of or a complete and accurate survey, of the real property comprising the Water System;
- (D) rights of way and easements that do not materially interfere with the existing use of the real property comprising the Water System;
- (E) zoning and other governmental restrictions; and

- (F) taxes, assessments and other public charges on real property comprising the Water System not due as of the Closing Date, provided, however, in no event shall Permitted Encumbrances include Monetary Liens. With respect to the real property comprising the Water System, Buyer may within ten (10) business days of execution of this Agreement or as soon as reasonably possible following receipt of sufficient information to do so apply for an owner's title insurance policy or policies from a reputable title insurance company licensed to do business in New Jersey (the "Commitment"). Within ten (10) business days after receipt of the Commitment, the Buyer shall notify the Village of any objections, other than the Permitted Encumbrances. Any matters set forth on the Commitment and not objected to by the Buyer within said ten (10) day period shall become Permitted Encumbrances hereunder. The Village may elect to cure any title defect by so notifying the Buyer. If the Village does not so elect within twenty (20) days after notice of the objection, or if after so electing, the Village fails to cure the defect(s) prior to the Closing, then the Buyer may at its choice, (i) continue to close with a corresponding reduction in the Purchase Price equivalent to Buyer's (a) costs for curing any title defects and (b) costs to obtain any easements necessary for the ownership and operation of the Water System that are missing or that the Village is unable to deliver; or (ii) terminate this Agreement upon notice to the Village, said notice to be delivered within seven (7) days of the Village's failure to so elect or, if the Village elects to cure but does not, to be delivered at the Closing. If the Buyer terminates the Agreement pursuant to this section, the Village shall promptly, and in no event later than ten (10) business days after such termination, repay to the Buyer the Deposit, and upon such termination this Agreement shall be deemed canceled, null and void and neither Party shall have any further obligation or liability to the other hereunder.

Section 6.2 - PROPERTY INFORMATION MATERIALS. The Buyer acknowledges that prior to the Buyer's execution of this Agreement, the Village delivered to the Buyer and the Buyer reviewed the materials and information concerning the Water System provided as part of the RFB (collectively, "Property Information Materials"). The Buyer acknowledges and understands that the Property Information Materials may have been prepared by parties other than the Village and that the Village makes no representation or warranty whatsoever, express or implied, as to the content, completeness, or accuracy of the Property Information Materials. The Buyer specifically releases the Village from all claims, demands, causes of action, judgments, losses, damages, liabilities, costs and expenses (including attorney's fees whether suit is instituted or not), whether known or unknown, liquidated or contingent (collectively, "Claims"), asserted against or incurred by the Buyer by reason of the information contained in, or that should have been contained in, the Property Information Materials or any inconsistency between such information and any representation or warranty of the Village contained in this Contract. However, the foregoing release shall not apply to any Claims resulting from any intentional misstatements or willful

misconduct on the part of the Village. Provided however, nothing in this Section 6.2 shall affect nor relive the Village of its obligations pursuant to Section 6.1.

Section 6.3 - CONDITION OF THE SYSTEMS. Subject to the terms and conditions of this Agreement, and the representations and warranties contained in the other Transaction Documents, the Buyer has agreed to purchase the Water System in its "AS-IS" condition, including their environmental condition, operating condition, and condition of repair. The Buyer acknowledges that the Buyer has had and/or has been given pursuant to the RFB, an adequate opportunity to make such legal, factual, and other inquiries, inspections and investigations as the Buyer deems necessary, desirable, or appropriate with respect to the Water System. The Buyer has satisfied itself on all aspects, without limitation, of the Water System and is not relying on any representation of the Village in connection therewith except for the representations and warranties contained in this Agreement and the other Transaction Documents. Notwithstanding the above, the Village shall 1) direct and permit American Water Operations and Maintenance, Inc. to operate the Water System in compliance with all local, state and federal rules and regulations as required between the parties under that operations and maintenance agreement between the Village and American Water Operations and Maintenance, Inc. dated as of July 11, 2016; 2) operate the Water System in compliance with all local, state and federal rules and regulations; and 3) be responsible for any and all fines, damages, claims and liability arising out of the Village's ownership of the Water System; all through to the Closing Date.

## ARTICLE VII

### CONDITIONS TO OBLIGATION TO CLOSE

Section 7.1 - CONDITIONS TO OBLIGATION OF THE BUYER. The obligation of the Buyer to perform its obligations in connection with the Closing is subject to the satisfaction or waiver by the Buyer of the following conditions:

- (A) the representations and warranties set forth in Article II of this Agreement and the other Transaction Documents shall be true and correct in all material respects as of the Closing Date;
- (B) the Village shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;
- (C) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement and the Transaction Documents; and
- (D) the Buyer shall have secured from the Village, the BPU, NJDEP, and all other applicable Governmental Authorities and quasi-governmental entities, all authorizations and approvals required for the transfer of the Water System to the Buyer,

including but not limited to the NJDEP Permits, if necessary (the "Approvals"), and all such Approvals (i) shall be in form and substance and subject to terms and conditions reasonably satisfactory to the Buyer, (ii) shall not be subject to the satisfaction of any condition that has not been satisfied or waived in order for such Approval to be effective, (iii) shall be in full force and effect, with any periods for appeal having expired, and (iv) all terminations or expirations of waiting periods imposed any Governmental Authority necessary for the consummation of the transaction shall have occurred. The Parties shall use all reasonable efforts to obtain the Approvals and to do so as expeditiously as reasonably possible. In connection with the Approvals, the Buyer shall deliver to the Village or cause to be delivered to the Village, through addition(s) to the applicable service list(s), copies of all correspondences to and from the bodies with whom the applications have been filed or will be filed. The Village covenants to cooperate with the Buyer, at the Buyer's cost and expense, in the Buyer's efforts to obtain the Approvals and to promptly consent, when required by law, to all applications for the Approvals filed by the Buyer. The Buyer shall immediately notify the Village in writing of any determinations made by any authority considering any application.

Section 7.2 - CONDITIONS TO OBLIGATION OF THE VILLAGE. The obligation of the Village to perform its obligations in connection with the Closing is subject to satisfaction or waiver by the Village of the following conditions:

- (A) the representations and warranties set forth in Article III of this Agreement and in the other Transaction Documents shall be true and correct in all material respects as of the Closing Date;
- (B) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;
- (C) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or the Transaction Documents;
- (D) the Buyer shall have secured from the Village, the BPU, NJDEP, and all other applicable governmental and quasi-governmental entities, all authorizations and approvals required for the transfer of the Water System to the Buyer, including but not limited to the NJDEP Permits, if necessary (the "Approvals"). The Parties shall use all reasonable efforts to obtain the Approvals and to do so as expeditiously as reasonably possible. In connection with the Approvals, the Buyer shall deliver to the Village or cause to be delivered to the Village, through addition(s) to the applicable service list(s), copies of all correspondences to and from the bodies with whom the applications have been filed or will be filed. The Village covenants to cooperate with

the Buyer, at the Buyer's cost and expense, in the Buyer's efforts to obtain the Approvals and to promptly consent, when required by law, to all applications for the Approvals filed by the Buyer. The Buyer shall immediately notify the Village in writing of any determinations made by any authority considering any application; and

- (E) the Village shall have obtained any necessary consents and releases for the assignment and assumption of the assumed liabilities as defined in Exhibit B.
- (F) the Village shall have approved and provide documentation of: (i) defeasance and redemption of any outstanding bonds issued by the Village on the Water System; (ii) discharge of any other outstanding debt issued to the Village related to the Water System and payable to any current lender; and (iii) repayment of any grant issued to the Village related to the Water System that must be repaid due to the sale of the Water System.

Section 7.3 - SCHEDULE FOR CLOSING CONDITIONS. The Buyer shall promptly initiate and complete its conditions of Closing set forth in Section 7.1, provided, however, that all such conditions must be met no later than the date that is twelve (12) months following the date of this Agreement, or the adoption of the Village Consent, whichever is later. In the event that all such Closing conditions are not completed by such date notwithstanding the Buyer's good faith efforts, the Village shall have the right to terminate this Agreement and retain one-quarter of the Deposit (\$246,250.00) and \$75,000 of the Transaction Costs Payment that had been paid to the Village upon the execution of this Agreement, provided that the Village has pursuant to this Agreement, fulfilled its obligations, including but limited to obtaining approvals by the New Jersey Office of the State Comptroller and WPRB, or the parties may mutually agree to extend such completion period. The parties acknowledge that a failure to close this Transaction in timely fashion as provided in this Section 7.3 may result in additional carrying, operational and maintenance costs and expense to the Village and, therefore, agree to engage in good faith discussions, examination and consideration of additional carrying, operational and maintenance costs and expense to the Village in connection with the continued operation of the Water System beyond the twelve (12) months following the date of this Agreement, or the adoption of the Village Consent, whichever is later, including, but not limited to, outside attorney, engineering, inspection, and other consultant costs. Any costs and expenses agreed to by the Parties shall increase Transaction Costs and be payable to the Village as additional transaction costs ("Additional Transaction Costs"). The parties agree to submit to the dispute resolution provisions of Article XI in the event they are unable to agree to Additional Transaction Costs.

## ARTICLE VIII

### POST-CLOSING OBLIGATIONS OF BUYER

Section 8.1 - CONTINUATION OF WATER SERVICES. The Buyer shall continue to provide services in accordance with the Customer Service Standards and the Customer Service Plan described

in Exhibit J and shall guarantee the delivery of water to the customers of the Water System in a manner that meets all local, state, and federal laws and regulations relating and shall operate and maintain the Water System to provide safe, reliable and adequate service.

Section 8.2 - MAINTENANCE, REPAIRS AND REPLACEMENT. The Buyer shall perform, at its own expense, all maintenance, repair, and replacement of the machinery, equipment, structures, improvements, and all other property and components constituting the Water System. The Buyer shall provide or make provisions for all labor, materials, supplies, equipment, spare parts, and services which are necessary for the normal and ordinary maintenance of the Water System and shall conduct predictive, preventive, and corrective maintenance of the Water System as required by applicable law. The Village shall have no liability nor incur any costs as it may regard maintenance, repairs and/or replacement related to the Water System after the closing date.

Section 8.3 - RATE STABILIZATION COVENANT. Upon Closing, the Buyer shall adopt the Village's water rates as set forth in Exhibit D. The Buyer shall hold said rates for a minimum of two (2) years. Thereafter, the Village's rates shall increase by an average of no more than three percent (3%) per year, compounded annually, for the next three (3) years. The Buyer shall abide by the terms of this rate stabilization covenant regardless of any regulatory determination to the contrary. Thereafter, any future base rate increases shall be included in Buyer's base rate cases periodically filed with the BPU. The Buyer shall use good faith efforts to minimize any future base rate increases to Village customers by spreading costs of the Water System across its statewide customer base and phasing rates into the Buyer's existing tariff rates over the course of several base rate cases, all to the extent permitted by law. Given the state requirement to identify and replace customer-owned lead service lines in the Village by 2031, New Jersey American Water shall apply its NJBPU-approved Lead Service Line Replacement Charge, as reflected on the Buyer's Rate Schedule O-2 (Tariff Sheet No. 40.2), on South Orange Village customers' bills. The Village shall via an ordinance adopt this Lead Service Line Replacement Charge prior to the Closing Date such that it is effective as of the Closing Date and Buyer shall in turn adopt and apply this surcharge post-Closing.

Section 8.4 - PAYMENT ASSISTANCE PROGRAM. The Buyer hereby agrees that as of the Closing Date, all customers that meet eligibility requirements have access to and can apply for bill-paying assistance through the Buyer's H2O Help to Others Program™, administered by NJ SHARES.

Section 8.5 - SERVICE TO VILLAGE FACILITIES. The Village shall via an ordinance adopt a municipal water rate applicable to Village Facilities identified in Exhibit N prior to the Closing Date such that it is effective as of the Closing Date and Buyer shall in turn adopt this rate, which will be subject to the Rate Stabilization Covenant outlined in Section 8.3. The Village shall immediately repair any identified leaks on the customer side of the applicable Village-owned facility.

Section 8.6 - FIRE HYDRANTS. The Village shall via an ordinance adopt a public fire service rate prior to the Closing Date such that it is effective as of the Closing Date and Buyer shall in turn adopt this rate, which will be subject to the Rate Stabilization Covenant outlined in Section 8.3.

Section 8.7 - SERVICE LINE RESPONSIBILITY. The term "Service Line" shall mean the lateral service line that connects the Water System to a customer's premise. The Buyer shall be responsible for that portion of the Service Line within any public street right of way or water utility easement, or if there is no public street right of way or water utility easement, that portion of the Service Line that is the point of connection to the Water System to the curb box. The customer shall be responsible for maintaining and repairing the remainder of the Service Line.

Section 8.8 - PAVING. The Buyer shall temporarily and permanently pave Village roads in accordance with the Village's road opening ordinances and specifications and in coordination with other Village road construction projects. The Buyer will provide curb-to-curb pavement restoration either between two connecting manholes or between two connecting roadway intersections for all Buyer initiated work where the water mains or other water assets in a roadway are replaced. Buyer shall evaluate the condition of any Water main that falls within the limits of a road reconstruction project initiated by the Village. Should the Buyer elect to replace or rehabilitate water assets, the work would be coordinated with the Village ahead of the planned road reconstruction project.

Section 8.9 - REQUIRED CAPITAL IMPROVEMENTS. The Buyer agrees to invest at least \$50 million in capital improvements to the Water System within ten (10) years of the Closing, \$35 million of which the Buyer covenants to invest within the first five (5) years. Exhibit K contains a listing of potential capital improvements identified by the Buyer in its Bid submission in response to the RFB. This list may be subject to revision based upon further due diligence conducted by the Buyer post execution of this Agreement. If the Buyer fails to invest \$50 million in capital improvements to the Water System within ten (10) years of the Closing, then the Buyer shall pay, within sixty (60) days of the ten (10) year anniversary of the Closing Date, to the Village as liquidated damages, a sum equal to \$50 million, less the total investment of capital improvements to the Water System expended by the Buyer within ten (10) years of the Closing (the "Capital Improvement Damages Amount"). The Capital Improvement Damages Amount shall be paid into an escrow account and shall be used solely for capital improvements for the Water System. Tangential to this sale, and as part of Buyer's capital improvement commitment as set forth in Exhibit K, the Village shall sell, transfer and assign all of its rights and interest to the engineering plans and permitting documents for the Crest Drive Standpipe improvement project (collectively the "Plans") prepared by HDR, Inc. in exchange for the sum of \$400,000.00. The compensation for the Plans shall separate and apart from the Purchase Price but will be handled as a Closing adjustment and identified on the Closing statement. The Village shall designate a Village liaison and Buyer shall meaningfully engage, on a quarterly-annual basis, the Village liaison in the identification and execution of capital improvements to be performed by the Buyer to the Water System; provided

however, the implementation and execution of the capital improvements is at the sole discretion of the Buyer.

Section 8.10 – CELL TOWER LEASE AGREEMENTS. As of the Closing Date, the Buyer shall grant the Village a temporary license through an access agreement on mutually agreeable terms, including indemnification, to continue utilizing the portions of the property where certain cell equipment is located pursuant to existing agreements between the Village and cell tower companies. Buyer shall have the option, in Buyer's sole discretion, to terminate the sublease with Village or the preexisting lease for the cell equipment, subject to the terms of that lease and fully indemnifying and defending the Village against any claim for breach of contract, damages or liability associated with such termination by Buyer.

