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BOARD OF PUBLIC UTILITIES
MAIL ROOM

NATHANIEL H. YOHALEM
ATTORNEY AT LAW

P.O. BOX 102
MILL RIVER, MASSACHUSETTS 01244
(413) 528-1409
louisey77@msn.com

April 7, 2015

Kenneth Sheehan, Secretary
Board of Public Utilities
44 South Clinton Avenue, 7th Floor
Box 350
Trenton, NJ 08625

Re: United Water Arlington Hills Sewerage Inc.
Docket No. WE13080716

Dear Secretary Sheehan:

I represent United Water Arlington Hills Sewerage Inc. ("United Water") in the captioned docket number.

On June 18, 2014 the Board issued an order approving my client's petition to remove a hotel from its franchise and to change a portion of the service area from office buildings to apartments.

One of the exhibits submitted by United Water consisted of a Restated Developer's Agreement dated July 10, 2013 (the "Agreement"). In order to service the apartments, it was necessary to upgrade the existing sewer plant owned by United Water. The Agreement essentially provided that the owner of the apartments (the "Developer") would pay the costs of upgrading the plant which were estimated to be approximately \$5,400,000. The Agreement further provided that the Developer was eligible to receive refunds estimated to be approximately \$3,600,000. Under the Agreement, the Developer would absorb the difference which was approximately \$1,800,000. During the course of the proceedings both BPU Staff and Rate Counsel were of the opinion that the plant should be replaced in its entirety because of its age and condition. Nevertheless, the Board approved the proposed upgrade.

Subsequent to June 18, 2014, United Water determined that the best approach to providing service to its customers was to replace the plant rather than upgrade it now and replace it at a future date. After considerable negotiations with the Developer, United Water and the Developer entered into a Second Restated Developer's Agreement dated March 17, 2015 (the "Second Agreement"). The Second Agreement provided that United Water would construct a new plant and the Developer would pay \$1,500,000 of the

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construction costs plus certain other expenses, which in the aggregate total \$1,993,000. Further, the Second Agreement provided that the Developer would not be entitled to any refunds.

United Water has, and will probably continue to have, numerous proceedings before the Board. It is the policy of my client to be forthcoming and to advise the Board of any changes that may occur even if those changes are subsequent to and have no impact on the Board's order. I am, therefore, enclosing herewith for placement in the captioned docket number file a copy of the Second Agreement. A copy of the Second Agreement is also being sent to Mona Mosser, the person who represented Board Staff during the proceedings. An additional copy is being sent to Christine Juarez, who was the attorney from Rate Counsel involved in the proceedings. Those copies are being sent so that Staff and Rate Counsel are apprised of the change and hopefully will be pleased to note that their suggestion of a new plant was heard and followed by United Water.

I recently spoke to Mike Kammer of Board Staff and advised him of the facts set forth above. It was his suggestion that I file the Second Agreement so that it is part of the file and can be reviewed, if necessary, at any subsequent proceeding initiated by United Water which involves the same franchise area.

Email copies of this letter are being sent to Mike Kammer and Maria Moran since Mr. Kammer spoke to me in her behalf.

Thank you in advance for placing the Second Agreement in the file referred to above.

Sincerely,



Nathaniel H. Yohalem

CC: Mona Mosser
Christine M. Juarez, Esq.
Maria Moran – via email
Mike Kammer – via email

Case 19-415

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SECOND RESTATED DEVELOPER'S AGREEMENT

This Second Restated Developer's Agreement (the "Agreement") made as of the 17 day of ~~February~~ ^{MARCH} 2015 by and between United Water Arlington Hills Sewerage Inc., a New Jersey corporation located at 200 Lake Shore Drive, Haworth, New Jersey 07641 (the "Sewer Company"), and Valley Road Development, LLC and Seasons Associates, LLC, New Jersey limited liability companies (collectively "Developer"), having a principal office at 101 Old Short Hills Road, West Orange, New Jersey 07052.

RECITALS

WHEREAS, the Sewer Company is the owner and operator of a sewer treatment plant ("Plant") and sewer system ("System") located in the Borough of Mount Arlington (the "Borough"), Morris County, New Jersey; and

WHEREAS, the Sewer Company currently holds a franchise to provide sewer service to certain parts of the Borough pursuant to a franchise granted by the Borough and approved by the New Jersey Board of Public Utilities ("BPU"), the geographic area of which franchise as of the date of this Agreement has been approved by the BPU (the "Franchise Area"); and

WHEREAS, Developer is the owner of certain tracts of land and improvements thereon located in the Borough within the Franchise Area now being developed by Developer for residential purposes, which tracts of land are in the Borough within the Franchise Area and are described in Exhibit A hereto (the "Tract"); and

WHEREAS, the Sewer Company and Developer entered into a Restated Developer's Agreement dated July 10, 2013 (the " Restated Agreement"); and

WHEREAS, this Agreement replaces and supersedes the Restated Agreement and the Restated Agreement shall no longer be in force or effect; and

WHEREAS, Developer requires up to 77,868 gallons per day ("g.p.d. ") of sewer service for use at the Tract which the parties hereto agree will be provided by Sewer Company pursuant to the terms of this Agreement. For purposes of this Agreement, the gallonages referred to have been calculated based on DEP's permitting allocation; and

WHEREAS, the Sewer Company has informed Developer that the Plant requires replacement and the parties acknowledge and agree that the System requires expansion in accordance with this Agreement in order for the Sewer Company to provide sewer service up to 77,868 g.p.d. with respect to the Tract; and

WHEREAS, the Sewer Company and Developer have agreed as to the respective rights and obligations of each other with respect to obtaining approvals for and completing replacement of the Plant and expansion of the System within the Tract and each of the Sewer Company and Developer agree that it is in their mutual best interests to enter into this Agreement setting forth such rights and obligations; and

WHEREAS, the Sewer Company, while continuing to provide sewer service to all of its existing customers, will obtain all required permits for a New Plant (defined herein), partially demolish the existing Plant and construct a New Plant; and

WHEREAS, Developer will construct and install a sewer collection System necessary to provide sewer service to the Tract and continue with the construction of its development of the Tract requiring 77,868 g.p.d. of sewer service concurrently with Sewer Company's construction of the New Plant.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained the adequacy of which is hereby acknowledged, Developer and the Sewer Company, each intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

For the purposes of this Agreement, the following words or phrases shall have the following meaning or meanings:

1.1 "Agreement" shall mean this Second Restated Developer's Agreement, together with all Exhibits and amendments hereto and all other instruments and documents incorporated herein by reference.

1.2 "Approval" shall have the meaning ascribed to such term in Section 2.1.

1.3 "BPU" shall have the meaning ascribed to such term in the Recitals.

1.4 "Building Connection" shall mean the pipe or line designed and installed by Developer or its assigns and owned and maintained by Developer or its assigns pursuant to which structures constructed on the Tract are connected with sewer lines and pipes in the System. Such term shall not include any portion of the System to be transferred to the Sewer Company; (i) within rights of way or in easements in the Tract owned by or to be transferred to the Sewer Company, or (ii) within public roads within the Tract.

