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**PASSAIC VALLEY WATER COMMISSION
AND
NEW JERSEY-AMERICAN WATER COMPANY, INC.**

SECOND AMENDMENT TO AGREEMENT

APPENDIX A

**SECOND AMENDMENT THE WATER SALES AGREEMENT BETWEEN THE
PASSAIC VALLEY WATER COMMISSION AND THE NEW-JERSEY
AMERICAN WATER COMPANY, INC.**

SECOND AMENDMENT TO AGREEMENT, made this 17th day of July, 2008, between Passaic Valley Water Commission, a public body of the State of New Jersey, having its principal office at 1525 Main Avenue, in the City of Clifton, County of Passaic and State of New Jersey, hereinafter referred to as "Commission", and New Jersey-American Water Company, a Public Utility Corporation organized under the laws of the State of New Jersey, with its principal office at 213 Carriage Lane, Delran, New Jersey 08075, hereinafter referred to as the "Company":

WHEREAS, the Commission, organized pursuant to N.J.S.A. 40:62-108, et seq., owns and operates a public water supply and distribution system; and

WHEREAS, the Commission supplies the Company with water pursuant to a written agreement dated July 10, 1991 entitled "Water Sales Agreement Between the Passaic Valley Water Commission and New Jersey-American Water Company, Inc." (referred to herein as the "Agreement"), and an amendment to the agreement (the "Amendment") dated September 26, 2007 replaced Schedule A annexed to the Agreement with Revised Schedule A dated July 25, 2007; and

WHEREAS, it is the intention of this second amendment to the Agreement to clarify and clearly establish the previously implicit limitations of the Agreement; and


WHEREAS, this second amendment to the agreement (the "Second Amendment") hereby clearly establishes an explicit Maximum Annual Purchase Volume (the maximum total volume of water in billions of gallons per year which can be purchased by the Company from PVWC during the Service Year) as set forth in the attached Revised Schedule A which shall be appended to the revised Agreement; and

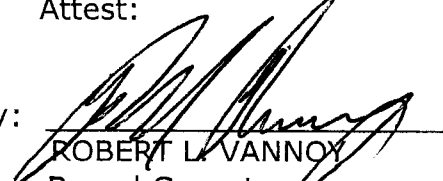
WHEREAS, all other terms and conditions of the previously amended Agreement dated September 26, 2007 shall remain in full force and effect;

NOW THEREFORE, the parties hereto agree that the revised Schedule A dated as of the date hereof shall replace, in its entirety, the previously revised Schedule dated July 25, 2007 and become effective as of the date of full and proper execution of said document by the authorized parties; and shall be fully binding upon said parties and shall be attached to the Agreement and made a part thereof in its entirety.

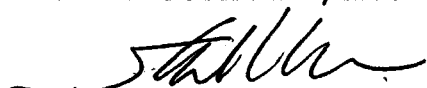
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, and have affixed corporate seals, the day and year first above written.

Attest:

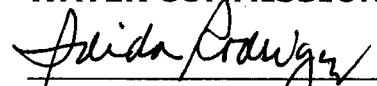
By: 
Michael C. Sgifo
VP, Secretary & General Counsel
Attest:

By: 
ROBERT L. VANNOY
Board Secretary

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

By: 
Steven J. Tambini, P.E.
VP Operations

**PASSAIC VALLEY
WATER COMMISSION**

By: 
LIDIA RODRIGUEZ
Board President

**REVISED SCHEDULE A
DATED JUNE 20, 2008**

**Total Combined to West Orange and West Caldwell (to PWSID No. 0712001)
And all Little Falls (PWSID No. 1605001) Points of Delivery:**

Maximum Daily Volume	30 MGD
Maximum Monthly Volume	759.5 MGM (24.5 MGD Average)
Annual Maximum Purchase Volume	6000 MGY (16.4 MGD Average)
Annual Minimum Purchase Requirement After 1/1/2008 Until the End of the Term of the Agreement	4653 MGY (12.75 MGD Average)

All Little Falls (PWSID No. 1605001) Points of Delivery:

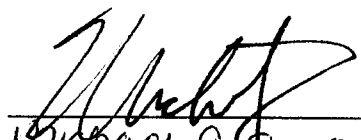
Maximum Daily Volume	3.5 MGD
Maximum Monthly Volume	77.5 MGM (2.5 MGD Average)

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, and have affixed corporate seals, the day and year first above written.