Section 8.11. – POST-CLOSING COOPERATION OF THE VILLAGE. On or after the Closing Date, the Village shall, on request, cooperate with the Buyer by furnishing any additional information, executing and delivering any additional documents and instruments, including contract assignments or easements, and doing any and all such other things as may be reasonably required by the Parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement. Should the Buyer, in its reasonable discretion, determine after the Closing that books, records or other materials constituting acquired assets are still in the possession of the Village, the Village shall promptly deliver them to the Buyer at no cost to the Buyer. The Village hereby agrees to cooperate with the Buyer to ensure a proper transition of all customers with respect to billing and customer service activities.

Section 8.12 – SURVIVAL. The obligations set forth in this Article VIII shall survive Closing.

## ARTICLE IX

### REMEDIES FOR BREACHES OF THIS AGREEMENT

Section 9.1 - PRE-CLOSING DEFAULT BY THE BUYER. In the event that the Buyer materially breaches or defaults under this Agreement before the Closing hereunder, and such material breach or default continues for ten (10) business days after written notice from the Village to the Buyer specifying such material breach or default, the Village may, in its sole discretion, terminate this Agreement and retain fifty percent (50%) of the Deposit (\$492,500.00) and hundred percent (100%) of the Transaction Costs Reimbursement paid to the Village upon execution of this Agreement (\$75,000.00) as liquidated damages. All of the Village's rights and remedies shall survive any termination of this Agreement by the Village as a result of the Buyer's default.

Section 9.2 - PRE-CLOSING DEFAULT BY THE VILLAGE. In the event that the Village materially breaches or defaults under this Agreement before Closing and such material breach or default continues for ten (10) business days after written notice from the Buyer to the Village specifying such material breach or default, the Buyer shall have the right as its sole remedy to either seek to enforce the Agreement by an action for specific performance (but not an action for

damages) or to terminate this Agreement and have the Deposit returned. The Buyer's rights and remedies pursuant to this section shall survive any termination of this Agreement by the Buyer as a result of the Village's default.

Section 9.3 - POST-CLOSING DEFAULTS. In the event that either party materially breaches or defaults under this Agreement or the Transaction Documents after the Closing, and such material breach or default continues for ten (10) business days after written notice from the non-defaulting party to the defaulting party specifying such material breach or default, the non-defaulting party shall have the right to seek any available remedies at law or equity.

## ARTICLE X

### ESCROW

Section 10.1 - ESCROW The Deposit shall be held by the Escrow Agent, in trust, for the benefit of the Parties as their interests appear hereunder under the Escrow Agreement attached hereto and incorporated herein by reference as Exhibit I.

## ARTICLE XI

### NON-BINDING MEDIATION; FORUM FOR DISPUTE RESOLUTION

Section 11.1 - RIGHTS TO REQUEST AND DECLINE NON-BINDING MEDIATION. Either Party may request non-binding mediation of any dispute arising under this Agreement. The non-requesting party may decline the request in its sole discretion. If there is concurrence that any particular matter shall be mediated, the provisions of this Article shall apply. The costs of such non-binding mediation shall be divided equally between the Village and the Buyer.

Section 11.2 - PROCEDURE. The mediator shall be a professional engineer, attorney or other professional mutually acceptable to the Parties who has no current or on-going relationship to either Party. The mediator shall have full discretion as to the conduct of the mediation. Each Party shall participate in the mediator's program to resolve the dispute until and unless the Parties reach agreement with respect to the disputed matter or one Party determines in its sole discretion that its interests are not being served by the mediation.

Section 11.3 - NON-BINDING EFFECT. Mediation is intended to assist the Parties in resolving disputes over the correct interpretation of this Agreement. No mediator shall be empowered to render a binding decision.

Section 11.4 - RELATION TO JUDICIAL LEGAL PROCEEDINGS. Nothing in this Article shall operate to limit, interfere with, or delay the right of either Party to commence judicial legal proceedings upon a breach of this Agreement by the other Party, whether in lieu of, concurrently with, or at the conclusion of any non-binding mediation.

Section 11.5 - FORUM FOR DISPUTE RESOLUTION. It is the express intention of the Parties that all legal proceedings related to this Agreement or to the Water System or to any rights or any relationship between the Parties arising therefrom shall be solely and exclusively initiated and maintained in the applicable State courts located in Essex County, New Jersey.

## ARTICLE XII

### INDEMNIFICATION

Section 12.1 - INDEMNIFICATION BY THE BUYER. The Buyer shall indemnify, defend and hold harmless, including paying all attorneys' fees, the Village, its employees, agents, professionals and its elected officials (each, a "Village Indemnitee"), from and against any and all third-party claims, demands, suits, actions, damages, liabilities or expenses arising from or alleged to arise from or in connection with: (1) the operation of the Water System subsequent to the Closing Date; (2) any failure by the Buyer to perform its obligations under this Agreement; and (3) the negligent acts, errors or omissions or willful misconduct of the Buyer or any of its officers, directors, employees, agents, representatives or subcontractors in connection with this Agreement.

Section 12.2 - INDEMNIFICATION BY THE VILLAGE. To the extent permitted by law, the Village shall indemnify, defend and hold harmless the Buyer from and against any and all third-party claims, demands, suits, actions, damages, liabilities or expenses arising from (or alleged to arise from or in connection with: (1) any inaccuracy in or breach of or any claim by any third party alleging or constituting an inaccuracy or breach of any representation or warranty of, or any failure to perform or nonfulfillment of any provision or covenant contained in this Agreement or any other Transaction Document by the Village; (2) all liabilities and/or duties of the Village, whether accruing prior to or after the Closing Date; (3) the ownership and/or operation of the Water System prior to the Closing Date; and (4) the willful misconduct of the Village in connection with this Agreement.

Section 12.3 - THIRD PARTY CLAIMS. An Indemnitee shall give the Indemnitor notice of any matter which an Indemnitee has determined that such matter has given or could give rise to a right of indemnification under this Agreement (an "Indemnified Claim") within sixty (60) days of such determination, stating the amount of the Losses, if known, the method of computation thereof, and containing a reference to the provisions of this Agreement from which such right of indemnification is claimed or arises. If the Indemnitor acknowledges in writing that its obligation to indemnify the Indemnitee hereunder against any Losses that may result from such Indemnified Claim, then the Indemnitor shall be entitled to assume and control the defense of such Indemnified Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnitee within five (5) days of the receipt of such notice from the Indemnitee. In the event the Indemnitor exercises the right to undertake any such defense against any such Indemnified Claim as provided above, the Indemnitee shall cooperate with the Indemnitor in such defense and make available to the Indemnitor, at the Indemnitor's expense, all witnesses, pertinent records, materials and information in the Indemnitee's possession or under the Indemnitee's control relating thereto as is reasonably required by

the Indemnitor. Similarly, in the event the Indemnitee is, directly or indirectly, conducting the defense against any such Indemnified Claim, the Indemnitor shall cooperate with the Indemnitee in such defense and make available to the Indemnitee, at the Indemnitor's expense, all such witnesses, records, materials and information in the Indemnitor's possession or under the Indemnitor's control relating thereto as is reasonably required by the Indemnitee. No such Indemnified Claim may be settled by the Indemnitor without the prior written consent of the Indemnitee which shall not be unreasonably withheld. If the Indemnitor fails to acknowledge its indemnity obligation within the time period provided above then the Indemnitee may undertake its own defense without waiving its right to seek indemnity hereunder, including reimbursement of any defense costs incurred.

Section 12.4 - NO OTHER DAMAGES. Other than in connection with third party claims, in no event shall either Party be liable to the other for any reason under this Agreement or any other Transaction Document for any form of special, incidental, indirect, consequential, or punitive damages of any kind (whether or not foreseeable), even if informed in advance of the possibility of such damages, and whether arising in contract, tort (including negligence), or otherwise.

### ARTICLE XIII

#### MISCELLANEOUS

Section 13.1 - THIRD PARTY BENEFICIARIES. Neither this Agreement nor any Transaction Document shall confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 13.2 - ENTIRE AGREEMENT. This Agreement (including the other Transaction Documents) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter of any such agreement or document.

Section 13.3 - SUCCESSION AND ASSIGNMENT. This Agreement and each Transaction Documents shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Neither Party shall assign this Agreement to any Person without the other party's prior written consent.

Section 13.4 - COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

Section 13.5 - HEADINGS. The article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 13.6 - NOTICES. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Village:  
Village Administrator  
South Orange Village  
76 South Orange Ave, 3<sup>rd</sup> Floor  
South Orange, New Jersey 07079  
(973) 378-7715

Copy to:  
Clyde L. Otis III, Esq.  
Post Polak, P.A.  
425 Eagle Rock Avenue  
Suite 200  
Roseland, New Jersey 07068  
(973) 228-9900 x 213  
cotis@postpolak.com

If to Buyer:  
Vice President, Operations  
New Jersey-American Water Company, Inc.  
1 Water Street  
Camden, NJ 08102

Copy to:  
General Counsel  
New Jersey-American Water Company, Inc.  
1 Water Street  
Camden, NJ 08102

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it is actually received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

Section 13.7 - GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New Jersey without giving effect to any choice

or conflict of law provision or rule (whether of the State of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New Jersey.

Section 13.8 - AMENDMENTS AND WAIVERS. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and the Village. No waiver by any Party of any default, misrepresentation, breach of warranty, or breach of covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, breach of warranty, or breach of covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 13.9 - SEVERABILITY. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 13.10 - EXPENSES. Subject to the Village's retention of the Transaction Costs Payment paid to the Village, in the event the Closing does not occur, other than by reason of a material default by one of the Parties, each Party shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 13.11 - CONSTRUCTION. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

Section 13.12 - VARIATIONS IN PRONOUNS. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

Section 13.13 - INCORPORATION OF EXHIBITS AND SCHEDULES. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

Section 13.14 - TRANSFER TAXES. The Buyer shall be responsible for all transfer taxes or other taxes applicable to the transaction, if any.

Section 13.15 - TIME IS OF THE ESSENCE. Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement.

Section 13.16 - REVIEW OR AUDIT BY OFFICE OF THE STATE COMPTROLLER. In accordance with N.J.S.A. 52:15C-14(d), Buyer shall maintain all documentation related to products, transactions or services under this Agreement for a period of five years from the Closing Date. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement of the date first above written.

**SOUTH ORANGE VILLAGE**

By: Sheena Collum

Name: Sheena Collum

Title: Mayor

**NEW JERSEY-AMERICAN WATER  
COMPANY, INC.**

By:

Name:

Title:

Section 13.16 - REVIEW OR AUDIT BY OFFICE OF THE STATE COMPTROLLER. In accordance with N.J.S.A. 52:15C-14(d), Buyer shall maintain all documentation related to products, transactions or services under this Agreement for a period of five years from the Closing Date. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement of the date first above written.

**SOUTH ORANGE VILLAGE**

By: 

Name: Sheena C. Collum

Title: Mayor

**NEW JERSEY-AMERICAN WATER  
COMPANY, INC.**

By: 

Name: Mark K. McDonough

Title: President

## EXHIBIT A

### DESCRIPTION OF THE WATER SYSTEM

#### Water System Description and Information:

The South Orange Water system consists of the following:

- 1) Distribution System (The system is broken down into three pressure zones each having their own storage facility)
  - a) Water Mains
    - i) Approximately seventy-five (75) miles of mains of which are composed of Cast Iron (CI), Ductile Iron (DI), Asbestos Cement (AC/transite) ranging from 4" through 12" in size. Oldest piping (Low pressure zone) dates to early 1900.
    - ii) The High and Mountain pressure zones have a small amount of 6" and 8" asbestos cement water mains.
    - iii) In addition, bidders should be advised that recent improvements and replacement of water mains under County Road 638 (Scotland Rd) between South Orange Ave and Montrose Ave and West End meet the 150-year replacement guidelines and are constructed of ductile iron material. The West End replacement/improvement is in the construction stage as of this writing.
  - b) Valves - Approximately 2500.
  - c) Fire Hydrants - Approximately 600.
    - i) Bidders may wish to note that green barrel/yellow bonnet hydrants are used for system flushing only; not fire protection.
  - d) Water Services - Approximately 5000.
    - i) Domestic services range in size from 5/8" to 2" (predominantly copper).
    - ii) Fire lines from 4" to 8".
    - iii) Seton Hall University, 6" and 8" mains (private infrastructure).
- 2) Water Storage Facilities
  - a) Main Reservoir,
    - i) Located on South Orange Ave
    - ii) In-ground concrete reservoir. Capacity 2.0 mg (two 1mg chambers)
    - iii) Built 1912 - Pumps added with the Crest Drive Standpipe addition to system in 1940's.
    - iv) Contains two (2) 75 hp motor/pumps with a capacity of 900 gpm each. Motor/pumps have been in service approx. eight (8) years.
    - v) One (1) Cummins 140KW natural gas powered emergency back-up generator with transfer switch. Capacity to operate one motor/pump, lights, heat and electronics during power interruptions. Back-up generator in service approx. 6 years (Low Hours). Exercised monthly.

- vi) Electronics for SCADA system, circa 1997 – upgraded to interface with NJAW Short Hills control facility – 2016.
- vii) Pressure and gravity supply to Low pressure zone. Pumps supply High-pressure zone.
- b) Crest Drive Standpipe, 31 Crest Dr – [Bidders should be advised that the Village has developed plans and completed design for replacement of the Standpipe with a 1.0g pedestal-mounted 76’ high tank – DEP permit approved. Designs include coordination to upgrade pumps and install new 16” main from Reservoir to new Crest tank.].
  - i) Above ground Steel Standpipe – 64’ height, Masonry control Building
  - ii) Capacity 1.5 mg
  - iii) Built 1950’s
  - iv) Contains two (2) 20 hp motor/pumps with a capacity of 360 gpm each, combined capacity of 550 gpm. Motor/pumps have been in service approx. eight (8) years.
  - v) One 15 hp motor/pump. On-site manual operation only.
  - vi) One (1) 80KW diesel powered Cummins emergency back-up generator and transfer switch. Capacity to operate two pumps, lights, heat and electronics during power interruptions. Back-up generator in service approx. 6 years (Low Hours). Exercised monthly.
  - vii) Electronics for SCADA system, circa 1997 - upgraded to interface with NJAW Short Hills control facility – 2016.
  - viii) Pressure and Gravity supply to High-pressure zone. Pumps supply the Mountain pressure zone.
- c) Newstead Water sphere, intersection Longview Rd and Brentwood Dr
  - i) Above ground steel storage facility. 125’ height
  - ii) Capacity 200,000 gallons.
  - iii) Built 1952.
  - iv) Pressure and gravity supply for Mountain pressure zone.
  - v) Electronics for SCADA system, circa 1997.
  - vi) Cellular carrier antennas to be relocated off water sphere prior to conveyance
- 3) Interconnections
  - a) New Jersey American /South Orange/Emergency interconnection
    - i) Located at Wyoming Ave and Luddington Rd (on South Orange/West Orange town border)
    - ii) 0.35 mgd.
    - iii) Complete replacement of meter and vault in 2023.
    - iv) Pressure flow from NJAW (90psi) to South Orange (75psi).
    - v) 4" Turbine meter owned by South Orange in meter vault at curb.
  - b) East Orange Water /South Orange/Permanent Emergency interconnection
    - i) Located on South Orange Ave (across the street from South Orange Reservoir).
    - ii) 14" ductile iron pipe feeds South Orange Main Reservoir directly from East Orange White Oak Ridge Pump Station.