1.5 "Costs" shall mean the actual out-of-pocket reasonable costs and expenses actually incurred by the Sewer Company which are reasonably and directly attributable to the performance by the Sewer Company of any action called for, permitted or required in connection with the Developer's construction and installation of the sewer collection System under this Agreement; and, such Costs shall include the Sewer Company's reasonable overhead and general operating expenses incurred in connection with its business operations attributable to such performance by the Sewer Company as further defined in Section 3.1.

1.6 "DEP" shall mean the New Jersey Department of Environmental Protection.

1.7 "Franchise Area" shall have the meaning ascribed to such term in the Recitals.

1.8 "Government Agency" or its plural shall mean any federal, state or local government agency or authority or quasi-governmental agency or authority with jurisdiction over any matter contemplated by this Agreement.

1.9 "g.p.d." shall have the meaning ascribed to such term in the Recitals. All references to g.p.d. are based on DEP design flow standards as of the date of this Agreement and do not necessarily represent actual flows.

1.10 "Inspection Fee" shall mean any fees charged by any Governmental Agency for applications and any fees charged by any Governmental Agency or any other party, including but not limited to the Sewer Company, for inspecting the construction and installation of the expansion of the Sewer Collection System.

1.11 "Land Use Board" shall have the meaning ascribed to such term in Section 2.1.

1.12 "Borough" shall have the meaning ascribed to such term in the Recitals.

1.13 "Tract" shall have the meaning ascribed to such term in the Recitals.

1.14 "Plant" and "System" shall mean the entire plant and sewer system owned by the Sewer Company within the Franchise Area, and System shall also mean the sewer Collection System, including all tanks, buildings, pipes, lines, conduits, mains, equipment and devices, provided, however, that such terms shall not include the Building Connections.

1.15 "Collection System" shall mean the sewer collection system to be constructed by Developer pursuant to this Agreement, provided, however, that such term shall not include any portion of the existing System or the New Plant.

1.16 "Expansion" or "expansion of the sewer collection System" and "expansion of the System" shall include the design and construction of the sewer Collection System to collect the entire sewerage flow from the Tract.

1.17 "New Plant" shall mean all buildings, structures, equipment, machinery or facilities designed, permitted, installed or used by Sewer Company to replace its present "Plant" for the treatment of sewerage from the Franchise Area, including any part of the existing Plant re-used or incorporated into such new facility.

ARTICLE II

DEVELOPMENT ACTIVITIES

2.1 Approval Phase.

(a) Developer represents that all authorizations, approvals, consents, permits, licenses, certificates, and other Government Agency approval or authorizations (each an "Approval") for the construction of the Collection System as contemplated by this Agreement have been obtained by the Developer. Developer shall be permitted to make changes to the Collection System with the Sewer Company's prior approval, not to be unreasonably delayed or withheld, in furtherance of its development provided that it first obtains modifications to its existing permits, if necessary, and all required Approvals for such changes, and further provided that any such change shall not: 1) increase the total g.p.d. permitted under this Agreement; or, 2) advance the schedule of construction so that the total g.p.d. from residential units ready to be connected to the System does not increase beyond the g.p.d. that would otherwise have been connected under the construction schedule attached as Exhibit B. If any change or modification of such Approvals for the Collection System is required as a result of Sewer Company's replacement of the Plant, it shall be the responsibility of the Sewer Company. Developer shall permit Sewer Company to participate in, and shall keep Sewer Company informed as to the status of each such aforesaid Approval, if any. To that end Developer shall:

i) Provide reasonable advance written notice of all meetings or hearings with any Government Agency in connection with any Approval, and permit the Sewer Company and/its representatives to be present at and, to the extent legally permissible, to participate in such meeting or hearing;

ii) provide Sewer Company with copies of all materials to be submitted to a Government Agency at least twenty (20) days before such materials are submitted together with any additional materials produced or obtained in the preparation of the materials to be submitted, and modify such materials to be submitted before such submission to the extent reasonably requested by Sewer Company, provided that Sewer Company provides Developer with its comments and requested modifications within ten (10) days after receipt of such materials;

iii) provide Sewer Company with copies of all correspondence sent to or received from any Government Agency relating to any Approval pertaining to modifications of the Collection System as soon as reasonably practicable following such sending or receipt;

iv) provide Sewer Company with copies of all Approvals pertaining to the existing Approvals for the Collection System upon receipt.

b) Each party agrees to cooperate to the full extent possible with the other party in order to assist in obtaining such Approvals.

c) Sewer Company shall provide Developer with copies of all documents submitted to and received from the DEP and any other governmental agency or entity including, but not limited to, the Borough.

d) As contemplated by this Agreement, Sewer Company shall have the sole responsibility to obtain Treatment Works Approval permits for replacement of the existing Plant and the transport and treatment of any flows from the Collection System prior to the replacement of the existing Plant and full operation of the New Plant in accordance with applicable statutes and regulations.

e) Sewer Company shall have the sole responsibility to obtain, in accordance with the "Municipal Land Use Law," N.J.S.A. 40:55D-1 *et seq.*, the Approval(s) of the Borough's Land Use Board (the "Land Use Board") as necessary for any site plans required in connection with the replacement of the Plant and any modification of the Approvals heretofore obtained by Developer for the Collection System that are related or necessitated by the replacement of the Plant with the New Plant. Developer shall fully cooperate and provide such assistance as reasonably requested by Sewer Company.

2.2 Sufficient Capacity.

Developer agrees to restrict its development of the Tract in accordance with this Agreement and any modifications permitted pursuant to Section 2.1(a). Descriptions of development are for the purpose of identifying the level of development and sewer usage. Developer has commenced site work on both segments of its development, that is, the Apartments and the Residences, prior to the execution of this Agreement.

Sewer Company acknowledges that it has received the estimated construction schedule proposed by Developer (attached hereto as Exhibit B) and it has been advised by Developer that Developer will proceed with the development and construction of the Collection System forthwith. Sewer Company acknowledges that it may not have Sufficient Capacity at its existing Plant to treat all sewerage flows from the Collection System during construction of the new Plant and, therefore, Sewer Company agrees that it will expeditiously apply for approval to accept all flows from the Collection System and provide for interim treatment of such flows at its own cost, obligation and expense so that the occupancy of Developer's Apartments and Residences will not be hindered or delayed.

2.3 Construction of the Developer's Development.

Developer intends to develop the Tract to include 300 apartment units and a clubhouse (the "Apartments") with an associated allocation of 59,868 g.p.d. and approximately 60 three-bedroom townhomes to have an associated allocation of 18,000 g.p.d. the ("Residences").