Attest:


**NEW JERSEY-AMERICAN
WATER COMPANY**

By:



Michael A. Sgro
VP, Secretary & General
Counsel

By:

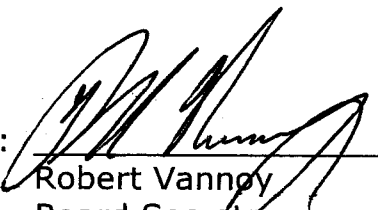


Steven J. Tambini, P.E.
VP Operations

Attest:

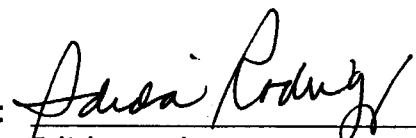
**PASSAIC VALLEY WATER
COMMISSION**

By:



Robert Vannoy
Board Secretary

By:



Idida Rodriguez
Board President

**PASSAIC VALLEY WATER COMMISSION
AND
NEW JERSEY-AMERICAN WATER COMPANY, INC.**

AMENDMENT TO AGREEMENT

APPENDIX A

EXHIBIT A
FORM OF 2007 AMENDMENT TO WATER SUPPLY AGREEMENT

AMENDMENT TO AGREEMENT, made this 26th day of September 2007, (hereinafter "2007 Amendment") between Passaic Valley Water Commission, a public body of the State of New Jersey, having its principal office at 1525 Main Avenue, in the City of Clifton, County of Passaic and State of New Jersey, hereinafter referred to as "Commission", and New Jersey-American Water Company, a Public Utility Corporation organized under the laws of the State of New Jersey, with its principal office at 131 Woodcrest Road, Cherry Hill, New Jersey 08034, hereinafter referred to as the "Company":

WHEREAS, the Commission is organized pursuant to N.J.S.A. 40:62-108, et seq., and owns and operates a public water supply and distribution system; and

WHEREAS, the Commission supplies the Company with water pursuant to a written agreement dated July 10, 1991 entitled "Water Sales Agreement Between the Passaic Valley Water Commission and New Jersey-American Water Company, Inc." (referred to herein as the "Agreement"); a copy of which is attached hereto and made a part hereof as Exhibit A; and

WHEREAS, Commission and Company hereby mutually agree to amend the Agreement by replacing Schedule A annexed thereto and entitled "Purchase Limitations and Minimum Requirements", with Revised Schedule A dated July 25, 2007, and a copy of Revised Schedule A dated July 25, 2007 is attached hereto and made a part hereof as Exhibit B; and

WHEREAS, all other terms and conditions of the Agreement shall remain in full force and effect, except as explicitly modified by the 2007 Amendment;

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, and have affixed corporate seals, as of the day and year first above written.

Attest:

**NEW JERSEY-AMERICAN
WATER COMPANY**

By: 

JORDAN MERSKY
ASSF. SEC.

By: 

Wayne D. Morgan
VP Ser vice Delivery

Attest:

**PASSAIC VALLEY WATER
COMMISSION**

By: 

Louis Amodio
Administrative Secretary

By: 

Rigo Sanchez
Board President

**PASSAIC VALLEY WATER COMMISSION
AND
NEW JERSEY-AMERICAN WATER COMPANY, INC.
AMENDMENT TO AGREEMENT**

AGREEMENT DATED JULY 10, 1991

EXHIBIT A

WATER SALES AGREEMENT
BETWEEN
THE PASSAIC VALLEY WATER COMMISSION
AND
NEW JERSEY-AMERICAN WATER COMPANY, INC.