- iii) Operational since 1995
- iv) 2.0 mgd capacity
- c) Newark Water/ South Orange/Emergency interconnection
  - i) **Decommissioned**
  - ii) Located at South Orange Ave. and Holland Rd
  - iii) Facility Owner – South Orange Village
  - iv) Below ground concrete vault
  - v) One (1) 1.0 mgd motor/pump with remote on/off
  - vi) Motor operated valve - not operational
  - vii) Electronic flow meter
  - viii) Heat, Lights, thermostat controlled ventilation
  - ix) Flow - Newark to South Orange
- d) New Jersey American /South Orange/Emergency interconnection
  - i) **Decommissioned**
  - ii) Located in Farrell Field (Intersection of Walton Ave and Audley St)
  - iii) Facility Owner – South Orange Village
  - iv) Below ground concrete vault
  - v) One (1) 1.0 mgd motor/pump with remote on/off
  - vi) Motor operated valve - not operational
  - vii) Electronic flow meter
  - viii) Heat, Lights, thermostat controlled ventilation
  - ix) Flow NJAW to South Orange
- e) South Orange/New Jersey American Water
  - i) **Decommissioned**
  - ii) South Orange Ave and West End Rd
  - iii) Connects to 16" NJAW main
- f) Pressure Regulating Zone Valves
  - i) Seven (7) pressure regulating zone valves separating the High and Low pressure zones (east of Wyoming Ave)
  - ii) Longview Rd. & Laurel Pl. - 8" (Operational – Mountain to High Zone)
  - iii) Harding and Tillou – (Operational - Planned reversal – Mountain to High)
  - iv) Tillou Rd 8" and N. Ridgewood Rd (High to Low) (Inoperative – to be replaced)
  - v) Beech Spring Rd - 6" (Inoperative to be converted to Zonal Valve – High to Low)
  - vi) Redmond Rd. - 6" (Inoperative - to be Replaced – High to Low)
  - vii) Forest Rd. - 6" – (Inoperative to be converted to Zonal Valve – High to Low)
  - viii) Melrose Pl. & Franklin Terr. - 8" (Inoperative to be converted to Zonal Valve – High to Low)
- g) Additional Interconnections --
  - i) **All decommissioned**
    - (1) East Orange/South Orange

- (2) Walton Ave. and Audley Street
  - (3) Abandoned with South Orange Pump Station.
  - (4) South Orange/City of Orange
  - (5) East Clark Place/South Orange - Orange line.
- 4) Water system pressures
- a) Varies from approximately 60 psi to 105 psi in in the Low-pressure zone.
  - b) Approximately 35 psi to 60 psi in the High pressure zone
  - c) Approximately 55 psi to about 70 psi in the Mountain pressure zone.

See maps of System attached hereto

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (the "Assignment and Assumption Agreement") is made and entered into on \_\_\_\_\_, 2025 by and between the South Orange Village, a public body corporate and politic in Essex County in the State of New Jersey (the "Assignor") and New Jersey-American Water Company, Inc., a New Jersey corporation in good standing in the State of New Jersey with principal corporate offices at 1 Water Street, Camden, New Jersey 08102 (the "Assignee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement of Sale (as defined below).

**WHEREAS**, Assignor and Assignee are parties to a certain Agreement of Sale, dated \_\_\_\_\_, 2025 (the "Agreement"), providing for the sale by the Assignor of the assets constituting the Water System to the Assignee; and

**WHEREAS**, the Assignor and the Assignee have agreed that, on or prior to the Closing, the Assignor shall assign, and Assignee shall assume, the Assumed Liabilities, as more fully described herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

Section 1 - ASSIGNMENT AND ASSUMPTION. Subject to the terms and conditions of the Agreement of Sale, the Assignor hereby assigns, sells, transfers, and sets over (collectively, the "Assignment") to the Assignee all of Assignor's rights, obligations, and liabilities relating to the Assumed Liabilities as more particularly set forth on Schedule I attached hereto and made a part hereof. Subject to the terms and conditions of the Agreement, the Assignee hereby accepts the Assignment and will assume, observe, and perform all of the duties, obligations, terms, provisions, and covenants contained therein. The Assignee shall also pay and discharge all of the obligations and liabilities of the Assignor to be observed, performed, paid, or discharged in connection with the Assumed Liabilities. To the extent that the Assignment constitutes or would be deemed to constitute a grant, sale, assignment, transfer, conveyance, or delivery, or an attempted grant, sale, assignment, transfer, conveyance, or delivery to the Assignee of any Assumed Liabilities, and such transaction would be prohibited by any applicable law or would require any governmental or third party authorizations, approvals, consents, or waivers, and such authorizations, approvals, consents, or waivers have not been obtained prior to the date hereof, this Assignment and Assumption Agreement shall not constitute a grant, sale, assignment, transfer, conveyance, or delivery, or an attempted grant, sale, assignment, transfer, conveyance, or delivery thereof. Following the date hereof, the parties shall cooperate and use commercially reasonable best efforts to obtain promptly such authorizations, approvals, consents, or waivers, and to obtain novations or other agreements if appropriate and, after

obtaining such, to complete the transactions contemplated hereby. Pending such authorization, approval, novation, consent, or waiver, the parties shall cooperate with each other in any reasonable and lawful arrangement designed to provide the economic costs and benefits of the Assumed Liabilities to the Assignee. To the extent possible, the performance obligations of Assignor with respect to any such Assumed Liabilities shall be deemed to be subcontracted to the Assignee.

Section 2 - FURTHER ASSURANCES. The Assignor and the Assignee each covenants and agrees to execute and deliver, at the request and expense of the other party hereto, such further instruments of transfer and assignment and to take such other action as such the other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment and Assumption Agreement.

Section 3 - MISCELLANEOUS. This Assignment and Assumption Agreement constitutes an agreement solely among the Parties hereto and is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, on any person other than the Parties hereto and their respective successors, assigns, and legal representatives, nor shall person other such person otherwise constitute a third-party beneficiary under or by reason hereof. This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument. This Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without reference to choice of law principles thereof. This Assignment and Assumption Agreement may only be amended or modified in writing, signed by the party against whom enforcement of such amendment or modification is sought. In the event that the Closing does not occur, this Assignment and Assumption Agreement shall become null and void and the Assumed Liabilities shall remain the sole obligation of Assignor.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SOUTH ORANGE VILLAGE

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

Name:

Title:

NEW JERSEY-AMERICAN WATER COMPANY, INC.

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

Name:

Title:

SCHEDULE 1 - ASSIGNMENT AND ASSUMPTION AGREEMENT

All obligations relating to the Water System accruing and arising on or after the Closing Date, including, but not limited to all obligations accruing or arising out of the Village Consent.

All contractual commitments of the Village contained in the assumed contracts listed in Exhibit E accruing and arising after the Closing Date and listed below:

Emergency Water Supply Agreement dated July 22, 2021 between South Orange Village and East Orange Board of Water Commission

EXHIBIT C

BILL OF SALE

**THIS BILL OF SALE** dated as \_\_\_\_\_, 2025 from South Orange Village, a public body corporate and politic in Essex County in the State of New Jersey (the "Village") and New Jersey-American Water Company, Inc., a New Jersey Corporation with principal corporate offices at 1 Water Street, Camden, New Jersey 08102 (the "Buyer").

WITNESSETH

**WHEREAS**, by an Agreement of Sale, dated \_\_\_\_\_, 2025 (the "Agreement"), between the Village and the Buyer, the Village has agreed to convey to the Buyer certain assets, properties, and rights defined, described, and referred to in the Agreement (collectively, the "Water System") which include those assets listed on the document attached hereto as Schedule 1 - Bill of Sale, with the exception of those items expressly set forth on the document attached hereto as Schedule 2 - Exceptions to Bill of Sale; and

**WHEREAS**, pursuant to due authorization, the Village is presently executing and delivering this Bill of Sale to the Buyer for the purpose of selling and assigning to and vesting in the Buyer all of the right, title, and interest currently held by the Village in and to the Water System.

**NOW THEREFORE**, in consideration of the purchase price provided in the Agreement and other good and valuable consideration, and intending to be legally bound, the Village hereby grants, sells, conveys, assigns, transfers, sets over to, and vests in the Buyer, its successors and assigns, all of its right, title and interest, legal and equitable, in and to the Water System.

**TO HAVE AND TO HOLD** the same, including the appurtenances thereof, unto the Buyer, its successors and assigns, forever, to its and their own proper use and behoof.

Section 1 - SALE OF SYSTEMS AS IS. Except as specifically set forth in the Agreement, the Water System is being transferred "AS IS", "WHERE IS", and "WITH ALL FAULTS" as of the date of this Bill of Sale, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose merchantability or any other warranty, express or implied. Except as specifically set forth in the Agreement, the Village specifically disclaims and Buyer waives any warranty, guaranty or representation, oral or written, past or present, express or implied, concerning the Water System. The Buyer is hereby thus acquiring the Water System based solely upon the Buyer's own independent investigations and inspections of that property and not in reliance upon any information provided by the Village or the Village's agents or contractors. The Village has made no agreement to alter, repair, or improve any portion of the Water System.

Section 2 - APPLICABLE LAW. This instrument shall be governed by and enforced in accordance with the laws of the State of New Jersey.

**IN WITNESS WHEREOF**, the Village has caused this Bill of Sale to be duly executed as of the date first above written.

South Orange Village, a public body corporate and politic in Essex County in the State of New Jersey

By: \_\_\_\_\_  
Sheena C. Collum, Mayor

**RECEIPT OF THE FOREGOING BILL OF SALE**

**ACKNOWLEDGED AS OF**

\_\_\_\_\_, 2025.

**New Jersey-American Water Company, Inc.**

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE 1 TO BILL OF SALE  
INCLUDED ASSETS

All assets that comprise the Water System. Specifically, such assets are:

- 1) Distribution System (The system is broken down into three pressure zones each having their own storage facility)
  - a) Water Mains
    - i) Approximately seventy-five (75) miles of mains of which are composed of Cast Iron (CI), Ductile Iron (DI), Asbestos Cement (AC/transite) ranging from 4" through 12" in size. Oldest piping (Low pressure zone) dates to early 1900.
    - ii) The High and Mountain pressure zones have a small amount of 6" and 8" asbestos cement water mains.
    - iii) In addition, bidders should be advised that recent improvements and replacement of water mains under County Road 638 (Scotland Rd) between South Orange Ave and Montrose Ave and West End meet the 150-year replacement guidelines and are constructed of ductile iron material. The West End replacement/improvement is in the construction stage as of this writing.
  - b) Valves - Approximately 2500.
  - c) Fire Hydrants - Approximately 600.
    - i) Bidders may wish to note that green barrel/yellow bonnet hydrants are used for system flushing only; not fire protection.
  - d) Water Services - Approximately 5000.
    - i) Domestic services range in size from 5/8" to 2" (predominantly copper).
    - ii) Fire lines from 4" to 8".
    - iii) Seton Hall University, 6" and 8" mains (private infrastructure).
- 2) Water Storage Facilities
  - a) Main Reservoir,
    - i) Located on South Orange Ave
    - ii) In-ground concrete reservoir. Capacity 2.0 mg (two 1mg chambers)
    - iii) Built 1912 - Pumps added with the Crest Drive Standpipe addition to system in 1940's.
    - iv) Contains two (2) 75 hp motor/pumps with a capacity of 900 gpm each. Motor/pumps have been in service approx. eight (8) years.
    - v) One (1) Cummins 140KW natural gas powered emergency back-up generator with transfer switch. Capacity to operate one motor/pump, lights, heat and electronics during power interruptions. Back-up generator in service approx. 6 years (Low Hours). Exercised monthly.
    - vi) Electronics for SCADA system, circa 1997 – upgraded to interface with NJAW Short Hills control facility – 2016.
    - vii) Pressure and gravity supply to Low pressure zone. Pumps supply High-pressure zone.

- b) Crest Drive Standpipe, 31 Crest Dr – [Bidders should be advised that the Village has developed plans and completed design for replacement of the Standpipe with a 1.0g pedestal-mounted 76' high tank – DEP permit approved. Designs include coordination to upgrade pumps and install new 16" main from Reservoir to new Crest tank.].
    - i) Above ground Steel Standpipe – 64' height, Masonry control Building
    - ii) Capacity 1.5 mg
    - iii) Built 1950's
    - iv) Contains two (2) 20 hp motor/pumps with a capacity of 360 gpm each, combined capacity of 550 gpm. Motor/pumps have been in service approx. eight (8) years.
    - v) One 15 hp motor/pump. On-site manual operation only.
    - vi) One (1) 80KW diesel powered Cummins emergency back-up generator and transfer switch. Capacity to operate two pumps, lights, heat and electronics during power interruptions. Back-up generator in service approx. 6 years (Low Hours). Exercised monthly.
    - vii) Electronics for SCADA system, circa 1997 - upgraded to interface with NJAW Short Hills control facility – 2016.
    - viii) Pressure and Gravity supply to High-pressure zone. Pumps supply the Mountain pressure zone.
  - c) Newstead Water sphere, intersection Longview Rd and Brentwood Dr
    - i) Above ground steel storage facility. 125'height
    - ii) Capacity 200,000 gallons.
    - iii) Built 1952.
    - iv) Pressure and gravity supply for Mountain pressure zone.
    - v) Electronics for SCADA system, circa 1997.
    - vi) Cellular carrier antennas to be relocated off water sphere prior to conveyance
- 3) Interconnections
- a) New Jersey American /South Orange/Emergency interconnection
    - i) Located at Wyoming Ave and Luddington Rd (on South Orange/West Orange town border)
    - ii) 0.35 mgd.
    - iii) Complete replacement of meter and vault in 2023.
    - iv) Pressure flow from NJAW (90psi) to South Orange (75psi).
    - v) 4" Turbine meter owned by South Orange in meter vault at curb.
  - b) East Orange Water /South Orange/Permanent Emergency interconnection
    - i) Located on South Orange Ave (across the street from South Orange Reservoir).
    - ii) 14" ductile iron pipe feeds South Orange Main Reservoir directly from East Orange White Oak Ridge Pump Station.
    - iii) Operational since 1995
    - iv) 2.0 mgd capacity
  - c) Newark Water/ South Orange/Emergency interconnection

- i) **Decommissioned**
- ii) Located at South Orange Ave. and Holland Rd
- iii) Facility Owner – South Orange Village
- iv) Below ground concrete vault
- v) One (1) 1.0 mgd motor/pump with remote on/off
- vi) Motor operated valve - not operational
- vii) Electronic flow meter
- viii) Heat, Lights, thermostat controlled ventilation
- ix) Flow - Newark to South Orange
- d) New Jersey American /South Orange/Emergency interconnection
  - i) **Decommissioned**
  - ii) Located in Farrell Field (Intersection of Walton Ave and Audley St)
  - iii) Facility Owner – South Orange Village
  - iv) Below ground concrete vault
  - v) One (1) 1.0 mgd motor/pump with remote on/off
  - vi) Motor operated valve - not operational
  - vii) Electronic flow meter
  - viii) Heat, Lights, thermostat controlled ventilation
  - ix) Flow NJAW to South Orange
- e) South Orange/New Jersey American Water
  - i) **Decommissioned**
  - ii) South Orange Ave and West End Rd
  - iii) Connects to 16" NJAW main
- f) Pressure Regulating Zone Valves
  - i) Seven (7) pressure regulating zone valves separating the High and Low pressure zones (east of Wyoming Ave)
  - ii) Longview Rd. & Laurel Pl. - 8" (Operational – Mountain to High Zone)
  - iii) Harding and Tillou – (Operational - Planned reversal – Mountain to High)
  - iv) Tillou Rd 8" and N. Ridgewood Rd (High to Low) (Inoperative – to be replaced)
  - v) Beech Spring Rd - 6" (Inoperative to be converted to Zonal Valve – High to Low)
  - vi) Redmond Rd. - 6" (Inoperative - to be Replaced – High to Low)
  - vii) Forest Rd. - 6" – (Inoperative to be converted to Zonal Valve – High to Low)
  - viii) Melrose Pl. & Franklin Terr. - 8" (Inoperative to be converted to Zonal Valve – High to Low)
- g) Additional Interconnections –
  - i) **All decommissioned**
    - (1) East Orange/South Orange
    - (2) Walton Ave. and Audley Street
    - (3) Abandoned with South Orange Pump Station.
    - (4) South Orange/City of Orange

(5) East Clark Place/South Orange - Orange line.