Developer represents that it has previously received all Approvals required for all road improvements and access to or from the Tract which pass near, through or upon property owned by the Sewer Company addressing site access, drainage, and security issues at the Plant. Consistent with maintaining site access, drainage and security access at the Plant, New Plant and to the Tract as the sole access to Developer's Apartments, Sewer Company will use its best efforts to ensure that the designs for the New Plant will require no material modifications to the previously approved design for road improvements, landscaping and drainage. The parties will cooperate in avoiding such changes and agree that no material modifications to the existing plans attached hereto as Exhibit C shall be proposed, made or consented to without Developer's express written consent which consent shall not be unreasonably withheld. The plans in Exhibit C shall be part of any Treatment Works application by Sewer Company for the New Plant. Should any material modifications to the plans in Exhibit C be required in connection with the approval or construction of the New Plant, Sewer Company shall be solely responsible for the cost and implementation of such modification. The fourth sheet of Exhibit C will be modified to indicate a change in the sewer line so that the line will not interfere with the control building of the New Plant.

Developer shall pay and be responsible for any and all landscaping, road lights and snow removal of areas outside the fenced area of the New Plant and any landscaping inside the fenced area requested by Developer, including, but not limited to, bushes, trees, shrubs, etc. in connection with said road improvements, or access to and from the Tract or development of the Tract. Developer shall also be

responsible and pay for any upgrades of the security fencing, including the installation thereof, of the New Plant area that it desires to upgrade from the basic security fences that would otherwise be provided for the New Plant by the Sewer Company. All such landscaping and upgraded fencing shall be subject to the approval of Sewer Company, and shall not compromise the security or operation of the New Plant.

Developer shall be responsible for maintenance of such landscaping and any replacement thereof required by law or agreed to by the parties located between Valley Road and the Sewer Company's fencing for the New Plant.

As long as the New Plant is constructed in full accordance with its design and Approvals and so long as Sewer Company complies with all laws and regulations relating to its operations, Developer, and not the Sewer Company, shall be responsible and pay for any noise and/or odor complaints arising from the proximity of the New Plant to the road or the Tract, or access to or from the Tract. Sewer Company shall promptly notify Developer of any noise, odor or other operational complaint received by it and shall cooperate in its prompt resolution.

The Residences

The parties agree that the Residences require an allocated capacity of 18,000 g.p.d. . The Residences require the construction of the sanitary sewer Collection System and connection to the System to provide service. Upon satisfaction of the terms and conditions of this Agreement, Sewer Company shall permit the Residences to be connected to the System. Developer shall be responsible for the construction and costs of construction of the Residences, Building Connections and construction of the sewer Collection System for the Residences, including, but not limited to, the costs set forth in Section 3.1.

The Apartments

The Apartments consist of 119 one bedroom apartments and 181 two bedroom apartments and a clubhouse with an allocation estimated at 59,868 g.p.d. The Apartments require the

construction of the sewer Collection System and its connection to the System.

Upon satisfaction of the terms and conditions of this Agreement, Sewer Company shall permit the Apartments to be connected to the System. Developer shall be responsible for the construction and costs of construction of the Apartments, Building Connections, and sewer Collection System for the Apartments, including, but not limited to, the costs set forth in Section 3.1.

2.4 Plant and System Expansion.

Sewer Company has determined that Sufficient Capacity shall be made available to provide sewer service for the Tract as provided for in this Agreement. Subject to the terms and conditions of this Agreement, Developer agrees to pay for the cost of the sewer Collection System and the Sewer Company shall allow the connection of the Collection System to the System, the New Plant and the acceptance and treatment of all sewerage flows prior to actual occupancy of the Residences and Apartments provided that the Collection System has been constructed by Developer to the extent sufficient to provide such service.

2.5 Easements.

The parties acknowledge that Developer has granted Sewer Company all Easements necessary for the connection of the Tract to the System in perpetuity, permitting the Sewer Company to enter upon the Tract or other real property for the purpose of accessing, inspecting, installing, altering, extending, constructing, repairing, replacing, removing, operating, maintaining, and using pipes, mains, manholes, and other fixtures, appurtenances and facilities which Sewer Company, in its sole discretion and judgment, deems necessary or proper for the transmission and collection of sewerage.

2.6 Design and Construction Phase.

Subject to the terms and conditions of this Agreement, Sewer Company shall be responsible for the design and construction of the New Plant at its cost and expense. Developer has heretofore provided the Approved design for the Collection System and shall hereafter be responsible for the

construction of the Collection System by a contractor (Lakeside Construction) previously approved by Sewer Company designed to collect and carry sewerage to the Plant, both within the Tract and on Sewer Company's property. At its sole discretion, Sewer Company or its designated representatives may inspect the construction of the Collection System. Any such inspection shall be paid for by Developer in accordance with Section 3.1 herein.

The design and construction of the sewer Collection System shall be the sole responsibility of Developer, including, but not limited to, bidding, award of contracts, construction and construction administration, responding to requests for information, shop drawing reviews and approvals, design changes, signed and sealed as-builts and the inspection and certification of the work by Bowman Consulting (formerly Omland Engineering Associates ("Bowman")). Sewer Company agrees to Bowman being the Engineer of Record for the design, construction and installation of the Collection System.

The engineer or his/her designated inspector shall be a representative of the Engineer of Record, which shall be Bowman for the sewer mains installation and modification. In the event the inspections are not being performed to the satisfaction of the Sewer Company, the inspections (frequency and duration) shall be corrected accordingly.

Sewer Company shall be provided with copies of all photos, reports, RFIs and shop drawing submittals at the time they are sent for approval by the design engineer as well as approved copies of the shop drawings, daily construction reports and photos, signed and sealed changes and four (4) signed and sealed as-builts by the Engineer-of-Record and CAD drawings at the conclusion of all work. All documents and drawings shall also be provided to Sewer Company electronically upon completion of the work.

Sewer Company has retained Maser Consulting, PA ("Maser") to serve as its engineer for the design and construction of the New Plant. Developer consents to the use by Sewer Company and Maser of all work relating to the Plant improvement previously prepared by Maser and any other consulting

engineers and/or vendors while retained by Developer, but any such use by Sewer Company shall be without any representation, warranty or recourse to Developer based upon such work. Developer shall be responsible for all Maser and other such fees and expenses incurred prior to the date hereof for such prior work and, upon any claim by Maser against Sewer Company, shall provide Sewer Company with proof of payment of such fees and expenses, and provide for the release of any liens by Maser and any other of said engineers and/or vendors against the property of Sewer Company within ten (10) days from the date of any such claim. Sewer Company shall be responsible for all Maser fees and expenses incurred in connection with the design and construction of the New Plant.

The Developer's professional engineer of record/inspector who is specialized in the design, construction and operations of sewerage collection facilities shall inspect all materials delivered to the work site for installation in the Collection System and shall certify in writing to Sewer Company that they conform to the approved final technical specifications and drawings for the work. The Sewer Company or its representative(s) have the right to inspect all construction and installation of any and all material, equipment and supplies delivered to the work site as well as all construction and installation of the Collection System to ensure conformance with the Sewer Company's standards, and the plans and Approvals for the work. All such inspections shall be paid for by Developer in accordance with Section 3.1 herein.