1991
AGREEMENT, made this 10th day of July , 1990, between
PASSAIC VALLEY WATER COMMISSION, a public body of the State of New
Jersey, having its principal office at 1525 Main Avenue, Clifton,
New Jersey 07011, hereinafter referred to as "Commission," and NEW
JERSEY-AMERICAN WATER COMPANY, a public utility corporation
organized under the laws of the State of New Jersey, with its
principal office at 500 Grove Street, Haddon Heights, New Jersey
08035, hereinafter referred to as the "Company":

WHEREAS, the Commission, organized pursuant to N.J.S.A.
40:62-108, et seq., owns and operates a public water supply and
distribution system in the Cities of Passaic, Paterson and Clifton
and other surrounding territories; and

WHEREAS, Commission sells water in bulk to other water
purveyors; and

WHEREAS, Commission and the Commonwealth Water Company,
predecessor to the Company, have executed two water sales
agreements, one dated February 2, 1978, providing for the furnishing
of a supply of water by the Commission to the Company, and the other
dated October 25, 1979, providing for the furnishing of water to the
Company's Little Falls district; and

WHEREAS, by Certificate of Merger duly filed with the Secretary
of State of New Jersey on December 23, 1987, Monmouth Consolidated
Water Company and New Jersey Water Company were merged into
Commonwealth Water Company effective as of January 1, 1988, the
latter simultaneously changing its name to that of the Company; and

WHEREAS, the Company retained all right, title and interest of
Commonwealth Water Company in and to any and all contracts,
including, without limitation, Commonwealth Water Company's rights

pursuant to the February 2, 1978, and October 25, 1979, agreements with the Commission; and

WHEREAS, the Commission and Company wish to provide for a further additional supply of water by and between Commission and Company; and

WHEREAS, Commission and Company wish to supersede the February 2, 1978 agreement with the within agreement; and

WHEREAS, Commission and Company desire that the October 25, 1979, agreement remain in full force and effect;

NOW, THEREFORE, for and in consideration of the mutual promises and respective covenants and agreements contained herein, the parties agree as follows:

SECTION 1: DEFINITIONS

a. "Agreement" means this water sales contract which supersedes the prior agreement between the Commission and Commonwealth Water Company, now the Company, dated February 2, 1978.

b. "Annual Purchase Period" means the calendar year beginning January 1 and ending December 31 for the duration of this Agreement.

c. "Annual Purchase Requirement" means the minimum total volume of water expressed in million gallons per year which will be purchased by the Company from the Commission.

d. "Daily Period" means the twenty-four (24) hour period from midnight to the following midnight in any given day.

e. "First Permanent Purchase Period" shall be the period commencing on the date when Uninterruptible Service commences as provided in Section 2 herein.

f. "Force Majeure Event" means the inability of a party to perform due to acts of God, strikes, lockouts or other industrial

disturbances, orders of the Government of the United States or the State of New Jersey or any agency or instrumentality thereof, acts of terrorism, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, explosions, failure of, or accidents to, machinery, pipelines, dams or canals, partial or entire failure of water supply, arrests, civil disturbances, acts of any public enemy, and any other causes not reasonably within the control of the party claiming such inability. A party's inability to perform due solely to financial circumstances unrelated to any of the foregoing conditions shall in no case constitute a "Force Majeure Event."

g. "Maximum Daily Purchase" means the maximum volume of water purchased by the Company during any daily period.

h. "MGD" is the abbreviation for "million gallons of water per day."

i. "Points of Delivery" means the locations of the Company's metering facilities which connect to both the Commission and Company transmission systems. In particular, the Points of Delivery shall be located at the Company's Passaic Valley Booster Station located on Pleasant Valley Way in West Orange and at the proposed metering facility to be located in Kirkpatrick Lane, south of, and in the vicinity of, Bloomfield Avenue in West Caldwell.

j. "Tariff" means the Commission's schedule of rates and charges as approved by, and on file with, the Commission, as such may from time to time be amended and supplemented.

k. "Uninterruptible Service" is potable water service to be provided in accordance with the provisions of Section 2 herein and Schedule A hereto. The Commission agrees to provide such service to

the Company unconditionally, except to the extent that the provisions of Section 5 of the Agreement may apply under certain circumstances to excuse the Commission from providing such Uninterruptable Service in the quantity specified.