4) Water system pressures

a) Varies from approximately 60 psi to 105 psi in in the Low-pressure zone.

b) Approximately 35 psi to 60 psi in the High pressure zone

Approximately 55 psi to about 70 psi in the Mountain pressure zone.

The Included Assets shall not include the Excluded Assets set forth in Schedule 2 to Bill of Sale.

SCHEDULE 2 TO BILL OF SALE

EXCLUDED ASSETS

Personal property;  
Office equipment;  
Office supplies;  
Cash, securities;  
Bank accounts; and  
Accounts receivable of the Village relating to the Water System up to and including the Closing Date.

EXHIBIT D

TARIFFS

**ORDINANCE #2025-XX**

Introduction: \_\_\_\_\_, 2025

Adoption:

**AN ORDINANCE AMENDING CHAPTER 351 REGARDING SOUTH ORANGE VILLAGE WATER SYSTEM.**

**WHEREAS**, the South Orange water utility and distribution system is being sold to New Jersey-American Water Company, Inc. ("New Jersey American Water") (the "Transaction"); and

**WHEREAS**, the sale of the water system necessitates South Orange Village (the "Village") to acknowledge and provide for various rates and charges; and

**WHEREAS**, such rates and charges include, without limitation, consumer retail water rate, water rates/charges for municipal facilities, a fee for fire protection and fire hydrants, and a lead service line replacement charge; and

**WHEREAS**, Chapter 351-15 of the Code of the South Orange Village must be amended to reflect such rates and charges with the express understanding that additional amendments to Chapter 351 may be required subsequent to the transfer of ownership of the water system and to reflect the discontinuance of the South Orange Water Utility and

**WHEREAS**, New Jersey American Water shall, pursuant to the Agreement of Sale between South Orange Village, New Jersey and New Jersey-American Water Company, Inc., adopt the rates as set forth in this ordinance upon closing of the Transaction and said rates shall be subject to the rate stabilization covenant in the Agreement.

**NOW, THEREFORE**, be it ordained, by the Village Council of South Orange Village, a municipal corporation of New Jersey located in Essex County thereof, that the following section of the Code be amended as follows:

**Section 1.**

Chapter 351, Section 15 is hereby amended and restated as follows:

**351-15 Bills for metered service; miscellaneous water charges; service discontinuance for nonpayment**

A. Metered rates.

- I. Effective \_\_\_\_\_, metered rates for water service shall be \$8.00 per 100 cubic feet (ccf).

2. In any case, where the metered volume is equal to or less than that noted by meter size in the following table during the time period noted, the minimum charge shall be the volume indicated below at the current rate.

	Meter Size	100 Cubic Feet (ccf)	Minimum Charge
For accounts billed quarterly:	5/8	6.25	\$50.00
	3/4	6.25	\$50.00
	1	6.25	\$50.00
	1.5	6.25	\$50.00
	2	6.25	\$50.00
	3	250	\$2,000.00
	4	375	\$3,000.00
	6	784.3	\$6,000.00
	8	1,125	\$9,000.00
For accounts billed monthly:	5/8	2.08	\$16.67
	3/4	2.08	\$16.67
	1	2.08	\$16.67
	1.5	2.08	\$16.67
	2	2.08	\$16.67
	3	83.33	\$666.67
	4	125	\$1,000.00
	6	250	\$2,000.00
	8	375	\$3,000.00

3. As provided for in Section 351-16 and effective \_\_\_\_\_, 202\_\_, the fixed fee for standby fire-protection service based on connection size as follows:

	Connection Size (in.)	Fixed Fee
For accounts billed quarterly:		
	1	\$133.00
	2	\$182.00
	3	\$223.00
	4	\$270.00
	6	\$613.00
	8	\$1,144.00
For accounts billed monthly:		
	1	\$40.00
	2	\$61.00
	3	\$76.00
	4	\$90.00

	6	\$202.00
	8	\$385.00

- B. Effective \_\_\_\_\_, 202\_\_, the Village shall pay a municipal facilities rate which shall be one-half (1/2) of the applicable metered rate set forth above.
- C. Effective \_\_\_\_\_, 202\_\_, the Village shall pay a public fire service rate of \$15 per month for each fire hydrant used for fire protection.
- D. Effective \_\_\_\_\_, 202\_\_, customers shall be charged a Lead Service Line Replacement Charge in an amount as permitted and approved by the New Jersey Board of Public Utilities.
- E. Other than rates and charges set forth above, the fees as provided in New Jersey American Water's tariff, and the terms and conditions of said tariff shall apply.

Effective \_\_\_\_\_, 202\_\_, all other sections of Village Code Section 351-15 are hereby repealed.

**Section 2.**

Repealer.

All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistencies.

**Section 3.**

This ordinance shall take effect upon final passage and publication as required by law.

**Section 4.**

On passage this ordinance shall be codified.

**Introduction – First Reading**

Council Member	Motion	Second	Ayes	Nays	Abstain	Absent
Brown						
Greenberg						
Haskins						
Hartshorn Hilton						
Jones						
Lewis Chang						

**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was introduced on first reading by the Village Council at their meeting held on \_\_\_\_\_, 2025.

\_\_\_\_\_  
 Ojetti E. Davis  
 Village Clerk

**Adoption – Second Reading**

Council Member	Motion	Second	Ayes	Nays	Abstain	Absent
Brown						
Greenberg						
Haskins						
Hartshorn Hilton						
Jones						
Lewis Chang						

**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was adopted on second reading by the Village Council at their meeting held on \_\_\_\_\_, 2025.

\_\_\_\_\_  
 Ojetti E. Davis  
 Village Clerk

Adopted:

Attest:

\_\_\_\_\_  
 Sheena C. Collum

\_\_\_\_\_  
 Ojetti E. Davis

EXHIBIT E

LIST OF WRITTEN CONTRACTS TO WHICH THE VILLAGE IS A PARTY WHICH  
RELATE TO THE SYSTEM

EXHIBIT F

FORM OF ASSIGNMENT AND GRANT OF EASEMENTS,

RIGHTS OF WAY, AND OTHER PROPERTY

THIS ASSIGNMENT is made this day \_\_\_\_\_ of \_\_\_\_\_, 2025 between South Orange Village, a public body corporate and politic in Essex County in the State of New Jersey (the "Grantor"), and New Jersey-American Water Company, Inc., a New Jersey Corporation (the "Grantee"), having an address at 1 Water Street, Camden, New Jersey 08102.

Whereas, pursuant to an Agreement of Sale (the "Agreement") dated \_\_\_\_\_ 2025 and a Bill of Sale contemporaneously herewith, the Grantor has granted, sold, conveyed, assigned, transferred, set over, and vested in Grantee, its successors, and its assigns, all of the Grantor's right, title, and interest in the Water System as defined in the Agreement.

Grantor, for and in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, paid by Grantee, the receipt whereof is hereby acknowledged, has assigned, granted, bargained, sold, aliened, released, and confirmed, and by these presents does assign, grant, bargain, sell, alien, release, and confirm unto Grantee, its successors and assigns:

ALL Grantor's right, title and interest in and to any and all: (a) those certain rights of way, easements, licenses, and other rights and interests created or evidenced by those instruments listed in Schedule 1 to this Assignment and Grant of Easement, Rights of Way, and other Property and made a part hereof, as well as any and all other easements and rights of way owned by Grantor which are rights in real property related to the provision and distribution of water and water service (collectively, the "Easements"); (b) any rights of way or easements that may be located in private property without written instruments where rights may have arisen from the passage of time, the operation of law, or otherwise; (c) all rights of Grantor to easements that may be shown on subdivision or development plans; and (d) all rights, liberties, privileges, hereditaments, and appurtenances whatsoever thereunto belonging, or in and otherwise appertaining, and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, property, claim, and demand whatsoever in and to the same and every part thereof (all of the foregoing being herein referred to as the "Premises");

TOGETHER WITH all of Grantor's occupancy rights and privileges to use, maintain, replace, and repair all water mains and appurtenant facilities located in the public rights-of-way of State highways, County roads and Village roads.

TOGETHER WITH all of Grantor's rights of ingress, egress, and regress to and from said Easements, water and Water mains and appurtenances, at any and all times for the purpose of operating the Water System and laying, relaying, installing, operating, inspecting, maintaining, repairing, altering, removing, renewing, and replacing the Water System and their appurtenances;

TO HAVE AND TO HOLD the Easements and Premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the Grantee, its successors and assigns, to and for the only proper use of the Grantee, its successors and assigns, forever.

This Grant and all of the covenants herein contained shall inure to the benefit of and shall be binding upon Grantor, its successors and assigns, and Grantee, its successors or assigns.

The Grantee accepts and assumes any and all obligations under and arising in connection with the Easements and shall indemnify the Village in connection with the Grantee's failure or improper performance of such obligations.

IN WITNESS WHEREOF the Grantor has caused this Assignment and Grant to be duly executed the day and year first above written.

[SEAL]

**SOUTH ORANGE VILLAGE**, a  
public body corporate and politic in  
Essex County in the State of New  
Jersey

Attest: \_\_\_\_\_

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

Sheena C. Collum, Mayor



Schedule 1 to Assignment and Grant of Easement, Rights of Way, and other Property

**Known Easements granted to or obtained by South Orange Village**

EXHIBIT G

FORM OF GENERAL ASSIGNMENT

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT, dated \_\_\_\_\_, 2025, by and between South Orange Village, a public body corporate and politic in Essex County in the State of New Jersey (the "Assignor") and New Jersey-American Water Company, Inc., a New Jersey corporation having a mailing address at 1 Water Street, Camden, New Jersey 08102 (the "Assignee").

WHEREAS, Assignor and Assignee entered into an Agreement of Sale dated \_\_\_\_\_, 2025 (the "Agreement") for the sale and purchase of the Water System (as defined in the Agreement); and

WHEREAS, in connection with such sale and purchase, and as provided in the Agreement, Assignor desires to assign, transfer, set over, and deliver to Assignee all of Assignor's right, title, and interest in and to all assignable permits, licenses, plans, warranties, and guarantees benefiting the Water System (each issuer of any such permit, license, plan, warranty, or guarantee is hereinafter referred to as an "Issuer"), including, without limitation, items described on Schedule 1 to General Assignment attached hereto (the "Assigned Rights"), and

WHEREAS, Assignee desires to accept the Assigned Rights.

NOW, THEREFORE, in accordance with the Agreement and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties do hereby covenant and agree as follows:

Section 1 - ASSIGNMENT. Assignor does hereby assign, transfer, set over, and deliver unto Assignee all of the Assignor's right, title, and interest in and to the Assigned Rights. Assignor agrees that upon Assignee's request, it shall, without charge, execute such further reasonable documents as any Issuer may require to evidence this assignment, provided that no such document imposes any obligation or liability upon Assignor for any obligations or liabilities accruing on or after the date of this Assignment.

Section 2. BINDING ASSIGNMENT. This Assignment shall be: (i) binding upon, and inure to the benefit of the parties to this Assignment and their respective heirs, legal representatives, successors and assigns and (ii) construed in accordance with the laws of the State of New Jersey without regard to the application of choice of law principles.

Section 3. COUNTERPARTS. This Assignment may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, this General Assignment has been signed, sealed and delivered by the parties as of the date first above written.

WITNESS:

ASSIGNOR:

**SOUTH ORANGE VILLAGE**, a  
public body corporate and politic in  
Essex County in the State of New  
Jersey

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
Sheena C. Collum, Mayor

Accepted this \_\_\_ day of \_\_\_\_\_, 2025:

ASSIGNEE:

**NEW JERSEY-AMERICAN WATER  
COMPANY, INC.**

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

Name

Title:

SCHEDULE 1 TO GENERAL ASSIGNMENT

LIST OF ASSIGNED RIGHTS

PERMITS (copied in full in pages to follow):

South Orange Water Utilization Q4 2023 Permit

Crest Drive Tank Pollution Discharge Permit

Crest Drive Tank Replacement Permit

SOV Main Reservoir Generator Permit

SOV Crest Drive Generator Permit

# South Orange Water Utilization Q4 2023 Permit

**SERVICE SUMMARY**

**Section A: Facility Profile**

**Facility ID:** 0719001  
**Facility Name:** SOUTH ORANGE WATER DEPARTMENT  
**County:** Essex  
**Facility Location:** 300 WALTON AVE  
South Orange, NJ 07079  
**Mailing Address:** 76 SOUTH ORANGE AVE  
3RD FLOOR  
South Orange, NJ 07079

**Section B: Certification**

I certify under penalty of law in accordance with N.J.S.A. 58:1A-5(b) that the information submitted is accurate and complete.

**General:** Scott Brezinski  
**Certification Date:** 01/22/2024  
**User ID:** 17585  
**Mailing Address:** 167 JFK Parkway  
Treatment Building  
Short Hills (Essex), NJ 07078  
**Phone:** 2014018353 (Cell Phone Number)  
9735645721 (Work Phone Number)  
2013109577 (Home Phone Number)  
**E-Mail:** scott.brezinski@amwater.com

**Section C: Submission Name**

**Submission/Project Name:**  
Submit Water Utilization Form 10/01/2023 - 12/31/2023 0719001 WUA090001  
**Comments:**

**Section D: Additional Information**

**Service ID:** 1667224

No additional information for this submission.

**Section E: Agricultural Information**

N/A

**Section F: Quarterly Monitoring Results**

**Monitoring Period:** 10/01/2023 - 12/31/2023  
**Activity Code:** WUA090001  
**NJDEP Preprint ID:** 155129

Subject Item	Parameter	Required Frequency	Report Value in Units of	October		November		December		Row Comments
				Quantity/Result	Sample Date	Quantity/Result	Sample Date	Quantity/Result	Sample Date	
PI 87966 - PWSID 0719001, SOUTH ORANGE WATER DEPARTMENT	Volume From Own Groundwater Sources Into System	Each Month	Million Gallons	0		0		0		
PI 87966 - PWSID 0719001, SOUTH ORANGE WATER DEPARTMENT	Volume From Own Surface Sources Into System	Each Month	Million Gallons	0		0		0		
PI 87966 - PWSID 0719001, SOUTH ORANGE WATER DEPARTMENT	Total Water Imported	Each Month	Million Gallons	64.611		59.879		61.489		
PI 87966 - PWSID 0719001, SOUTH ORANGE WATER DEPARTMENT	Total Water Exported	Each Month	Million Gallons	0		0		0		
WSYG7101 - 0705001-0719001, E ORANGE-S ORANGE	Water Imported From	Each Month	Million Gallons	0		0		0		
WSYG7112 - 0712001-0719001, NAW SHORT HILLS-S ORANGE	Water Imported From	Each Month	Million Gallons	64.611		59.879		61.489		
WSYG7132 - 0714001-0719001, NEWARK-S ORANGE	Water Imported From	Each Month	Million Gallons	0		0		0		
WSYG7101 - 0705001-0719001, E ORANGE-S ORANGE	Water Exported To	Each Month	Million Gallons	0		0		0		
WSYG7112 - 0712001-0719001, NAW SHORT HILLS-S ORANGE	Water Exported To	Each Month	Million Gallons	0		0		0		
WSYG7132 - 0714001-0719001,	Water Exported To	Each Month	Million Gallons	0		0		0		

				October		November		December		
Subject Item	Parameter	Required Frequency	Report Value in Units of	Quantity/Result	Sample Date	Quantity/Result	Sample Date	Quantity/Result	Sample Date	Row Comments
NEWARK-S ORANGE										

**Form Comments:**

# Crest Drive Tank Pollution Discharge Permit



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION  
401-02B

Division of Water Quality  
Bureau of Ground Water, Residuals and Permit Administration  
Permit Administration Section  
P.O. Box 420, Trenton, NJ 08625-0420  
Phone: (609) 984-4428  
Fax: (609) 777-0432

SHAWN M. LATOURETTE  
Commissioner

PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

February 20, 2024

Dear NJPDES Permittee:

The New Jersey Department of Environmental Protection (Department) is hereby providing notice that the FY2024 Annual Fee Report and Assessment of Fees (Annual Fee Report) for the New Jersey Pollutant Discharge Elimination System (NJPDES) permit program is now available on the Department's web site at the below URL:

[https://dep.nj.gov/dwq/permitting\\_information/permit\\_and\\_application\\_fees](https://dep.nj.gov/dwq/permitting_information/permit_and_application_fees)

The FY2024 Annual Fee Report has been prepared based upon the NJPDES Fee Regulations at N.J.A.C. 7:14A-3.1.