The Sewer Company may inspect materials, equipment and the installation thereof at the site of the work after it is delivered and/or installed. Sewer Company may, but is not obligated to, inspect materials and equipment at the place of the materials and equipment manufacture. Inspection(s) by Sewer Company will not relieve Developer of any obligations to comply with this Agreement or any contract documents. The Sewer Company will reject any materials, or the installation thereof, that fail to meet any specified requirements. Developer will immediately remove rejected materials and correct any rejected installations at the work site and replace it at no additional cost to the Sewer Company.

The work to be performed by Developer (the "Developer Work") shall be performed to the

Sewer Company's normal standards. Developer warrants that the Collection System shall be free of any defect in equipment, material or design furnished, or workmanship performed by Developer or any of its subcontractors or suppliers. Such warranty shall continue for a period of two (2) years from the date of final completion of the Collection System. Developer shall remedy at its expense any such failure to conform or any such defect upon receipt of written notice from the Sewer Company within a reasonable period of time after the discovery of any failure, defect, or damage. In addition, Developer shall remedy at its expense any damage to Sewer Company owned or controlled real or personal property when that damage is the result of Developer's failure to perform hereunder or due to any such defect in equipment, material, or workmanship in the Collection System. Developer shall also restore any Sewer Company property damaged in fulfilling the terms of this Agreement. Developer's warranty with respect to any portion of the Collection System, or landscaping or fencing on Sewer Company's property repaired or replaced hereunder will run for two (2) years from the date of such repair or replacement. Should Developer fail to remedy any failure, defect or damage described above within a reasonable period of time after receipt of notice thereof, the Sewer Company shall have the right to replace, repair, or otherwise remedy such failure, defect, or damage at Developer's expense.

Within twenty (20) days after the full execution of this Agreement, Developer shall deliver to Sewer Company a letter of credit as provided for in Section 3.5. Upon completion of the Collection System and prior to the letter of credit being released, Developer shall deliver to the Sewer Company a substitute letter of credit in an amount equal to twenty-five percent (25%) of the final adjusted contract amount for the Developer's Work. In addition, if Developer wishes to upgrade the fencing and/or install landscaping, it must pay for those items in advance and provide Sewer Company with lien waivers from any contractors involved in such work.

Such substitute letter of credit shall remain in full force and effect for a period of two (2) years from the date of final completion of the Collection System, and Developer will repair or replace any defects in materials or workmanship that arise before the expiration of said two (2) year period. The letter(s) of credit shall be subject to the prior approval of the Sewer Company.

Any portion of the Collection System to be transferred to the Sewer Company shall be transferred free and clear of any liens, obligations and encumbrances. Developer shall indemnify and hold Sewer Company harmless from and against any third party contractor or subcontractor claims arising out of the design or construction of the Collection System. This indemnity shall survive the term of this Agreement.

2.7 Mutual Participation.

Developer shall be kept informed by Sewer Company of the status and the process of obtaining Approvals for the New Plant. Sewer Company shall be kept informed by Developer of the status and construction of the Collection System. The parties shall provide each other with copies of all correspondence sent or received by them that relate to any Approval (or any application, petition or other filing or matter relating thereto). Developer shall permit Sewer Company and its representatives to inspect all construction sites relating to the System expansion without advance notice and to review documents and records relating thereto with seven (7) days advance notice. Developer shall cause all parties connected with the System expansion to cooperate with Sewer Company and its representatives in connection with such inspections.

2.8 Confirmation of Capacity.

The parties hereto acknowledge that Sufficient Capacity shall be made available for the Sewer Company to provide service to the Residences and Apartments estimated to be 77,868 g.p.d.. For purposes of any further connection beyond 77,868 g.p.d., Sufficient Capacity ("Sufficient Capacity") shall be the difference between: a) total permitted flow to the Plant under its DEP permit, and b) the

actual flows to the Plant measured on an average daily flow basis (as calculated by DEP for permit purposes) plus allocated flows as evidenced by issued Treatment Works Approvals after the date of this Agreement, adjusted for actual flows to the Plant from portions of the Residences and Apartments that are actually occupied for at least four months. (Flow for unoccupied space for the Residences or within the Apartments shall be calculated in accordance with DEP calculations for permit purposes). As a condition precedent of Developer seeking sewer service for any portion of the Tract, Developer covenants and agrees that it shall first complete and pay for the Collection System and will not seek additional service to the Tract beyond 77,868 g.p.d. unless Sewer Company first determines that Sufficient Capacity exists at the New Plant to provide such service. This covenant shall run with the land and shall be binding upon all present and future owners of the Tract. This Agreement shall be recorded in the Morris County Clerk's Office. Developer shall be responsible for obtaining written confirmation from any present or future owners of the Tract that this covenant is binding upon them. The parties acknowledge that Sewer Company is not reserving any additional capacity for Developer.

ARTICLE III FINANCING

3.1 Payments by Developer.

Developer shall be responsible and pay for all Costs of the design, construction, and repairs pursuant to Developer's warranties, of the Collection System, including, but not limited to, design costs, studies, repairs of the sewer Collection System, construction costs, survey costs, preparation of as-built drawings, Approval costs including, but not limited to, work related to this Agreement, Inspection Fees, filing and permit fees, and costs of engineering. These Costs shall also include costs and expenses incurred by Sewer Company for its engineers, both internal and consulting engineers, incurred by the Sewer Company in connection with the performance of this Agreement in connection with the Collection System. Said Costs incurred directly by Sewer Company shall be increased by 20% to cover

the Sewer Company's overhead costs and general operating expenses. Costs incurred and paid directly by Developer shall not be increased by said 20%. All such costs shall be hereinafter referred to as "Costs". The estimated amount of such Costs is Sixty Thousand Dollars (\$60,000) ("Estimated Costs"). Developer shall also be responsible and pay for all landscaping and fencing upgrades for the New Plant.

Failure to make any payments due hereunder including, but not limited to, the payments due under Section 3.4 hereunder, shall permit Sewer Company, upon fifteen (15) days prior written notice to Developer, to immediately draw upon the Letter of Credit.

3.2 Deposit by Developer.

Within three (3) days after the full execution of this Agreement, Developer shall deposit with the Sewer Company the amount of Sixty Thousand dollars (\$60,000), as the Estimated Costs to be incurred by Sewer Company with respect to the Collection System. If Developer fails to make the deposit within the time required for such deposit, Sewer Company shall have no further obligation hereunder. If the Costs are greater than the Estimated Costs, the Sewer Company will advise Developer within ninety (90) days from the date the Sewer Company determines the amount of said excess Costs, and Developer will deposit any such excess Costs with the Sewer Company within thirty (30) days of notification by the Sewer Company of said excess Costs. If the Costs are less than the Estimated Costs, the difference will be refunded to Developer within Ninety (90) days. The Sewer Company shall not connect to the System any of the Apartments or the Residences unless and until such excess Costs are paid by Developer.