SECTION 2: WATER SERVICE TO BE PROVIDED

a. Commission agrees to supply Company and Company agrees to purchase from Commission through the Points of Delivery, commencing on July 1, 1993, Uninterruptible Service as provided in Schedule A hereto. The Maximum Daily Purchase by the Company shall not exceed the rates set forth in Schedule A attached hereto. The Commission agrees to construct those facilities required to provide the maximum flow rates specified in Schedule A for the West Caldwell interconnection. During any Annual Purchase Period, the Annual Purchase Requirement shall not be less than as set forth on Schedule A. The water to be delivered by Commission will be furnished from supplies as Commission may now or hereafter use for the general supply of its customers.

b. The Company will review its use of water under the terms and conditions of Section 2.a and Schedule A on an annual basis. Within ninety (90) days of the close of each Annual Purchase Period, the Company will advise the Commission of its desire to increase the Annual Purchase Requirement and the Maximum Daily Purchase. Within ninety (90) days of receipt of such request from the Company, the Commission will advise the Company whether such additional supply will be furnished by the Commission. If the requested increase can be supplied by the Commission, the Annual Purchase Requirement and the Maximum Daily Purchase will be increased beginning on the first day of the next Annual Purchase Period. The Commission retains the

sole authority to approve or deny any request made by the Company and the approval of any such request will not be unreasonably withheld.

c. The Company will advise the Commission, within ninety (90) days following the close of each Annual Purchase Period, of any anticipated surplus of water for the Annual Purchase Period following the current Annual Purchase Period. Such notice by the Company will request the Commission to reduce the Company's Annual Purchase Requirement by the amount of the anticipated surplus, effective for the Annual Purchase Period immediately succeeding the current Annual Purchase Period. The Commission will utilize its best efforts and will make a good faith attempt to market the surplus water to other customers of the Commission. The Commission will advise the Company of its acceptance of the surplus, or any portion thereof, and the revised Annual Purchase Requirement no later than 180 days before the close of the current Annual Purchase Period. In the absence of such notice by the Commission, the Annual Purchase Requirement will be deemed to remain unchanged. If, on the other hand, the Commission accepts the Company surplus, or any portion thereof, the next Annual Purchase Requirement will be reduced accordingly effective for the next Annual Purchase Period.

d. If the Company fails to notify the Commission of its desire to increase or decrease the Annual Purchase Requirement within ninety (90) days of the close of any Annual Purchase Period, the terms and conditions of Section 2.a and Schedule A will continue in full force without modification through the next Annual Purchase Period.

SECTION 3: WATER QUALITY

a. The water to be furnished hereunder shall be potable water which meets the statutory and/or regulatory standards promulgated by the New Jersey Department of Environmental Protection and the United States Environmental Protection Agency, or any successor governmental agency or department, being water delivered from Commission's filtration plant located in Totowa, New Jersey, or from such other sources or combination of sources as may be available to Commission.

b. Compliance with the water quality provisions of this Agreement shall be determined by sampling at the Points of Delivery. The Commission will establish a sampling station at each Point of Delivery and reports of analysis of samples from those stations shall be provided to Company monthly. The Commission shall not be responsible for the quality of the water delivered once the water passes into the Company's system beyond the Points of Delivery. Title to the water shall be deemed to pass at the Points of Delivery. Consequently, the Company hereby agrees to indemnify and save harmless the Commission against any and all claims, liability, loss, damages, costs or expense (including, without limitation, reasonable attorney's fees) suffered or incurred by the Commission (i) related to the quality of water in the Company's system beyond the Points of Delivery or (ii) arising out of any contamination or alleged contamination of the Company's water supply. The Commission, however, accepts responsibility for the quality of water delivered to the Points of Delivery. The Commission hereby agrees to indemnify and save harmless the Company against any and all claims, liability, loss, damages, costs or expense (including, without limitation, reasonable attorney's fees)

suffered or incurred by the Company, (i) related to the quality of water in the Commission's system on the Commission side of the Points of Delivery or (ii) arising out of any contamination or alleged contamination of the Commission's water supply.