For those permittees whose fee is calculated based on rate and environmental impact values, fee detail sheets providing the proposed rate and factors contributing to their environmental impact and proposed fee have also been made available on the Department's aforementioned website. The Department strongly encourages that all NJPDES permit holders review and understand the fee assessments contained in the Annual Fee Report and provide any comments for consideration. No payment is due at this time. Invoices will be sent upon final adoption of the FY2024 Annual Fee Report.

A public hearing on the FY2024 Annual Fee Report for the period of July 1, 2023 through June 30, 2024, will be held virtually on Thursday, March 21, 2024 at 10:00 AM. A link to the virtual public hearing will be provided on the Department's aforementioned website the morning of the hearing.

The public comment period on the FY2024 Annual Fee Report will remain open until March 21, 2024. Please submit formal comments to the attention of the NJPDES Fee Management Unit via email at [dwq\\_pas@dep.nj.gov](mailto:dwq_pas@dep.nj.gov) or via mail at:

Mail Code 401 - 02B  
NJDEP - Division of Water Quality  
Bureau of Ground Water, Residuals, and Permit Administration  
Permit Administration Section  
PO Box 420  
401 East State Street  
Trenton, New Jersey 08625-0420

If you have any questions regarding the Annual Fee Report or the information included on the fee detail sheet, please contact the NJPDES Fee Management Unit of the Permit Administration Section at (609) 984-4428 or via email at [dwq\\_pas@dep.nj.gov](mailto:dwq_pas@dep.nj.gov).

Sincerely,

Jason Lonardo, Administrative Analyst 4  
Bureau of Ground Water, Residuals, and Permit Administration  
Permit Administration Section

## Crest Drive Standpipe Replacement Permit



State of New Jersey

PHILIP D. MURPHY  
GOVERNOR

DEPARTMENT OF ENVIRONMENTAL PROTECTION

SHAWN M. LATOURETTE  
COMMISSIONER

TAHESHA L. WAY  
LT. GOVERNOR

Mail Code 401-04Q  
Division of Water Supply & Geoscience  
Water System Operations Element  
Bureau of Water System Engineering  
401 E. State Street - P.O. Box 420  
Trenton, New Jersey 08625-0420  
Tel #: (609) 292-2957 - Fax #: (609) 633-1495  
<https://www.nj.gov/dep/watersupply/>

February 15, 2024

South Orange Water Department  
76 South Orange Avenue  
3rd Floor  
South Orange, NJ 07079

Dear Water Purveyor:

Enclosed is a construction permit dated February 15, 2024 issued to you pursuant to the New Jersey Safe Drinking Water Act, N.J.S.A. 58:12A, and in consideration of your application dated June 15, 2023 and signed by Howard Levison, Administrator.

Your permit is for:

- ◆ Construction of a new 1.00 MG finished water welded steel elevated storage tank to replace the existing aged/deteriorated 1.50 MG standpipe at Crest Drive to serve the High Service Area distribution network; located in South Orange Village Township (Adjacent to 31 Crest Drive), County of Essex, New Jersey; and
- ◆ The distribution of water for potable purposes from said works.

Your attention is directed to both the specific and general conditions of the aforementioned permit. Enclosed with this permit is the Placed In Service Certification (PSC). The PSC must be submitted as required by the Submittal Action Requirements in the attached permit conditions. If the facility is not completed within the specified time allotment, an "Extension of Time" shall be requested at least ninety (90) days prior to the permit expiration date to allow for review and approval. No extension of time will be granted to an expired permit. Should you have any questions about this permit, please contact Devin Bracey at (609) 292-2957. When contacting the Department regarding this permit, please reference the Permit No. and PWSID No. provided herein.

Sincerely,

Steven Pudney, C-Eng., M.I.C.E.  
Section Chief- Engineering  
Bureau of Water System Engineering

PWSID NO.: NJ0719001  
WCP230003

Enclosures

cc: Paul Mourt, P.E, HDR Engineering  
Mayor and Council of South Orange Village Township  
Scott H Brezinski, Licensed Operator  
Northern Bureau of Water Compliance and Enforcement  
Devin Bracey, BWSE



State of New Jersey

PHILIP D. MURPHY  
GOVERNOR

DEPARTMENT OF ENVIRONMENTAL PROTECTION

SHAWN M. LATOURETTE  
COMMISSIONER

TAHESHA L. WAY  
L.T. GOVERNOR

Mail Code 401-04Q  
Division of Water Supply & Geoscience  
Water System Operations Element  
Bureau of Water System Engineering  
401 E. State Street - P.O. Box 420  
Trenton, New Jersey 08625-0420  
Tel #: (609) 292-2957 - Fax #: (609) 633-1495  
<https://www.nj.gov/dep/watersupply/>

PERMIT\*

The New Jersey Department of Environmental Protection grants this permit in accordance with your application, attachments accompanying same application, and applicable laws and regulations. This permit is also subject to further conditions and stipulations enumerated in the supporting documents which are agreed to by the permittee upon acceptance of the permit.

Permit No. WCP230003	Issuance Date	Effective Date	Expiration Date
PWSID No. 0719001	February 15, 2024	February 15, 2024	February 14, 2029
Name and Address of Applicant		Location of Activity/Facility:	
South Orange Water Department 76 South Orange Avenue 3rd Floor South Orange, NJ 07079		Adjacent to 31 Crest Drive South Orange Village Township, Essex County	
		Type of Permit	Statute(s):
		Potable Water Supply	N.J.S.A. 58:12A-1.1 et seq.

This permit grants permission to:

- Construct a new 1.00 MG finished water welded steel elevated storage tank to replace the existing aged/deteriorated 1.50 MG standpipe at Crest Drive to serve the High Service Area distribution network;
- Operate the facilities approved by this permit and distribute water for potable purposes from said works.

According to an Engineer's Report entitled:

Crest Drive Tank Replacement  
South Orange, Essex County, NJ

Date: 10/23/2023  
Prepared By: HDR Engineering, Inc.

According to Plans entitled:

Crest Drive Tank Replacement  
South Orange, Essex County, NJ

Date: 10/23/2023  
Prepared By: HDR Engineering, Inc.

According to Specifications entitled:

Crest Drive Tank Replacement  
Construction Documents Project Manual  
South Orange, Essex County, NJ

Date: 10/23/2023  
Prepared By: HDR Engineering, Inc.

Additional information: N/A

This permit is subject to specific and general conditions contained in the following page(s):  
Continued on Requirements Page -- 1 of 2

Approved by the authority of:  Shawn M. LaTourette Commissioner Department of Environmental Protection	 Steven Pudney, Section Chief - BWSE
--	---

\*The word permit means approval, certification, registration, etc.



State of New Jersey

PHILIP D. MURPHY  
GOVERNOR

DEPARTMENT OF ENVIRONMENTAL PROTECTION

SHAWN M. LATOURETTE  
COMMISSIONER

TAHESHA L. WAY  
LT. GOVERNOR

Mall Code 401-04Q  
Division of Water Supply & Geoscience  
Water System Operations Element  
Bureau of Water System Engineering  
401 E. State Street - P.O. Box 420  
Trenton, New Jersey 08625-0420  
Tel #: (609) 292-2957 - Fax #: (609) 633-1495  
<https://www.nj.gov/dep/watersupply/>

**PLACED IN SERVICE CERTIFICATION**

**Attention:** Bureau of Water System Engineering  
Engineering Section

**PERMIT NO.:** WCP230003

**ISSUANCE DATE:** February 15, 2024

I (We) hereby certify that the following has been built and placed into service\* and was completed in accordance with the approved plans, specifications, and other supporting information.

**APPLICANT:** South Orange Water Department

**PWSID:** NJ0719001

**PROJECT DESCRIPTION:** Construction of a new 1.00 MG finished water welded steel elevated storage tank to replace the existing aged/deteriorated 1.50 MG standpipe at Crest Drive to serve the High Service Area distribution network.

**MUNICIPALITY:** South Orange Village Township

**COUNTY:** Essex

**COMPLETION DATE:** \_\_\_\_\_

**DATE FACILITIES WERE PLACED INTO SERVICE \*:** \_\_\_\_\_

\_\_\_\_\_  
Signature of Engineer & Embossed Seal

\_\_\_\_\_  
Name of Engineer / New Jersey License Number

\_\_\_\_\_  
Date

\* Placed into service means that the water mains or other permitted infrastructure changes are actually delivering water to all consumers approved by the permit, except to the extent that the remaining number of really improvements not being served is below the threshold for needing a permit, i.e. less than or equal to 30 really improvements or 12,000 GPD of non-residential demand.

SOUTH ORANGE WATER DEPARTMENT  
0719001

SDW Construction Permit : WCP230003

Permit Requirements

**Submittal/Action Requirements**

Applicable Subject Items	Submittal/Action Type	Requirement
WCP230003, Crest Drive Elevated Tank Replacement (WSYT2011667)	Completed construction certification report	Within thirty days of completion of the approved facilities the permittee/engineer shall notify the Bureau of Water System Engineering of the completion date and certify that the facilities were constructed in accordance with the approved plans and specifications by returning the enclosed Construction Completion Certification. Submission shall be no later than 30 days after expiry of permit. [N.J.A.C. 7:10-11]

Text Requirements

**All Phases**

WCP230003, Crest Drive Elevated Tank Replacement (WSYT2011667)

1. The permittee is advised that prior to placing the storage tank in service, the water shall be tested for volatile organic compounds (VOCs) to ensure compliance with the maximum contaminant levels (MCLs) at N.J.A.C. 7:10-5. The results shall be submitted to the Bureau of Water System Engineering with the Construction Completion Certificate. [N.J.A.C. 7:10-11]
2. This permit shall not be construed as an approval for any other future development(s) or service connections to be served by this water main extension. Separate permit applications are necessary for these development(s). [N.J.A.C. 7:10-11]
3. For this permit to remain valid, the facilities approved in this permit shall be constructed and placed into service within five years from the effective date of the permit. [N.J.A.C. 7:10-11]
4. PERMIT GENERAL CONDITIONS.
5. The permit is revocable, or subject to modification or change, at any time, when in the judgment of the New Jersey Department of Environmental Protection such revocation, modification or change shall be necessary. [N.J.A.C. 7:10-11]
6. The issuance of this permit shall not be deemed to affect in any way action by the New Jersey Department of Environmental Protection on any future application. [N.J.A.C. 7:10-11]
7. The works, facilities and/or activities shown by plans and/or other engineering data, which are this day approved, subject to the conditions herewith established, shall be constructed and/or executed in conformity with such plans and/or engineering data and said conditions. [N.J.A.C. 7:10-11]
8. No change in plans or specifications shall be made without prior written permission from the Bureau of Water System Engineering. Modification requests shall be submitted on the applicable form available at [www.state.nj.us/dep/watersupply/dwgs\\_const.html](http://www.state.nj.us/dep/watersupply/dwgs_const.html). [N.J.A.C. 7:10-11]
9. The granting of this permit shall not be construed in any way to affect the title or ownership of property, and shall not make the New Jersey Department of Environmental Protection or the State a party in any suit or question of ownership of property. [N.J.A.C. 7:10-11]
10. This permit does not waive the obtaining of Federal or other State or Local Government consent when necessary. This permit is not valid and no work shall be undertaken until such time as all other required approvals and permits have been obtained. [N.J.A.C. 7:10-11]
11. A copy of this permit shall be kept at the work site, and shall be exhibited upon the request of Department personnel. [N.J.A.C. 7:10-11]

SOUTH ORANGE WATER DEPARTMENT  
0719001

SDW Construction Permit : WCP230003

Text Requirements

All Phases

WCP230003, Crest Drive Elevated Tank Replacement (WSYT2011667)

12. In the examination of plans and/or other engineering data, the New Jersey Department of Environmental Protection does not examine the structural features of the design, such as thickness of concrete or its reinforcement, the efficiency of any electrical or mechanical equipment or apparatus, and the approval herewith given does not include these features. [N.J.A.C. 7:10-11]
13. Water distribution by said works shall at all times meet the applicable standards for quality. Additional units for the derivation, treatment and for distribution of the water shall be established if and when required by the New Jersey Department of Environmental Protection. [N.J.A.C. 7:10-11]
14. The operations of the public water facility shall be under the supervision of an operator or operators who shall possess a valid license or licenses issued by the New Jersey Department of Environmental Protection, pursuant to the provisions of the Water Supply and Wastewater Operators' Licensing Act, N.J.S.A. 58:11-64 et seq. [N.J.A.C. 7:10-11]
15. The minimum required licensing classification(s) shall be W-3 and T-2 or equivalent in accordance with the Licensing of Water Supply and Wastewater Treatment System Operators, N.J.A.C. 7:10A-1.1 et seq. [N.J.A.C. 7:10-11]
16. The public water facilities shall be operated in such a manner so as to be in full compliance with the New Jersey Safe Drinking Water Act Rules at N.J.A.C. 7:10-1.1 et seq. and the Water Supply Allocation Rules at N.J.A.C. 7:19-1.1 et seq. [N.J.A.C. 7:10-11]
17. The public water facilities shall be operated in such a manner as to optimize the use of all available sources of water in order to achieve and maintain compliance with Water Allocation Permit No. 5073. [N.J.A.C. 7:10-11]
18. As per N.J.A.C. 7:10-11.17, an applicant for a permit under this subchapter or any person, subject to the limitation on third party appeal rights set forth in P.L. 1993, c.359 (N.J.S.A. 52:4B-3.1 through 3.3), who believes himself or herself to be aggrieved with respect to any decision made by the Department regarding such permit application submitted pursuant to this subchapter, may contest the decision and request an adjudicatory hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1 within 20 calendar days of the receipt of the permit decision. Filing details and the required form to be submitted are available at [www.state.nj.us/dep/watersupply/dws\\_const.html](http://www.state.nj.us/dep/watersupply/dws_const.html). [N.J.A.C. 7:10-12]

**NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION  
BUREAU OF WATER SYSTEM ENGINEERING  
DISTRIBUTION SYSTEM INFRASTRUCTURE  
TECHNICAL REVIEWER'S REPORT**

**GENERAL INFORMATION**

REVIEWER: Devin Bracey

PREPARED ON: 02/09/2024

PROJECT NO.: WCP230003

APPLICANT: South Orange Water Department

PWSID NO.: NJ0719001

MUNICIPALITY: South Orange Village Township

COUNTY: Essex

SUBJECT: Construction of a new 1.00 MG finished water welded steel elevated storage tank to replace the existing aged/deteriorated 1.50 MG standpipe at Crest Drive to serve the High Service Area distribution network.