- a) The amount of the deposit required by this Agreement will be increased by a Tax Impact equal to 53.86 % of the estimated cost of the labor and materials furnished for the service laterals consisting of the extension of the System from the curb to the sewer main located in the street. Payment of the Tax Impact deposit shall be made by Developer within thirty (30) days after Developer receives notice from Sewer Company

of the amount of the required deposit associated with the Tax Impact. The required Tax Impact amount will be provided to Developer when the construction cost and service sizes are available to Sewer Company.

b) The Tax Impact results from Section 908 of H.R. 3838, the Tax Reform Act of 1986. The deposit required for the Tax Impact is considered taxable income and is therefore treated as an additional Cost to Developer.

c) The Sewer Company shall have the right to provide service to additional development within the Tract or to make lateral and longitudinal extensions from the Tract and/or System to expand the System to serve units or structures outside of the Tract provided Sufficient Capacity based on actual flows is reserved for the entire Tract in accordance with this Agreement, which reservation shall terminate upon termination of this Agreement. Upon request by Sewer Company, and at Sewer Company's reasonable expense, Developer shall convey to Sewer Company an easement or easements on its property reasonably necessary to allow Sewer Company to construct additional improvements to connect its System to units or structures outside of the Tract. The location of such easement(s) on Developer's property shall not unreasonably interfere with or otherwise adversely impact upon the Development. The cost of any such easements shall be determined by an independent third-party appraisal of the parties' mutual choosing. The cost of the appraisal and the easement shall be borne by Sewer Company. If the parties cannot agree upon an appraiser within thirty (30) days of the Sewer Company's notice of a need for such appraiser, the appraiser shall be of Sewer Company's choosing.

d) Developer shall have no interest in or right to the expansion of the System and the Sewer Company is free to use the expansion of the System in its discretion, provided that, in doing so, its obligations set forth herein are not diminished, or the cost burdens upon

Developer are not increased.

3.3 Invoices.

The Sewer Company shall, from time to time (but not more frequently than once every thirty (30) days), submit to Developer copies of invoices, with supporting materials documenting the Sewer Company's Costs in connection with the construction of the Collection System.

3.4 Developer's Payment for the New Plant.

Sewer Company shall be responsible and pay the costs of the New Plant, except that Developer, as its total contribution to the costs of the New Plant, shall pay to Sewer Company the sum of one million five hundred thousand dollars (\$1,500,000) as follows:

The sum of five hundred thousand dollars (\$500,000) on or before May 1, 2015; the sum of five hundred thousand dollars (\$500,000) on or before May 1, 2016; and the sum of five hundred thousand dollars (\$500,000) on or before December 1, 2016. Developer shall make no other payments to Sewer Company with respect to the New Plant,

3.5 Irrevocable Letter of Credit by Developer.

Within twenty (20) days of the full execution of this Agreement, Developer shall provide Sewer Company with an irrevocable letter of credit ("Letter of Credit") substantially in the form in Exhibit D with a banking institution acceptable to the Sewer Company in the amount of One Million Nine Hundred Ninety Three Thousand dollars (\$1,993,000), representing \$1,500,000 Developer contribution set forth in Section 3.4 for the New Plant, plus the estimated amount of the Tax Impact of Fourteen Thousand dollars (\$14,000) referred to in Section 3.2 herein, plus the Developer's Estimated Costs for the expansion of the Collection System of Four Hundred Seventy Nine Thousand dollars (\$479,000). . . Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, payment to Sewer Company under the Letter of Credit, as provided for herein, shall require

the Sewer Company to continue to perform its obligations under this Agreement. Service will only be provided if the Collection System is sufficient to provide such service. Any such Letter of Credit shall expire upon the earlier of (a) the date when Developer pays all of the amounts to which the Letter of Credit relates; or (b) five (5) years after the last Certificate of Occupancy is issued for the Apartments and the Residences. Failure to deliver the Letter of Credit when due shall relieve Sewer Company of all of its obligations hereunder, including, but not limited to, its obligation to provide sewer service to the Tract. Notice to Sewer Company that the Letter of Credit will not be renewed and not be replaced before expiration of the existing Letter of Credit shall constitute a default by Developer under this Agreement and shall permit the Sewer Company to immediately draw upon the balance of the Letter of Credit in the amounts due or to become due under this Agreement.

3.6 Developer Refunds.

Developer shall not receive nor be entitled to any Developer Refunds (a) for its contribution to the costs of the replacement Plant, landscaping or fencing; or (b) for the costs incurred by Developer for the System expansion; or, (c) any costs incurred or to be incurred by Developer prior to the date hereof which in any way relate to the subject of this Agreement.

3.7 Plant Replacement Schedule.

Sewer Company shall replace the Plant and complete construction of the New Plant prior to December 31, 2016. Attached as Exhibit B hereto is a schedule prepared by Developer showing the dates when the clubhouse, Apartments and Residences are estimated to be completed. Sewer Company shall receive, treat and dispose or arrange for the disposal of sewerage from the Tract between the date hereof and the date of the replacement of the Plant with the New Plant, which shall receive, treat and dispose of said sewerage thereafter. The point of connection of the expanded Collection System and the New Plant is an existing manhole within the System as shown on the drawings of the Shadow Woods Development Project attached as Exhibit C hereto. Sewer Company will seek expedited approval from the DEP for

treatment of sewerage from the Tract at another site if, for any reason, Sewer Company is unable to treat it at the Plant until the New Plant is fully permitted and operational. Such expedited approval shall be made concurrently with and/or as a part of Sewer Company's Treatment Works Approval for the New Plant. Sewer Company filed such application(s) on February 11, 2015.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties by the Sewer Company.

The Sewer Company represents and warrants to Developer as follows:

- a) Organization, Standing and Qualification. The Sewer Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey, has all requisite corporate power and authority and is entitled to carry on its business as now being conducted, and to own, lease or operate its properties as and in the places where such business is now conducted and where such properties are now owned, leased or operated.
- b) Execution, Delivery and Performance of Agreement; Authority. Neither execution and delivery nor performance of this Agreement by the Sewer Company will, with or without the giving of notice or passage of time, or both, conflict with, result in a default, right to accelerate, or loss of rights under, or result in the creation of any lien, charge or encumbrance against any of the Sewer Company's assets pursuant to: (i) any provision of the Sewer Company's certificate of incorporation or by-laws; (ii) any franchise, mortgage, deed of trust, lease, license, agreement or understanding, (iii) any law, ordinance, rule or regulation, or (iv) any order, judgment, award or decree to which the Sewer Company is a party or by which it may be bound or affected. The Sewer Company has full power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby, and all corporate and other proceedings required to be taken by the Sewer Company to authorize the execution, delivery and

performance of this Agreement and the agreements, instruments and other documents relating hereto have been properly taken and this Agreement and all said agreements, instruments and other documents constitute the valid and binding obligation of the Sewer Company enforceable in accordance with their respective terms.

c) Disclosure. No representation or warranty by the Sewer Company contained in this Agreement or any statement of certificate furnished or to be furnished pursuant hereto to Developer contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements herein or therein contained not misleading.