SECTION 4: TERMS OF PAYMENT

a. Company hereby agrees to pay the charge for water delivered by Commission which shall be at the same bulk or wholesale rate which other bulk or wholesale customers of Commission pay. Company shall also pay all power charges incurred to pump water above the Commission normal gradient, which gradient is the normal discharge gradient of the main system of the Little Falls Plant. All bills shall be rendered monthly in arrears by Commission and shall be payable by Company within thirty (30) days of the date the bill is rendered.

b. In the event that the bulk or wholesale rate charged by Commission to other purveyors is raised or lowered during the term of this Agreement or any renewal period thereof, Commission agrees to sell and Company agrees to buy and pay for water delivered at such new rate from the date any such change in rate shall become effective.

c. Company agrees to purchase from Commission the Annual Purchase Requirement. The Company agrees to make the required payment for its Annual Purchase Requirement for each Annual Purchase Period, whether or not the Company in fact takes the full amount of the Annual Purchase Requirement in such Annual Purchase Period, provided that to the extent the Commission fails to make available to Company the amount of water specified as the Annual Purchase Requirement for any Annual Purchase Period, the quantity of water

specified in Section 2 and on Schedule A as the Annual Purchase Requirement shall be accordingly reduced (during that Annual Purchase Period only) to the amount of water which was in fact made available by the Commission to the Company during such Annual Purchase Period. If, at the end of any Annual Purchase Period Company shall not have taken at least the Annual Purchase Requirement, then Company shall pay to Commission, within sixty (60) days after the end of such Annual Purchase Period, the difference between the actual charges paid and the total charge due for the Annual Purchase Requirement, as adjusted to reflect any change in the Water Rate during that period (the "Deficiency"). To the extent Company pays a Deficiency charge to the Commission, in the next succeeding Annual Purchase Period, Company shall be permitted to take from Commission, without charge, a quantity of water equal to the amount of water represented by the Deficiency from the previous Annual Purchase Period.

d. The provisions of this Section notwithstanding, the Company will not be liable to pay the Commission for the Annual Purchase Requirement provided that the Commission failed to make available to the Company this amount of water as a result of (i) prior commitments and obligations of the Commission to serve the Cities of Paterson, Passaic and Clifton, (ii) actions taken by the State of New Jersey limiting the availability of water to the Company or (iii) the Commission's failure to make available water which complies with the provisions of Section 3 for a period of time equal to or greater than one (1) month in duration.

SECTION 5: INTERRUPTIONS IN SERVICE, FORCE MAJEURE EVENT

a. In the event that it becomes necessary for the Commission to temporarily discontinue service or to reduce water pressure in Commission mains because of a Force Majeure Event, it is specifically agreed that Company or its customers shall not have any claim or demand against Commission because of such temporary discontinuances of supply or reduction of pressure.

b. If by reason of any Force Majeure Event either the Company or the Commission shall be rendered unable wholly, or in part, to satisfy their respective obligations under this Agreement, and further if the party alleging the Force Majeure Event shall give notice and full particulars of such Force Majeure Event in writing to the other party hereto within a reasonable time after occurrence of the event or cause relied upon, then the obligation of the party giving such notice, to the extent affected by such Force Majeure Event, shall be suspended or modified during the continuance of the inability to perform, or fully perform, then claimed. Either party so affected shall use its best efforts to remove or overcome such Force Majeure Event with all reasonable dispatch.

SECTION 6: PRESSURE LIMITATIONS, CONSTRUCTION OF PUMP STATIONS AND PIPELINES

a. Commission shall not be obligated to deliver water at its West Orange Point of Delivery at a pressure in excess of the water pressure carried in Commission's supply mains in the general vicinity of the West Orange Point of Delivery.

b. Commission agrees to provide water at sufficient pressure at the West Caldwell Point of Delivery to satisfy the rates of flow in accordance with Schedule A attached hereto. Commission accepts full responsibility for the construction of a pump station and

pipelines required to transmit water from the Commission's treatment facilities to the West Caldwell Point of Delivery. Company further agrees to provide telemetry equipment at its Florham Park Tank to operate the Commission's pumping equipment for the West Caldwell Point of Delivery.

c. Company shall connect its 36-inch transmission main to the Commission's proposed transmission main located in Kirkpatrick Lane, south of, and in the vicinity of, Bloomfield Avenue in West Caldwell, New Jersey. Company shall bear all costs of construction for said connection including, but not limited to, a motorized control valve to be operated in conjunction with existing or future Commission pumping facilities. Company shall install at its cost a metering station with appurtenances and such station shall remain the property of the Company.

d. Any water supply facilities constructed by Commission or its agents at the sole expense of the Commission shall at all times be and remain the property of the Commission. All facilities constructed by Company or its agents shall at all times be and remain the property of Company.