LOCATION OF WORK: Adjacent to the existing Crest Drive standpipe at 31 Crest Drive

DESIGN ENGINEER: Paul J. Mourt, P.E.

N.J.P.E. LICENSE NO.: GE34776

ENGINEERING FIRM: HDR Engineering

ESTIMATED COST: \$ 3,713,900

PERMIT FEE: \$ 12,000

**SOURCES OF INFORMATION**

APPLICATION RECEIVED: November 3, 2023

APPLICATION DATED: June 15, 2023

SIGNED BY: Howard Levison, Administrator

**ENGINEER'S REPORT:**

**Document Title**

Crest Drive Tank Replacement Project  
South Orange, Essex County, NJ

**Date**

10/23/2023

**Prepared By**

HDR Engineering, Inc.

**ENGINEER'S DRAWINGS:**

**Document Title**

Crest Drive Tank Replacement Project  
South Orange, Essex County, NJ

**Date**

10/23/2023

**Prepared By**

HDR Engineering, Inc.

**ENGINEER'S SPECIFICATIONS:**

**Document Title**

Crest Drive Tank Replacement  
Construction Documents Project Manual

**Date**

10/23/2023

**Prepared By**

HDR Engineering, Inc.

ADDITIONAL INFORMATION DATED: N/A

NJ0719001

WCP230003

Devin Bracey

02/09/2024

Page 1 of 10

**A. Water System General Criteria**

**1. Planning Control Areas**

Area	(Y/N)	Comments
Highlands Planning Area	N	
Highlands Preservation Area	N	
Pinelands	N	
WQMP Consistent		No determinations were made

**2. Assessment/Billing Information**

Permit Fee/Assessment Information:

Assessment ID	Amount	Status	Date	Type
3053527	\$12,000.00	Closed (Paid In Full)	12/05/23	Fee(Initial Application)

Annual Operating Fee Activity within the last 24 months:

Assessment ID	Activity Number	Amount	Status	Date	Type
2633479	WBC040020	\$1,580.00	Closed (Paid In Full)	07/28/23	FEE(Annual Fee)
2795472	WBC040021	\$1,580.00	Closed (Paid In Full)	07/28/23	FEE(Annual Fee)
2973645	WBC040022	\$1,580.00	Closed (Paid In Full)	09/20/23	FEE(Annual Fee)

**3. Construction Completion Certification (CCC)**

Expired permits and permits to expire within the next 6 months missing CCCs: N/A

**4. Master Permit Applicability Determination**

Number of permit applications for water main extension and/or replacements and/or transmission mains in each of the preceding three years.

Year	2021	2022	2023	2024
Number of Permits	2	0	1	0
Total number of permits over the preceding three years =				3
Ave number over the preceding three years = (Total/3 years =) If number in 2024 > 2021 then use 2017 in calculation				1

Since over the three preceding years less than four permit applications per year for water main extension and/or replacements and/or transmission mains have been received the Water System is not required to submit a Master Permit application.

**B. General Description of Project**

This permit is for the construction of a new 1.00 MG finished water welded steel elevated storage tank to replace the existing aged/deteriorated 1.50 MG standpipe at Crest Drive to serve the High Service Area distribution network.

**Note**

Based on the Engineer's Report submitted with this application the South Orange Water Department (SOWD) is looking for approval of the proposed 1.00 MG finished water tank only. SOWD in the future is looking to modify the South Orange Avenue Pump Station, including the construction of a new 16" supply main that will be dedicated to the proposed tank 16" inlet pipe. In future SOWD will submit a separate permit application for Bureau's review and approval.

**Background**

The South Orange Water Department (SOWD) is a public community water system, municipally owned by the Township of South Orange Village in Essex County, New Jersey. The SOWD system is an 100% bulk purchaser of finished water, maintaining a bulk purchase contract with the New Jersey American Water – Short Hills (NJAW-SH) system. SOWD also maintains emergency/supplemental interconnections with the East Orange Water Commission.

The SOWD distribution system serves water to approximately 16,964 persons via 4,621 residential service connections across three distinct pressure zones: Low Service Area, High Service Area, and Mountain Service Area. There are three (3) existing storage tanks in the distribution system, one for each zone, and two (2) pumping stations outfitted to move water from the respective lower gradient to higher gradient. The breakdown of supply, storage capacity, and pumping facilities is provided in the table below:

Low Service Area (440' PZ)	High Service Area (610' PZ)	Mountain Service Area (689' PZ)
<b>Supply</b>		
12" interconnection with NJAW-SH 8" & 12" emergency interconnection with EOWC	South Orange Ave Pump Station 4" emergency interconnection with NJAW-SH	Crest Drive Pump Station
<b>Storage</b>		
2.0 MG in-ground Reservoir @ South Orange Avenue	1.5 MG Standpipe @ Crest Drive*	0.2 MG Newstead Sphere
<b>Pumping</b>		
South Orange Ave Pump Station (two (2) 75 hp pumps with capacity of 900 gpm each and natural gas emergency generator on standby)	Crest Drive Pump Station (two (2) 40 hp pumps with capacity of 360 gpm each and diesel-fueled emergency generator on standby)	-

During an infrastructure assessment by the HDR Engineering In November 2015, it was determined that the Crest Drive Standpipe was showing signs of significant deterioration (e.g., cracks in foundation, spacing between tank and foundation, and corroded valves and pipes in valve vault). In addition, the tank's single inlet/outlet piping manifold resulted in improper water turnover and diminished water quality in the distribution network. With these concerns identified, SOWD has proposed the replacement of the existing Crest Drive standpipe with a new welded steel elevated storage tank.

**Proposed 1.0 MG Elevated Tank**

The submitted Engineer Report provides a calculated projected residential growth and new average daily demand (ADD) per pressure zone area for SOWD compared to existing system storage capacity. The tank sizing calculations were determined based on storage requirements to meet pressure equalization, fire flow, and emergency demands.

Storage Facilities	Existing System Storage			Future Storage Needs					
	Existing ADD MGD	Available Storage MG	Effective Storage MG	20-Year Proj. ADD MGD	Existing/New Storage MG	Sizing - Conventional Industry Standards			
						Equalization 0.5 x ADD MG	FireFlow (2 hrs @ 750/2,500 gpm) MG	Emergency 0.25 x ADD MG	Total Required Storage MG
S. Orange Reservoir (Low Service/440PZ)	1.34	2.0	2.0	1.47	2.00	0.74	0.30	0.37	1.41
Crest Ave Standpipe/610PZ	0.78	1.5	1.0	0.86	1.00	0.43	0.30	0.22	0.95
Newstead Sphere/689PZ	0.15	0.2	0.2	0.16	0.20	0.08	0.09	0.04	0.21
Total Demand/ System Storage	2.27	3.7	3.2	2.50	3.20	1.25	0.69	0.62	2.56
Surplus/(Deficit) System Storage		1.4	0.9		0.70				0.64

Grounded on the condition of provided a fire flow demand of 2,500 gpm for a duration of 2 hours, the approximated storage required for the High Service Area would be 1.00 MG.

The details of the proposed elevated tank are as provided below:

Storage Tank details:

Local Name	Crest Drive	Units
Storage type	Elevated	-
Storage contents	Finished Water	-
Construction Material	Steel	-
Relation to ground surface	Above ground	-
Total storage capacity	1.00	Million Gallons
At elevation (msl)	625	Feet
Effective Storage capacity	1.00	Million Gallons
At elevation (msl)	625	Feet
Height	76.00	Feet
Diameter	75.00	Feet



provided via diesel fueled backup generator proposed to remain on site to partially power the Crest Drive pump station.

**C. Technical Evaluation**

<u>Required Item</u>	<u>Acceptable</u>	<u>Unacceptable</u>	<u>Not Required</u>
1. Is the facility designed to maintain at least 20 psi under all flow conditions?	X		
2. There are no common walls between finished water and untreated water?	X		
3. Is the storage tank equipped with an overflow and a low-level warning alarm?	X		
4. Are there means to determine the water level in the storage tank?	X		
5. For storage tanks over 100,000 gallons, is a level recorder provided?	X		
6. Is the facility designed to allow emptying for cleaning or maintenance?	X		
7. Is the facility designed to allow emptying without interrupting service?	X		
8. Is the facility protected against unauthorized access and vandalism?	X		
9. Is the facility provided with a suitable cover or roof?	X		
10. Is the roof of the facility drained?	X		
11. Roof drains / pipes do not enter the reservoir/ tank?	X		
12. Is the facility equipped with securely fastened access manholes?	X		
13. Are the access openings located at least 6 inches above the roof?	X		
14. Access openings located at least 2ft above grade for underground facilities?			X
15. Are vents, which are equipped with down-facing elbows or mushroom covers?	X		
16. Are vents provided with insect screens?	X		
17. Do the vents terminate a minimum of 2 ft above the roof or surrounding grade?	X		
18. Do all coatings in contact with finished water comply with NJAC 7:10-8?	X		
19. Facilities disinfected prior to use in accordance with N.J.A.C. 7:10-11.6(d)?	X		
20. Is cathodic protection provided?			X
21. Is the facility equipped with an inside or outside ladder to permit inspection?	X		
22. Is the riser pipe protected against freezing?	X		
23. Is an overflow pipe provided?	X		
24. Does the overflow terminate between 6 inches and 36 inches above the ground?	X		
25. Is the tank located above ground and enclosed completely in a building?	X		
26. For hydropneumatic storage only is there			X

**Required Item**

	<u>Acceptable</u>	<u>Unacceptable</u>	<u>Not Required</u>
adequate supply NJAC7:10-11.11(g)3			
27. For hydropneumatic storage only gross volume complies with NJAC 7:10-11(g)3?			X
28. Is the tank equipped with a pressure relief valve and a vacuum relief valve?			X
29. Is the water system designed and constructed to meet all demand requirements?			X
30. Does the system have firm source capacity to meet the peak daily demand?			X
31. Does the systems instrumentation meet the requirements of NJAC.7:10-11.6(b)?	X		
32. Is the system equipped with the appropriate analytic equipment?	X		
33. Do the proposed disinfection methods comply with AWWA standards C651-C654?	X		
34. If cross connections exist has the system obtained a Physical Connection Permit			X
35. Are residuals properly handled and disposed of?			X
36. If applicable have NJPDES permits been obtained?			X
37. Does the design of all buildings comply with N.J.A.C.7:10-11.6(g)?	X		
38. For 1 MGD or more, plants are necessary tools and accessories provided?	X		
39. Is auxilliary power required and if so is auxillary power provided?	X		
40. Does the system meet the minimum storage requirements (N.J.A.C. 7:19-6.7)?	X		
41. Do all proposed addilives meet ANSI Standard 60 (N.J.A.C. 7:10-8.2a(1))?	X		
42. Does all material in contact with drinking water meet ANSI Standard 61	X		

**D. Deficit Surplus Evaluation**

The deficit surplus evaluation is summarized below:

<b>Firm Capacity:</b>	3.000	MGD					
<b>Allocation Limits:</b>			<b>Contract Limits:</b>		<b>Total Limits:</b>		
(Monthly)		MGM	(Monthly)	93.000	MGM	(Monthly)	93.000
(Yearly)		MGY	(Yearly)	900.000	MGY	(Yearly)	900.000
<b>Five Year Peak Demand:</b>			<b>Allocated Demand:</b>		<b>Deficit/Surplus:</b>		
(Daily)	2.743	MGD	(Daily)	0.105	MGD	(Monthly)	6.335
Month/Year	08/2022		(Monthly)	1.628	MGM	(Yearly)	83.467
(Monthly)	85.037	MGM	(Yearly)	12.775	MGY		
Month/Year	08/2022					<b>Firm-Peak Total:</b>	
(Yearly)	803.758	MGY	<b>Total Peak Demand:</b>			(Daily)	0.152
Year	2022		(Daily)	2.848	MGD		
			(Monthly)	86.665	MGM		
			(Yearly)	816.533	MGY		
						WAP Number:	5073

**E. Storage Tanks**

Name	Facility ID	Storage Capacity	Status
UNDERGROUND TANK (CONCRETE)/SOUTH ORANGE	04	2.000 MG	Active
WATER SPHERE / LONGWOOD ROAD & BRENTWOOD	04	0.200 MG	Active
STANDPIPE/37 CREST DRIVE	04	1.600 MG	Active*
<b>ELEVATED TANK/31 CREST DRIVE</b>		<b>1.000 MG</b>	<b>Proposed</b>

\*Standpipe set to be decommissioned and demolished according to this project proposal.

From N.J.A.C. 7:19-6.7 (b) South Orange Water Department is classified as System Type iii, having a single, prime source with interconnections. Therefore, the storage requirement is 50% of the projected Average Daily Demand.

Projected Average Daily Demand = 816,533 MGY / 365 = 2.237 MGD

Storage Required = 0.5 x 2.237 MGD = 1.12 MG

Storage Provided = 3.200 MG

Therefore, South Orange Water Department **DOES** meet the minimum storage requirements.

**F. Conclusions**

With the completion of this proposed storage tank construction, SOWD will continue to have adequate storage as required in N.J.A.C. 7:19-6.7. The tank shall have improved water quality by installing separate inlet/outlet piping infrastructure, and adequate protection from vandalism with fencing around property. The project, as designed, meets the applicable construction regulations set forth in N.J.A.C. 7:10-11.1 et seq., and therefore is recommended for approval.

Recommendations

Check One:

- Examination of the engineering data submitted indicated that the project, as designed, complies substantially with our rules and regulations.

It is therefore recommended that the project be APPROVED and permit issued for construction, derivation, distribution, subject to the usual conditions.

- Examination of the engineering data submitted indicates that the project, as designed, does not comply with our rules and regulations.

It is therefore recommended that the project be DISAPPROVED.

- The project has remained technically deficient beyond the due date specified by the Department for providing additional information.

It is therefore recommended that the project be RETURNED.