4.2 Representations and Warranties by Developer.

Developer represents and warrants to the Sewer Company as follows:

a) Organization. Developer consists of two existing New Jersey Limited Liability Companies with the full power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby and to carry on their business and to own, lease or operate their properties, as and in the places where such business is conducted and such properties are owned, leased or operated.

b) Execution, Delivery and Performance of Agreement: Authority. Neither execution and delivery nor performance of this Agreement by Developer will, with or without the giving of notice or passage of time, or both, conflict with, result in a default, right to accelerate, or loss of rights under, or result in the creation of any lien, charge or encumbrance pursuant to any franchise, mortgage, deed of trust, lease, license, agreement, understanding, law, ordinance, rule or regulation or any order, judgment award or decree to which Developer is a party or by which it may be bound or affected. Developer has full power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby, and all proceedings required to be taken by Developer to authorize the execution, delivery and performance of this Agreement and the agreements, instruments and other documents relating hereto have been properly taken and this Agreement and all

agreements, certificates and other documents relating hereto constitute the valid and binding obligation of Developer, enforceable in accordance with their respective terms.

c) Disclosure. No representation or warranty by Developer contained in this Agreement or any statement of certificate furnished or to be furnished pursuant hereto to the Sewer Company contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements herein or therein contained not misleading.

d) Expansion. Developer shall not seek governmental Approvals, without the written consent of Sewer Company, for a density on or a use of the Tract that will require an expansion of the replacement Plant and/or expansion of the System other than as provided in this Agreement. Upon completion of the replacement Plant and System expansion as provided for in this Agreement, Developer shall not seek government Approval for further development within the Tract without having first obtained the written consent of the Sewer Company that Sufficient Capacity exists for such further development.

ARTICLE V

MISCELLANEOUS

5.1 Term.

Except for the obligations in Section 4.2(d) (Expansion), Section 5 .17 (Indemnification) and Section 5 .18 (Insurance) which shall survive the termination of this Agreement, this Agreement shall terminate upon the later of: (1) the connection of the Tract to the System and provision of sewer service to the Residences and Apartments is complete; (2) the mutual termination, in writing, of this Agreement by the parties hereto; or (3) ten (10) years from the date identified on page 1 of this Agreement.

5.2 Independent Parties.

The Sewer Company and Developer are independent parties and nothing contained herein shall create a partnership, joint venture or agency relationship between them. Neither party shall have the right or authority to commit or otherwise obligate the other in any manner whatsoever except to the extent specifically provided in this Agreement or as otherwise specifically agreed in writing between the Sewer Company and Developer.

5.3 Notices.

Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when telecopied, personally delivered or mailed by either first class registered mail, return receipt requested, or overnight delivery addressed to the parties as follows:

If to the Sewer Company

United Water Arlington Hills Sewerage Inc.
200 Lake Shore Drive
Haworth, NJ 07641
Attention: Vice President, Laurent Carrot

With a copy to:

United Water
200 Old Hook Road
Harrington Park, NJ 07640
Attention: Legal Department, John Dillon

If to Developer:

Valley Road Development, LLC
Seasons Associates, LLC.
c/o Robert Atkins
Suite PH1
101 Old Short Hills Road
West Orange, NJ 07052

With copies to:

Daniel E. Horgan, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way
Secaucus, NJ 07096

and

Steven Varneckas, PE
Senior Vice President and Director of Development
Woodmont Properties
Greenbrook Executive Center
100 Passaic Avenue, Suite 240
Fairfield, NJ 07004

5.4 Entire Agreement.

This Agreement together with the schedules and Exhibits attached hereto and the agreements, certificates and other documents referred to herein, constitute the entire Agreement as to the subject matter hereof and sets forth the entire understanding of the parties with respect thereto and supersedes all prior agreements, covenants, arrangements, letters, commitments, communications, representations or warranties, whether oral or written by any officer, employee or representative of any party, and may not be modified, amended or terminated by mutual consent except by a written agreement specifically referring to this Agreement signed by the parties hereto and any other party to be charged. This Section shall survive any termination or expiration of this Agreement.

5.5 No Waiver; Remedies.

No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default. No failure on the part of any party to exercise, and no delay in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any

other or further exercise thereof or the exercise of any other right, remedy, power of privilege, and no waiver whatever shall be valid unless in writing signed by the party or parties to be charged and then only to the extent specifically set forth in such writing. All remedies, rights, powers and privileges, either under this Agreement or by law or otherwise afforded the parties to this Agreement, shall be cumulative and shall not be exclusive of any remedies, rights, powers and privileges provided by law. Each party hereto may exercise all such remedies afforded to it in any order of priority.

5.6 Assignment.

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Neither party may transfer or assign its obligation hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, and provided the transferee or assignee agrees, in writing, to assume all of the right and obligations, including, but not limited to, the provisions of any deposit or Letter of Credit, of the transferor or assignor hereunder except that the Sewer Company may assign, without the approval of Developer, its rights hereunder to any purchaser or all or substantially all of the Sewer Company's stock or assets upon ten (10) days advance notice to Developer. Sewer Company has heretofore determined and shall, upon receipt of a written request from Developer, approve the assignment by Developer of its rights and obligations hereunder to either Woodmont Properties, its affiliate or an entity comprised of Developer and Woodmont Properties or its affiliate, including any Urban Renewal Entity formed to undertake any portion of Developer's project in which entity Woodmont Properties is a major participant. If any assignment to any such Urban Renewal Entity results in any terms or conditions contrary or inconsistent with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail. Said assignment shall not relieve Developer of its obligations hereunder. Developer shall be jointly and severally liable with the assignee for its obligations hereunder. Developer shall deliver to

Sewer Company said request, together with the written agreement of the assignee to assume the obligations referred to herein, upon its execution of this Agreement.

5.7 Headings, Etc.

The Article, Section and paragraph headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of any Exhibit, Schedule, Article, Section or paragraph. Unless otherwise specifically indicated herein, all references in this Agreement to Exhibits, Schedules, Articles and Sections are referenced to Exhibits, Schedules, Articles and Sections to and of this Agreement.

5.8 Statutory or Regulatory References.

Any references in this Agreement to any Federal, State or local law, regulation, rule or order shall include any amendment or modification thereto or any successor law, regulation, rule or order, but this Agreement shall, to the maximum extent possible, be governed by the law in effect on the date of execution of this Agreement.

5.9 Cooperation.

Each party hereto shall cooperate and shall take further action and shall execute and deliver such further documents as may reasonably be requested by any other party in order to carry out the provisions and purposes of this Agreement.

5.10 Counterparts.

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

5.11 Governing Law.

This Agreement and all amendments thereof shall be governed by and construed in accordance with the internal laws of the State of New Jersey applicable to contracts executed and performed wholly within its borders.

5.12 Approvals and Consents.

All Approvals and consents required to be obtained between the parties to this Agreement shall not be unreasonably withheld or delayed.