SECTION 7: METER TESTING

Company shall, if requested by Commission, provide Commission with copies of certified reports of test(s) on the accuracy of meter(s) at the beginning of the contract term, and once each year thereafter until termination of this Agreement, or any renewal terms hereof.

SECTION 8: DURATION OF AGREEMENT AND RENEWAL; BINDING EFFECT; ASSIGNMENT; SEVERABILITY

a. This Agreement shall be binding and shall inure to the benefit of the parties hereto and their respective legal successors

and assigns. This Agreement may not be assigned by either Party without approval of the other Party, which approval shall not be unreasonably withheld. The term of this Agreement initially shall be for a period of twenty five (25) years from the date hereof and the Agreement shall be subject to the approval of governmental agencies as required by law. The parties agree to cooperate in securing any and all such approvals.

1991 25 2007
2016 25 2024
2041 25 2066

b. This Agreement shall be renewed automatically for one (1) additional term of twenty five (25) years, unless the Company serves a written notice of termination upon the Commission not less than one year before the expiration date of the initial term of this Agreement. Any renewal shall be subject to any and all required governmental agency approvals.

c. This Agreement constitutes the entire understanding of the parties hereto and the parties shall not be bound by any other agreements, understandings or conditions respecting the subject matter hereof other than those expressly set forth herein. This Agreement may be amended or modified only in writing duly executed by the parties hereto.

d. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, such a legality or invalidity shall not effect any other provisions of this Agreement and this Agreement shall be continued in full force and effect as if such illegal or invalid provision had not been contained herein.

SECTION 9: EFFECTIVE DATE, TERMINATION OF FEBRUARY 2, 1978 AGREEMENT

a. If the date of commencement of Uninterruptible Service is subsequent to July 1, 1993, the Annual Purchase Requirement shall be

reduced for the First Permanent Purchase Period by one one hundred eighty fourth of the Annual Purchase Requirement for each day the date of commencement of Uninterruptible Service is delayed beyond July 1, 1993.

b. The February 2, 1978 Agreement between the Parties will remain in force through the date when Uninterruptible Service commences. On the date Uninterruptible Service commences, the February 2, 1978 Agreement, or any automatic renewal term thereof, will terminate and become null and void. The terms and conditions of this Agreement will supersede the provisions of the February 2, 1978 Agreement.

SECTION 10: NOTICES

Any notice given by either party to the other party shall be in writing, and shall be served personally or by depositing such notice in the United States Mail, certified, with certification and postage charges prepaid and properly addressed and directed to the party to receive the same as follows:

As to Commission: Passaic Valley Water Commission
1525 Main Avenue
Clifton, NJ 07011
Attn: Charlotte R. Alvino, Adm. Sec'y.

As to Company: New Jersey-American Water Company
500 Grove Street
Haddon Heights, NJ 08035
Attn: Treasurer

With Copy To: New Jersey-American Water Company
Northern Division
233 Canoe Brook Road
Short Hills, NJ 07078
Attn: Manager

Either party may designate a change of address or a different person or entity to which notices shall be given by delivery of written notice to that effect to the other party.