RECOMMENDED PROVISOS

Check One:

- Specific conditions to approval (standard conditions amended or added to)
- Reasons for disapproval
- Reasons for return
- None required



Devin Bracey, Environmental Engineer 1

Bureau of Water System Engineering

Date: 2/14/2024

**Supervisory Review/Approval Record**

**PAPER PERMIT DOCUMENTS**

- |   | Yes                                 | No                       |
|---|-------------------------------------|--------------------------|
| Project Description accurate and complete?                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Location Description accurate and complete?                                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has any necessary custom language been added and is it accurate and complete? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have the applicable parties been copied?                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Are the permit dates correct?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**TECHNICAL REVIEWERS REPORT**

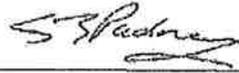
- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| Has the technical review record checklist been completed?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have all applicable blocks of "required items" been added to the technical review record checklist?           | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Does the technical review accurately document and evaluate the application?                                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has the correct system capacity such as allocation limits, diversions, contracts, allocated demand been used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Are all calculations correct?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**ELECTRONIC PERMIT SET**

- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
| Cover page information complete and matching paper document?                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Are all the applicable standard permit conditions included?                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Are all custom conditions included, accurate and complete?                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have the necessary and correct subject items been added to the Permit Inventory? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has the necessary information been added to the Subject Item details?            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has the necessary location coordinate information been added and correct?        | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**PERMIT FOLDER**

- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| Are all signed copies of correspondences included in the permit folder? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Are the materials in the folder in chronological order of receipt?      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have all superseded documents been clearly marked?                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have all duplicates been removed?                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Have copies of checks been removed?                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has all Personally Identifiable Information been removed?               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Permit Approval is:	Recommended <input checked="" type="checkbox"/> Yes	NOT Recommended <input type="checkbox"/>
Supervisory Review by: Syed-Imteaz Rizvi		Date: February 15, 2024
Permit Approval is:	Recommended	NOT Recommended <input type="checkbox"/>
Section Chief Review		Date: 02/15/2024
Any additional comments		

NJEMS\sd\_tech\_reviewers\_report\_dist\_03/24/2021

# SOV Main Reservoir Generator Permit



State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION
AIR QUALITY, ENERGY AND SUSTAINABILITY
Division of Air Quality
Bureau of Stationary Sources
401 E. State Street, 2nd floor, P.O. Box 420, Mail Code 401-02
Trenton, NJ 08625-0420

SHAWN M. LATOURETTE
Commissioner

Air Pollution Control
Preconstruction Permit and Certificate to Operate
General Permit

Permit Activity ID Number: GEN220001

Program Interest No: 09219

Table with 2 columns: Mailing Address and Plant Location. Mailing Address: HOWARD LEVINSON, SOUTH ORANGE VILLAGE WATER UTILITY, SOUTH ORANGE WATER UTILITY, 76 S ORANGE AVE - 3RD FLR, SOUTH ORANGE, NJ 07079. Plant Location: MAIN RESERVOIR BUILDING - SOUTH ORANGE, 603 S Orange Ave, South Orange, Essex County.

Approval Date: 02/16/2022

Expiration Date: 02/16/2027

The Department of Environmental Protection (Department) has received your General Permit registration for the equipment described below:

Table with 3 columns: E-NJID, Facility Designation, Equipment Description. Row 1: E2, Main, 1.350 MMBTU/Hr Emergency Generator (100 kW)

This General Permit is approved and issued under the authority of Chapter 106, P.L. 1967 (N.J.S.A. 26:2C-9.2). You must construct and operate the above referenced equipment, or equipment and control devices, only in accordance with all provisions of this General Permit.

Approved by:

Handwritten signature of Michael Adhanom

Michael Adhanom
Section Chief
Bureau of Stationary Sources

# SOV Crest Drive Generator Permit



State of New Jersey

PHILIP D. MURPHY  
Governor

SHEILA Y. OLIVER  
Lt. Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION  
AIR QUALITY, ENERGY AND SUSTAINABILITY  
Division of Air Quality  
Bureau of Stationary Sources  
401 E. State Street, 2nd floor, P.O. Box 420, Mail Code 401-02  
Trenton, NJ 08625-0420

SHAWN M. LATOURETTE  
Commissioner

Air Pollution Control  
Preconstruction Permit and Certificate to Operate  
General Permit

Permit Activity ID Number: GEN220001

Program Interest No: 09218

Mailing Address	Plant Location
HOWARD LEVINSON SOUTH ORANGE VILLAGE WATER UTILITY SOUTH ORANGE WATER UTILITY 76 S ORANGE AVE - 3RD FLR SOUTH ORANGE, NJ 07079	CREST DRIVE STATION - SOUTH ORANGE 37 Crest Dr South Orange Essex County

Approval Date: 02/16/2022

Expiration Date: 02/16/2027

The Department of Environmental Protection (Department) has received your General Permit registration for the equipment described below:

E-NJID	Facility Designation	Equipment Description
E2	Crest Dr	1,278 MMBTU/Hr Emerg. Gen. (80 kW)

This General Permit is approved and issued under the authority of Chapter 106, P.L. 1967 (N.J.S.A. 26:2C-9.2). You may construct and operate the above referenced equipment, or equipment and control devices, only in accordance with all provisions of this General Permit.

Approved by:

Michael Adhanom  
Section Chief  
Bureau of Stationary Sources

EXHIBIT H

DISCLOSURE SCHEDULE TO THE AGREEMENT OF SALE

BETWEEN SOUTH ORANGE VILLAGE AND NEW JERSEY-AMERICAN WATER COMPANY, INC.

These schedules are to be read in their entirety. Nothing in these schedules is intended to broaden the scope of any representation or warranty contained in the Agreement of Sale (the "Agreement"). The disclosure of any item, explanation, exception, or qualification in these schedules is disclosure of that item for all purposes for which disclosure is required under the Agreement, and is disclosed in all appropriate schedules irrespective of whether any cross-reference is made or whether no schedule is provided with respect to any representation or warranty. Capitalized terms used and not otherwise defined in these schedules shall have the meanings ascribed to them in the Agreement.

Schedule 2.1(A)

Organization of Village

Schedule 2.1(B)

Authorization of Transaction

Schedule 2.1(C)

Title

Schedule 2.1(D)

Assets

Schedule 2.1(E)

Litigation

Schedule 2.1(F)

No Default

Schedule 2.1(G)

No Reimbursement Obligation

Schedule 2.1(H)

Tariff

Schedule 2.1(I)

Permits

Schedule 2.1(J)

Environmental

See attached NJDEP Notice of Deficiency regarding the deficient maintenance and repair of the Village's water storage tank.

Schedule 3.1(A)

Organization of Buyer

Schedule 3.1(B)

**Authorization of Transaction**

**Schedule 3.1(C)**

**Litigation**

**Schedule 3.1(D)**

**Warranties**

**Schedule 3.1(E)**

**Right to Inspect**

**Schedule 3.1(F)**

**Other Limitations of Local, State, and Federal Laws and Regulations**

**Schedule 3.1(G)**

**Source of Funds**

**Schedule 3.1(11)**

**Blocked Person**

EXHIBIT I

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of \_\_\_\_\_, \_\_, 2025 (this "Escrow Agreement"), by and among SOUTH ORANGE VILLAGE, a public body corporate and politic in Essex County in the State of New Jersey (the "Village"), New Jersey-American Water Company, Inc. corporation ("Buyer"), and \_\_\_\_\_ (the "Escrow Agent").

WITNESSETH

WHEREAS, the Buyer has executed and delivered to the Village a Sales Agreement, dated as of \_\_\_\_\_, 2025 (the "Agreement"), pursuant to which the Buyer will purchase from the Village, and the Village will sell to the Buyer, the Water System as defined in the Agreement;

WHEREAS, it is contemplated under the Agreement that the Buyer will deposit or cause to be deposited into escrow the sum of 5% of the Purchase Price (the "Escrow Amount") in cash upon its execution of the Agreement, to be held and disbursed by the Escrow Agent in accordance with the terms herein; and

WHEREAS, Escrow Agent is willing to act as the Escrow Agent hereunder.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein and in the Agreement, and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1 - APPOINTMENT AND AGREEMENT OF ESCROW AGENT. The Buyer and the Village hereby appoint the Escrow Agent to serve as, and the Escrow Agent hereby agrees to act as the escrow agent upon the terms and conditions of this Agreement.

Section 2 - ESTABLISHMENT OF THE ESCROW FUND. Pursuant to Section 4.3 of the Agreement, the Buyer shall deliver to the Escrow Agent on the date hereof the Escrow Amount. The Escrow Agent shall hold the Escrow Amount and all interest and other amounts earned and/or accrued thereon (the "Escrow Fund") in escrow pursuant to the terms of this Escrow Agreement and the Agreement.

Section 3 - PURPOSE OF THE ESCROW FUND. The Escrow Amount will be held by the Escrow Agent as a deposit made by the Buyer to be credited against the Purchase Price to the Village pursuant to Section 4.3 of the Agreement.

Section 4 - PAYMENTS FROM THE ESCROW FUND.

- (A) At the Closing, upon written request of the Buyer and the Village, the Escrow Agent shall pay in full to the Village in immediately available funds all such amounts in the Escrow Fund. The Buyer and Village agree that such amount shall be credited against the Purchase Price in favor of the Buyer at the Closing.
- (B) In the event that the Agreement is terminated as described in Section 9.2 of the Agreement of Sale, the Buyer shall provide written notice to the Escrow Agent of such termination specifying in reasonable detail the nature and basis for such termination. The Escrow Agent shall, upon receipt of such notice, deliver a copy of such notice to the Village's Representative. If within ten (10) Business Days after delivery of such notice, the Escrow Agent has not received a written objection from the Village or the Village's Representative and provided the Buyer has not exercised its right to seek to enforce the Agreement by an action for specific performance (but not an action for damages), the Escrow Agent shall promptly transfer the Escrow Fund to the Buyer, by wire transfer in immediately available funds. If the Escrow Agent has received an objection within the stated time period, then Escrow Agent will proceed as described in Section 5 below.
- (C) In the event that the Agreement is terminated as described in Section 9.1 of the Agreement, the Village shall provide written notice to the Escrow Agent of such termination specifying in reasonable detail the nature and basis for such termination. The Escrow Agent shall, upon receipt of such notice, deliver a copy of such notice to the Buyer. If within ten (10) Business Days after delivery of such notice, the Escrow Agent has not received a written objection from the Buyer, the Escrow Agent shall promptly transfer the Escrow Fund to the Village by wire transfer in immediately available funds. If the Escrow Agent has received an objection with the stated time period, then Escrow Agent will proceed as described in Section 5 below.

Section 5 - OBJECTION TO A TERMINATION NOTICE. Either party, after receipt of a notice from the Escrow Agent that the other party is claiming a right to payment of the Escrow Fund pursuant to a termination right under the Agreement, may at any time within the ten (10) Business Days after receipt of said notice object by delivering to the Escrow Agent a writing specifying in reasonable detail the nature and basis for such objection. Upon receipt of such an objection, the Escrow Agent shall deliver a copy of such objection to the party seeking payment of the Escrow Fund. Unless the Escrow Agent thereafter receives, a statement from the objecting party that it is withdrawing its objection, the Escrow Fund shall be held by the Escrow Agent and shall not be released except in accordance with either: (i) written instructions jointly executed by an authorized officer of the Buyer and the Village's Representative or (ii) the final non-appealable judgment of a court.

Section 6 - MAINTENANCE OF THE ESCROW FUND: TERMINATION OF THE ESCROW FUND.

- (A) The Escrow Agent shall maintain the Escrow Fund in a non-interest bearing account in [Bank] until the earlier of:
  - (i) the time at which there shall be no funds in the Escrow Fund; or
  - (ii) the termination of this Escrow Agreement.
- (B) Notwithstanding any other provision of this Escrow Agreement to the contrary, at any time prior to the termination of the Escrow Fund, the Escrow Agent shall, if so instructed in a writing jointly signed by the Buyer and the Village's Representative, pay from the Escrow Fund, as instructed, to the Village or the Buyer, as directed in such writing, the amount of cash so instructed.
- (C) Escrow Agent shall not be responsible for any interest on the Deposit except as is actually earned, or for the loss of any interest resulting from the withdrawal of the Deposit prior to the date interest is posted thereon or for any loss caused by the failure, suspension, bankruptcy or dissolution of the institution in which the Deposit is deposited.
- (D) In the event that the Escrow Agent is uncertain as to its duties or rights hereunder or receives instructions from any party hereto with respect to the Escrow Fund which, in its reasonable opinion, are in conflict with any of the provisions of this Escrow Agreement or any instructions received from one of the other parties to this Escrow Agreement, the Escrow Agent shall be entitled to refrain from taking any action other than to keep the Escrow Fund in question until: (i) such time as there has been a "Final Determination" (as defined herein) with respect to the Escrow Fund or (ii) deposit the Escrow Fund in escrow into any Court of competent jurisdiction at any time and thereafter shall have no further obligations or liabilities to anyone under this Escrow Agreement. For purposes of this Section, there shall be deemed to have been a "Final Determination" of the rights of the applicable parties with respect to the Escrow Fund at such time as any of the applicable parties shall file with the Escrow Agent: (i) an official certified copy of a court order, together with an opinion of counsel of the party filing the foregoing, in form and substance acceptable to the Escrow Agent and its counsel, stating that the court order is a final determination (and not subject to appeal in a federal or state court of competent jurisdiction) of the rights of the parties hereto with respect to the Escrow Fund, that the time to appeal from said court order has expired, and that said court order is binding upon the applicable parties or (ii) a fully executed agreement or consent by and among the applicable parties which provides for disposition of the Escrow Fund in accordance with Article XII of the Agreement.

Section 7 - ASSIGNMENT OF RIGHTS TO THE ESCROW FUND; ASSIGNMENT OF OBLIGATIONS; SUCCESSORS. This Agreement may not be assigned by operation of law or otherwise without the express written consent of each of the parties hereto (which consent may be granted or withheld in the sole discretion of such parties); provided, however, that the Buyer may assign this Escrow Agreement to an Affiliate of the Buyer without the consent of the other parties. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns.

Section 8 - ESCROW AGENT.

- (A) Except as expressly contemplated by this Agreement or by joint written instructions from the Buyer and the Village, the Escrow Agent shall not sell, transfer, or otherwise dispose of all or any portion of the Escrow Fund in any manner, except pursuant to an order of a court of competent jurisdiction.
- (B) The duties and obligations of the Escrow Agent shall be determined solely by this Escrow Agreement, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Escrow Agreement.
- (C) In the performance of its duties hereunder, the Escrow Agent shall be entitled to rely upon any document, instrument, or signature believed by it in good faith to be genuine and signed by any party hereto or an authorized officer or agent thereof (specifically including the Village's Representative), and shall not be required to investigate the truth or accuracy of any statement contained in any such document or instrument. The Escrow Agent may assume that any person purporting to give any notice on behalf of a party hereto in accordance with the provisions of this Agreement has been duly authorized to do so.
- (D) The Escrow Agent shall not be liable for any error of judgment or any action taken, suffered, or omitted to be taken hereunder except in the case of its gross negligence, bad faith, or willful misconduct. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.
- (E) The Escrow Agent shall have no duty as to the collection or protection of the Escrow Fund or income thereon, nor to preserve any rights pertaining thereto beyond the safe custody of any such funds actually in its possession.
- (F) As compensation for its services to be rendered under this Agreement, Escrow Agent shall be reimbursed upon request for all expenses, disbursements, and advances,

including reasonable fees of outside counsel, if any, incurred or made by it in connection with the preparation of this Escrow Agreement and the carrying out of its duties under this Escrow Agreement. All such expenses shall be the joint and several responsibility of the Village and the Buyer.