5.13 Severability.

If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

5.14 No Third Party Beneficiaries.

This Agreement is deemed to be for the benefit of the parties hereto, and no entity not a party to this Agreement, including, without limitation, entities or persons supplied by either party, shall acquire any right or claims by reason of this Agreement.

5.15 Releases.

The parties have previously executed mutual releases from any other claims concerning the provision of sewer service to the Tract. Upon the execution of this Agreement, the parties shall exchange full, mutual and supplemental releases with each other in the form of Exhibit E hereto, which releases shall be immediately effective as of such date of exchange. Said releases shall exclude the obligations of the Parties imposed by this Agreement.

5.16 Joint and Several Liability.

The obligations of Valley Road Development, LLC and Seasons Associates, LLC hereunder are joint and several.

5.17 Indemnification.

a) Developer shall indemnify and hold Sewer Company, its subsidiaries, parent and affiliate companies, and their successors and assigns, harmless from and against any claims, damages, fines or penalties levied or costs resulting from Plant access, drainage and site security issues relating to Developer's installation of the road as provided in Section 2.3

b) Developer shall indemnify and hold Sewer Company, its subsidiaries, parent and affiliate companies, and their successors and assigns, harmless from and against any and all claims, liabilities, damages, penalties, costs, charges, expenses and fines that may be imposed upon or incurred by or asserted against Sewer Company by reason of: i) Developer's breach or default under this Agreement, or ii) damage to property occasioned wholly or in part by the failure on the part of Developer to keep, observe or perform any of the terms, covenants and conditions to be performed by Developer hereunder.

c) Sewer Company shall confer with Developer in respect to any such actual or threatened claim or violation having the potential to result in claims, fines or penalties, and shall permit Developer at its sole cost and expense to participate in the defense of such violations. This indemnity shall survive five (5) years after the expiration or termination of this Agreement.

d) Sewer Company shall indemnify and hold Developer, its subsidiaries, parent and affiliate companies, and their successors, affiliates and assigns, harmless from and against any claims, suits, violations, damages, fines or penalties levied or costs resulting from Sewer Company's failure to perform any of its obligations under this Agreement, and any claim, suit or proceeding seeking damages for personal injury or property damage arising from the construction of the New Plant.

5.18 Insurance.

Developer shall purchase and maintain such insurance as will protect Developer and the Sewer Company from claims which may arise out of or result from Developer work required under this Agreement, or by anyone for whose acts Developer may be liable. Such insurance shall be written for not less than the coverage and any limits of liability specified below, or as required by law, whichever is greater. Such coverage and limits shall not be deemed as a limitation on Developer's liability under the indemnities or warranties granted to the Sewer Company in this Agreement.

Certificates of insurance acceptable to the Sewer Company shall state that they are Primary Insurance and shall be filed with the Sewer Company before Developer proceeds with any portion of construction. These Certificates shall contain a provision that coverage afforded under the policies will not be canceled until at least sixty (60) days prior written notice has been given to the Sewer Company, except ten (10) days' notice for non-payment of premium. The Certificates relating to Umbrella Excess Liability and Errors Omissions shall contain provisions that coverage from these policies extends to the design of the Developer's Work without regard to the fact such design work may have been performed prior to the date of the Certificates. The Sewer Company shall be named as an additional insured on all policies.

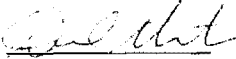
1. Workers' Compensation

- a) State: Statutory
- b) Employer's Liability: \$500,000

2. Commercial General Liability (including Premises Operation; Independent Contractors' Protective; Products and Completed Operations; Broad Form Property Damage; Blanket Contractual Liability; Personal Injury with Employment Exclusion deleted);

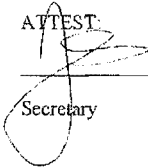
- a) Bodily Injury and Property Damage: Single Limit \$1,000,000,
\$2,000,000 aggregate

UNITED WATER ARLINGTON
HILLS SEWERAGE INC.

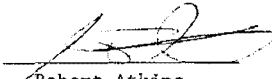
By: 

President

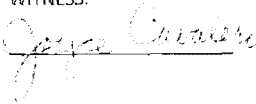
ATTEST:


Secretary

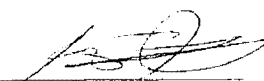
VALLEY ROAD DEVELOPMENT, LLC

By: 
Robert Atkins
Managing Member

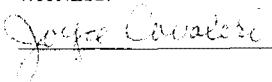
WITNESS:



SEASONS ASSOCIATES, LLC

By: 
Robert Atkins
Managing Member

WITNESS:



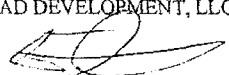
[Assignments – next page]

The undersigned hereby assign, transfer and convey all of their right, title and interest in and to this Second Restated Developer's Agreement to Valley Road Development Urban Renewal, LLC. and Seasons Woodmont JV, LLC, and said assignees by their signatures hereto agree to be jointly and severally liable for any and all obligations of the assignors contained in said Second Restated Developer's Agreement.

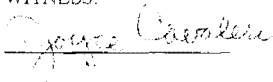
ASSIGNORS:

VALLEY ROAD DEVELOPMENT, LLC

By: _____

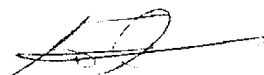

Robert Atkins
Managing Member

WITNESS:



SEASONS ASSOCIATES, LLC

By: _____


Robert Atkins
Managing Member


WITNESS:



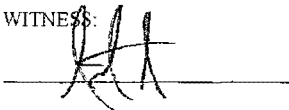
ASSIGNEES:

Valley Road Development Urban Renewal, LLC

BY: _____



Eric Witmond

WITNESS:

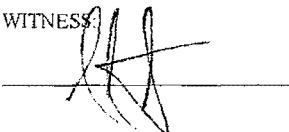


Seasons Woodmont JV, LLC.

BY: _____

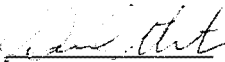

Eric Witmond

WITNESS:



The undersigned consent to the above assignment.

UNITED WATER-RARLINGTON
HILLS SEWERAGE INC.

By: 

President

ATTEST


Secretary

839432.8

List Of Exhibits

- Exhibit A - Description of Tract
- Exhibit B - Estimated Construction Schedule
- Exhibit C - Plans
- Exhibit D - Form Letter of Credit
- Exhibit E - Form of Releases

EXHIBIT A - DESCRIPTION OF TRACT

EXHIBIT A
DESCRIPTION OF TRACT

DESCRIPTION OF A PARCEL OF LAND SITUATED IN THE BOROUGH OF
MOUNT ARLINGTON, MORRIS COUNTY, NEW JERSEY.

Being Lots 42.01, 42.02 and 42.03, Block 61 as shown on a map entitled "Final Plat, Block 61, Lot 42.01, Borough of Mt. Arlington, Morris County, New Jersey" dated December 12, 2005, prepared by Orland Engineering Associates, filed in the Morris County Clerk's Office January 10, 2006 as Map 5920.