Section 11: PARTIAL ASSIGNMENT OF ANNUAL PURCHASE REQUIREMENT

a. Anything in this Agreement to the contrary notwithstanding, the Company shall have the right to assign (without further consent of the Commission) a portion of the water supply to be provided by the Commission under this Agreement to The Southeast Morris County Municipal Utilities Authority, a body corporate and politic of the State of New Jersey ("SMCMUA") subject to the following terms and conditions:

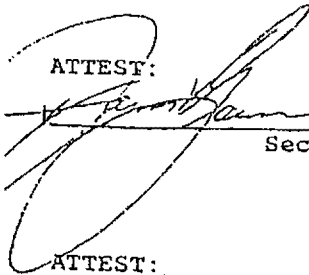
(1) Any such assignment ("Assignment") shall be pursuant to a written agreement between the Company and SMCMUA ("SMCMUA Agreement"), a copy of which shall be supplied to the Commission;

(2) SMCMUA shall have agreed in writing (which agreement may be incorporated in the SMCMUA Agreement) to (i) be bound by the provisions of this Agreement with respect and limited to any water supplied to SMCMUA by the Commission pursuant to this Agreement and the Assignment including, without limiting the generality of the foregoing, the payment provisions of Section 4; and (ii) make direct payment to the Commission for all water supplied to SMCMUA and, subject to the provisions of this Agreement, its proportionate share of the Annual Purchase Requirement as agreed upon by the Company and SMCMUA.

b. Upon (i) receipt of notice of an Assignment to SMCMUA and (ii) compliance by SMCMUA with the conditions set forth in subparagraph "a" above, the Commission hereby agrees to bill SMCMUA directly for any water supplied by the Commission to SMCMUA and/or, to the extent appropriate, SMCMUA's proportionate share of the Annual Purchase Requirement as agreed upon by the Company and SMCMUA.

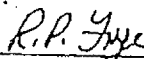
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, and have affixed their corporate seals, the day and year first above written.

ATTEST:



Secretary

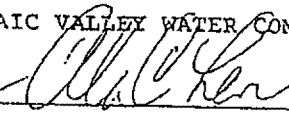
ATTEST:



R.P. Flye, Secretary

PASSAIC VALLEY WATER COMMISSION

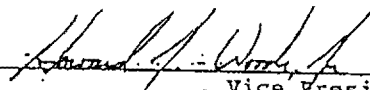
BY:



President

NEW JERSEY-AMERICAN WATER COMPANY

BY:



H.J. WOODS, JR. Vice President
VICE PRESIDENT

13671

SCHEDULE A

PURCHASE LIMITATIONS AND MINIMUM REQUIREMENTS

MAXIMUM DAILY
DELIVERY RATES (MGD)

<u>Date</u>	<u>West Caldwell</u>	<u>West Orange</u>	<u>Annual Purchase Requirement (MG)</u>
July 1, 1993	5.4	10	1,133
January 1, 1994	5.4	10	2,248
January 1, 1995	10.5	10	2,993
January 1, 2000	20.1	10	3,650
January 1, 2005	25.0	10	3,650

13671.16

**PASSAIC VALLEY WATER COMMISSION
AND
NEW JERSEY-AMERICAN WATER COMPANY, INC.
AMENDMENT TO AGREEMENT**

REVISED SCHEDULE A DATED JULY 25, 2007

EXHIBIT B

**REVISED SCHEDULE A
DATED JULY 25, 2007**

**Total Combined to West Orange and West Caldwell (to PWSID No. 0712001)
And all Little Falls (PWSID No. 1605001) Points of Delivery:**

Maximum Daily Volume	30 MGD
Maximum Monthly Volume	759.5 MGM (24.5 MGD Average)
Annual Minimum Purchase Requirement Before 1/1/2008	3650 MGY (10 MGD Average)
Annual Minimum Purchase Requirement After 1/1/2008 Until the End of the Term of the Agreement	4653 MGY (12.75 MGD Average)

All Little Falls (PWSID No. 1605001) Points of Delivery:

Maximum Daily Volume	3.5 MGD
Maximum Monthly Volume	77.5 MGM (2.5 MGD Average)

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, and have affixed corporate seals, the day and year first above written.

Attest:

**NEW JERSEY-AMERICAN
WATER COMPANY**

By: _____

Jordan Moresby
JORDAN MORESBY
ASST. SEC.

By: _____

Wayne D. Morgan
Wayne D. Morgan
VP Service Delivery

Attest:

**PASSAIC VALLEY WATER
COMMISSION**

By: _____

Louis Amodio
Louis Amodio
Administrative Secretary

By: _____

Rigo Sanchez
Rigo Sanchez
Board President