- (G) The Buyer and the Village shall reimburse and indemnify the Escrow Agent for and hold it harmless against any loss, liability, or expense, including, without limitation, reasonable attorney's fees incurred except in connection with gross negligence, bad faith, or willful misconduct on the part of the Escrow Agent arising out of, or in connection with the acceptance or performance of its duties and obligations under this Escrow Agreement.
- (H) The Escrow Agent may resign at any time by giving twenty (20) Business Days' prior written notice of resignation to the Village's Representative and the Buyer. The Village and the Buyer may remove the Escrow Agent at any time by jointly giving the Escrow Agent ten (10) Business Days' written notice signed by each of them. If the Escrow Agent is to resign or be removed, a successor Escrow Agent shall be appointed by the Buyer by written instrument executed by the Village's Representative and the Buyer. Such instrument shall be delivered to the Escrow Agent and to such successor Escrow Agent and, thereupon, the resignation or removal of the predecessor Escrow Agent shall become effective and such successor Escrow Agent, without any further act, deed or conveyance, shall become vested with all right, title, and interest to all cash and property held hereunder of such predecessor Escrow Agent. Such predecessor Escrow Agent shall, on the written request of the Village's Representative, the Buyer, or the successor Escrow Agent, execute and deliver to such successor Escrow Agent all the right, title, and interest hereunder in and to the Escrow Fund of such predecessor Escrow Agent and all other rights hereunder of such predecessor Escrow Agent. If no successor Escrow Agent is appointed within twenty (20) Business Days of a notice of resignation by the Escrow Agent, the Escrow Agent's sole responsibility shall thereafter be to hold the Escrow Fund until the earlier of its receipt of designation of a successor Escrow Agent, a joint written instruction by the Village's Representative and the Buyer, or termination of this Escrow Agreement in accordance with its terms.
- (I) The Escrow Agent is acting as a stakeholder only with respect to the Escrow Fund. Upon making delivery of the Escrow Fund in the manner herein provided, the Escrow Agent shall have no further liability hereunder.
- (J) The Village and the Buyer acknowledge that the Escrow Agent has represented the Village in connection with, among other things, the Agreement and the matters giving rise to this Escrow Agreement and will continue to represent the Village in connection with such matters and any other matters. Each of the parties to this

Agreement waives any right it now has or may have in the future to any claim of conflict as a result of the Escrow Agent's execution, delivery, and performance of this Agreement or the transactions contemplated hereby and the Escrow Agent's representation of the Village in any matter including, without limitation, any action, litigation, or representation relating to the Agreement, this Escrow Agreement, and the matters giving rise to each of them.

Section 9 - TERMINATION. This Escrow Agreement shall terminate on the earlier of: (i) the date on which there are no funds remaining in the Escrow Fund or (ii) the date on which the Escrow Agreement receives a signed notice from the Village and the Buyer that the Escrow Agreement is terminated, including instruction to the Escrow Agent on the disbursement of the Escrow Fund.

Section 10 - NOTICES. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to the Village:

Village Administrator  
South Orange Village  
76 South Orange Ave., 3<sup>rd</sup> Floor  
South Orange, New Jersey 07079  
(973) 378-7715

With a copy to:

Clyde L. Otis III, Esq.  
Post Polak P.A.  
425 Eagle Rock Avenue  
Suite 200  
Roseland, New Jersey 07068  
(973) 228-9900 x 213  
[cotis@postpolak.com](mailto:cotis@postpolak.com)

If to Buyer:

Vice President, Operations  
New Jersey-American Water Company, Inc.  
1 Water Street  
Camden, New Jersey 08102

With a copy to:  
General Counsel  
New Jersey-American Water Company, Inc.  
1 Water Street  
Camden, New Jersey 08102

Section 11 - GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Jersey applicable to contracts executed and to be performed entirely within that State.

Section 12 - AMENDMENTS. This Agreement may not be amended or modified except: (i) by an instrument in writing signed by, or on behalf of, the Village, the Buyer, and the Escrow Agent or (ii) by a waiver in accordance with this Agreement.

Section 13 - WAIVER. Any party hereto may: (i) extend the time for the performance of any obligation or other act of any other party hereto or (ii) waive compliance with any agreement or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition or a waiver of any other terms or conditions of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

Section 14 - SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect as long as the economic and legal substance of the transactions contemplated by this Escrow Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

Section 15 - ENTIRE AGREEMENT. This Escrow Agreement and the Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the Village, the Buyer, and the Escrow Agent with respect to the subject matter hereof.

Section 16 - NO THIRD PARTY BENEFICIARIES. This Escrow Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Escrow Agreement.

Section 17 - HEADINGS. The descriptive headings contained in this Escrow Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 18 - COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement.

Section 19 - VILLAGE'S REPRESENTATIVE. The Village hereby appoints its Village Clerk as its representative (the "Village's Representative") and agrees that such appointment give the Village's Representative full legal power and authority to take any action or decline to take any action on behalf of the Village.

Section 20 - DEFINITIONS. Terms defined in the Agreement and not otherwise defined herein may be used herein as defined in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized

**SOUTH ORANGE VILLAGE**

**New Jersey-American Water Company, Inc**

By: \_\_\_\_\_  
Sheena C. Collum, Mayor

By: \_\_\_\_\_  
Name:  
Title:

**ESCROW AGENT**

BY: \_\_\_\_\_

## EXHIBIT J

### CUSTOMER SERVICE STANDARDS AND CUSTOMER SERVICE PLAN

1. The Buyer shall maintain the System laterals from mains to curb line of property and shall undertake all necessary capital improvements, maintenance, repairs, and replacement to the System as shall be required from time to time. Such undertaking shall be made in accordance with prudent industry standards.
2. The Buyer shall maintain buildings and property in a neat and orderly appearance consistent with community standards and shall undertake reasonable measures to protect the health, safety, and welfare of the public with respect to the System.
3. The Buyer shall operate the System in a manner to minimize odors, dust, spills, and other nuisances. The Buyer shall provide appropriate customer service staffing and response times for any complaints about nuisances or service problems.
4. The Buyer shall provide a qualified staff and experienced employees and third party contractors who have direct experience in operating similar systems. The Buyer shall maintain the necessary number of employees, staff, and third party contractors to operate, maintain, and manage the System.
5. The Buyer shall implement a plan of action protocol for emergency events which shall include notices to the Village and other regulating entities having jurisdiction and for measures which facilitate coordinated emergency response actions, as needed. The Buyer shall maintain a toll-free 24-hour telephone number where users of the System can report emergencies.
6. The Buyer shall abide by New Jersey regulations in providing safe and reliable service.
7. Comply with the following customer service commitments as outlined in Buyer's bid:
  - a. Comply with the Buyer's standard terms and conditions and customer service standards for providing regulated utility service, as outlined in its 'Tariff for Water and Wastewater Service' which is located on its website – <http://www.newjerseyamwater.com>- under the Customer Service and Billing tab.
  - b. Delivering excellent, cost-effective customer services including:
    - i. First-Contact Resolution – Timely response to customer inquiries improves satisfaction and reduces customer effort.
    - ii. Timely and Accurate Billing -Quality assurance measures to help ensure delivery of accurate billing and avoidance of customer confusion.
    - iii. Outstanding Collection Performance – Working with customers to manage their account balances and implementing processes to assist customers in identifying payment solutions including payment assistance programs, budget billing, and installment plans as well as establishing low-income discount tariffs.

- iv. Language Translation Options (Spanish and 200+ additional) –language translation as well as ADA-compliant services to better accommodate diverse customer base.
  - v. Technology Advancements – A virtual assistant for handling frequently asked questions, a customer call scheduling tool, and upgraded customer website.
  - vi. Leveraging Customer Feedback –Customer feedback and internal reviews to help identify and focus on the right opportunities to improve customer experience.
- c. Providing a self-service customer portal, allowing customers to manage their account 24/7/365. Customers can utilize the portal to:
- i. View and pay their bill.
  - ii. Turn service on or off or make additional service requests.
  - iii. Manage their communication and billing preferences, including signing up for paperless billing and auto-pay, as well as customer notifications for non-emergency work.
  - iv. Apply for customer payment assistance programs (i.e., Budget billing, assistance grants, etc.).
  - v. View water use history and request leak adjustments.
  - vi. Report an emergency.
- d. Customer care agents that offer around-the-clock service that includes:
- i. Emergency assistance (24/7)
  - ii. Customer service support (Monday thru Friday, 7am-7pm local time), including:
    - 1. Field service requests
    - 2. Water billing and collection inquiries
    - 3. Payment processing and reporting
    - 4. Additional non-emergency customer service requests
- e. Responding to emergencies. In the event of a complaint, concern, or emergency, residents can call the company’s toll-free number or login to our customer portal to report the situation. Customer Service representatives are available 24 hours a day, 7 days a week for emergencies. The representatives route information directly to the crew in the field who then investigate, secure the area, and call in the necessary resources to address the concern.
- f. Convenient payment options, including by mail, in-person, by phone or online. For those customers who prefer to make their payments in-person, American Water partners with established payment centers to offer this option, including retail grocery stores and other established sites, such as Walmart. To give customers the flexibility to pay how they prefer, payments are also accepted electronically with a

credit card or through direct debit, so there are no checks to write, and no stamps required.

## EXHIBIT K

### CAPITAL IMPROVEMENTS

1. Identification and replacement of lead and galvanized service lines, both utility and customer-owned, starting immediately after taking ownership to comply with NJDEP lead service line replacement requirements and improve water service quality for Village residents. New Jersey American Water replaces customer-owned lead service lines at no upfront cost to customers and employs an efficient, coordinated approach with robust municipal and customer communications that assists residents through every step of the process.
2. Replacement of the Crest Drive Standpipe in the first five years of ownership to address NJDEP requirements and secure this important water storage facility.
3. Rehabilitation of the 2.0 MG Main Reservoir and the Newstead Watersphere to increase resiliency of the distribution system, and address deficiencies identified by the NJDEP and during past inspections conducted by the Village.
4. An aggressive water main replacement and rehabilitation program to address the aging infrastructure and secure important interconnection points. New Jersey American Water will remove all four-inch water main, and associated fire hydrants, in the first 10 years of ownership and replace with appropriately sized water mains.
5. A robust, comprehensive analysis of the entire water distribution system upon taking ownership to identify possible "single points of failure," develop enhancements to the existing pressure gradients, and inform future capital investment needs.

EXHIBIT L

VILLAGE CONSENT

**ORDINANCE #2025-XX**

Introduction: \_\_\_\_\_, 2025

Adoption:

**AN ORDINANCE GRANTING MUNICIPAL CONSENT TO NEW JERSEY-AMERICAN WATER COMPANY, INC. TO PROVIDE WATER SERVICE AND THE CONSTRUCTION, EXPANSION AND MAINTENANCE OF WATER FACILITIES IN THE PUBLIC RIGHT OF WAY IN SOUTH ORANGE VILLAGE IN ORDER TO FURNISH WATER SERVICE WITHIN THE BOUNDARIES OF THE VILLAGE.**

**WHEREAS**, New Jersey-American Water Company, Inc. ("New Jersey-American Water") is in the process of acquiring the water system (the "System") currently owned and operated by South Orange Village (the "Village"), subject to regulatory approvals; and

**WHEREAS**, the Village is desirous of having New Jersey-American Water acquire the System, which acquisition has been approved by a majority of the legal Village voters on November 5, 2024, pursuant to N.J.S.A. 40:62-5; and

**WHEREAS**, New Jersey-American Water is a regulated public utility corporation of the State of New Jersey presently seeking the municipal consent of the Village to permit New Jersey-American Water to provide water service to the Village; and

**WHEREAS**, New Jersey-American Water has requested the consent of the Village to provide water service to the Village pursuant to N.J.S.A. 48:2-14; and

**WHEREAS**, New Jersey-American Water has requested the consent of the Village for use of its streets, with such consent limited to the fifty (50) year duration set forth in N.J.S.A. 48:3-15, including the consent of the Village pursuant to N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, to lay its pipes beneath and restore such public roads, streets and places as it may deem necessary for its corporate purposes, free from all charges to be made for said privilege (except fees for road opening permits shall be paid), provided that said pipes shall be laid at least three feet (3') below the surface and shall not in any way unnecessarily obstruct or interfere with the public travel or cause or permit other than temporary damage to public or private property; and

**WHEREAS**, it is deemed by the Mayor and Village Council that granting said consent is in the best interest of the Village and its citizens; and

**WHEREAS**, notice of this Ordinance was published in accordance with the requirements of N.J.S.A. 48:3-13 and N.J.S.A. 48:3-14.

**NOW, THEREFORE**, be it ordained, by the Village Council of South Orange Village, a municipal corporation of New Jersey located in Essex County thereof, as follows:

**Section 1.**

- A. The Village hereby grants to New Jersey American Water, its successors and assigns, in perpetuity the exclusive municipal consent to provide water services to the Village pursuant to N.J.S.A. 48:2-14.
- B. The Village hereby grants to New Jersey-American Water, its successors and assigns, the municipal consent to use the streets pursuant to N.J.S.A. 48:3-11 and 48:3-15, with such consent limited to fifty (50) years as set forth in N.J.S.A. 48:3-15, as well as the consent pursuant to N.J.S.A. 48:19-17 and 48:19-20, as amended, without charge therefore, (except fees for road permits shall be paid) as the same may be required in order to permit New Jersey-American Water to add to, extend, operate and maintain the necessary water facilities on public streets, roads and property described herein in order to provide said water service.
- C. That a certified copy of this Ordinance, upon final passage, shall be sent to New Jersey-American Water, who will provide to the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey as necessary.
- D. That the consent granted herein shall be subject to New Jersey-American Water complying with all applicable laws of the Village and/or the State of New Jersey including, but not limited to, any and all statutes and administrative agency rules and/or regulations.
- E. The Village Administrator, Mayor, and the Clerk of the Village, or their respective designee, are authorized to execute the documents and agreements necessary to effectuate the limited municipal consent and to protect the rights of the public involved

## **Section 2**

Each section, subsection, sentence, clause, phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance

## **Section 3.**

Repealer.

All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistencies.

## **Section 4.**

This ordinance shall take effect upon final passage and publication as required by law.

## **Section 5.**

On passage this ordinance shall NOT be codified.

**Introduction – First Reading**

Council Member	Motion	Second	Ayes	Nays	Abstain	Absent
Brown						
Greenberg						
Haskins						
Hartshorn Hilton						
Jones						
Lewis Chang						

**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was introduced on first reading by the Village Council at their meeting held on \_\_\_\_\_, 2025.

\_\_\_\_\_  
Ojetti E. Davis  
Village Clerk

**Adoption – Second Reading**

Council Member	Motion	Second	Ayes	Nays	Abstain	Absent
Brown						
Greenberg						
Haskins						
Hartshorn Hilton						
Jones						
Lewis Chang						

**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was adopted on second reading by the Village Council at their meeting held on \_\_\_\_\_, 2025.

\_\_\_\_\_  
Ojetti E. Davis  
Village Clerk

Adopted:

Attest:

\_\_\_\_\_

\_\_\_\_\_

Sheena C. Collum

Ojetti E. Davis

EXHIBIT M

LIST OF VILLAGE FACILITIES

Municipal Accounts	Street Address	Block	Lot	Meter ID
Meadowlands Ball Field	5 Mead St	1203	1	No information existing
Community Garden	44 Third St	2301	45	
Waterlands Park	34 Third St	2301	59	
Spiotta Park	24 South Orange Ave	1908	9	463730
Skate House	82 Ridgewood Rd North	1904	4	1433
Grove Park	251 South Orange Ave	1008	1	No information existing
Farrell Field	298 Walton Ave	2301	1	No information existing
Meadowbrook Park				No information existing
Cameron Field (Pool House)	210 Mead St	1904	5	463656
Municipal Pool	210 Mead St	1904	5	No information existing
Carter Park	176 College Pl	2112	2	No information existing
Founders Park	265 Valley St	2303	4	No information existing
Rescue Squad	62 Sloan St	1906	2	
Fire Department Headquarter	52 Sloan St	1906	3	
Police Department Headquarter	201 South Orange Ave	1007	13	463729
Library	55 Scotland Ave	1005	4	463721
Library	65 Scotland Ave	1005	3	463722
Father Vincent Monella Center	133 Fairview Ave	2103	21	5468
SO Parking Authority	298 Walton Ave	2301	1	463724
Department of Public Works	300 Walton Ave	2301	1	Being installed or replaced
Baird Community Center	5 Mead St	1203	1	463657
Storage Platform SOV Community Space	317 Valley St	2303	1.01	Being installed or replaced