BEGINNING at a point in the northerly sideline of Interstate Route 80 where the same is intersected by the division line between Lot 42.01 and Lot 23.07, Block 61, all as shown on said filed map, and running; Thence

- 1) Along said sideline, South $68^{\circ} 41' 55''$ West, 1359.09 feet to a point of curve in same; Thence
- 2) Still along said sideline, along a curve to the right having a radius of 5850.00 feet, an arc length of 2619.53 feet, the chord of which bears South $81^{\circ} 31' 36''$ West, 2597.70 feet to a point of tangency in same; Thence
- 3) Still along said sideline, North $85^{\circ} 38' 43''$ West, 22.04 feet to a point where the same is intersected by the division line between Lot 42.02, Block 61 as established on said filed map and lands as shown on a map entitled "Map of Property of Mount Arlington Lakes Development Company" dated December, 1924; Thence
- 4) Along said division line, North $74^{\circ} 50' 10''$ East, 1263.47 feet to an angle point in same; thence
- 5) Still along said division line, North $51^{\circ} 04' 10''$ East, 350.50 feet to an angle point in same; Thence
- 6) Along said division line, North $63^{\circ} 07' 49''$ West, 329.07 feet to an angle point in same; Thence
- 7) Still along said division line, North $71^{\circ} 07' 11''$ East, 662.21 feet to an angle point in same; Thence
- 8) Along said division line and then the division line between Lots 42.01 and 42.03 as established on said filed map and lands on said Mount Arlington map, North $45^{\circ} 20' 50''$ East, 1063.81 feet to an angle point in same; Thence



SITE PLAN MEMORANDUM
PHILASTONE AT MT. ASHBURTON/
MT. ASHBURTON MEADOWS
100% DEVELOPMENT PLAN
NOVEMBER 2005

OMLAND
INCORPORATED
100% DEVELOPMENT PLAN
NOVEMBER 2005

EXHIBIT B

ESTIMATED CONSTRUCTION SCHEDULE

Mt. Arlington Schedule with Flow with Backup Computations
20-Jan-15

Fieldstone and Shadow Woods Tasks

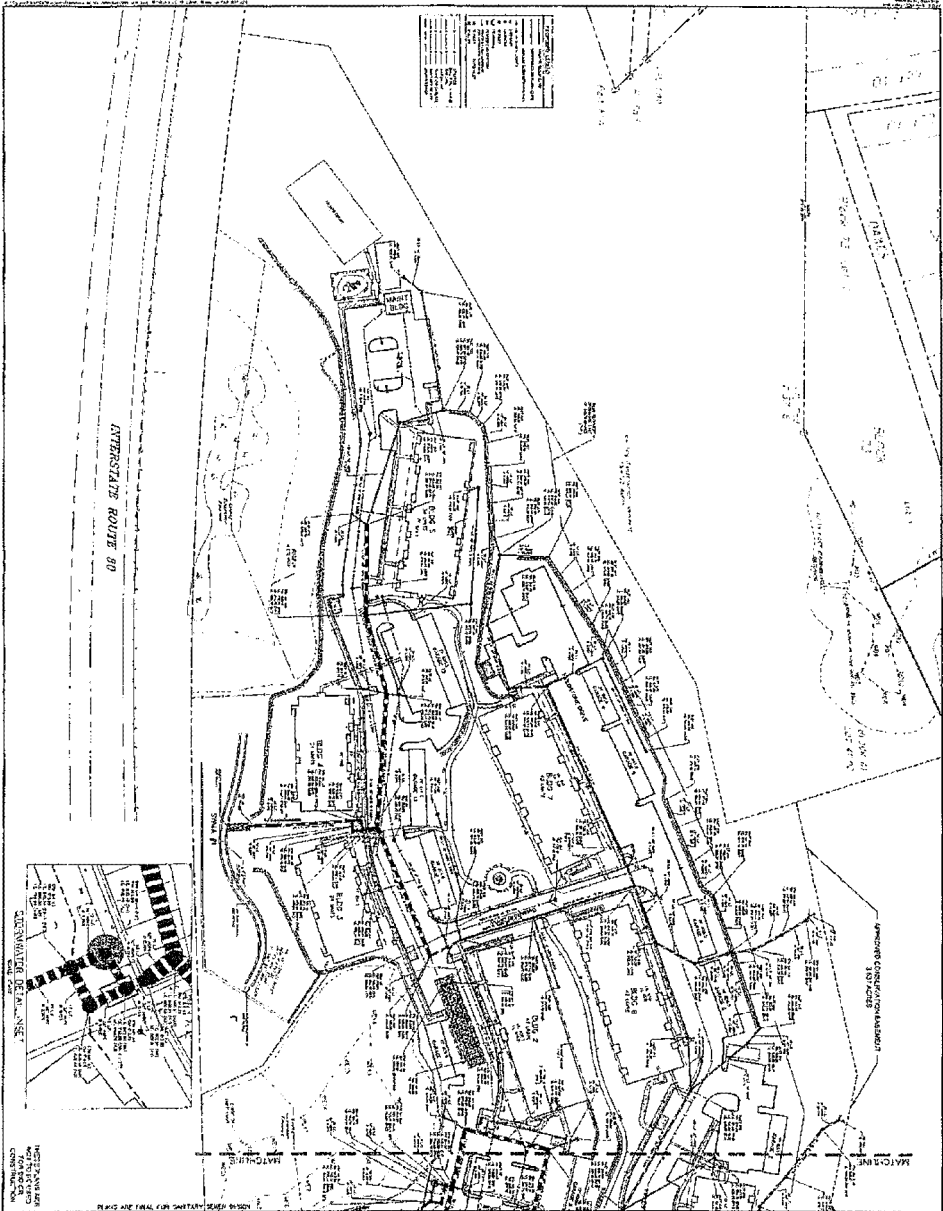
Fieldstone Buildings (300 Units)				Sewer Demand					
Units	Duration	Start Date	Finish Date	1-Bedroom Units	NJDEP Daily Flow (GPD)	2-Bedroom Units	NJDEP Daily Flow (GPD)	NJDEP Total Flow (GPD)	60% of Flow (GPD)
1	8 Mo	12/15/14	Aug-15					1293	776
39	12Mo	1/15/15	Dec-15	19	150	20	225	7350	4410
24	7 Mo	6/15/15	Jan-16	8	150	16	225	4800	2880
39	12 Mo	3/15/15	Feb-16	19	150	20	225	7350	4410
24	7 Mo	7/15/15	Mar-16	8	150	16	225	4800	2880
44	12Mo	5/15/15	Apr-16	18	150	26	225	8550	5130
38	11 Mo	8/15/15	Sep-16	15	150	23	225	7425	4455
24	7 Mo	11/15/15	Oct-16	8	150	16	225	4800	2880
38	10 Mo	9/15/15	Oct-16	15	150	23	225	7425	4455
30	10 Mo	10/15/15	Dec-16	9	150	21	225	6075	3645
				119		181		59868	35921

Shadow Woods Townhomes (60 Units)				Sewer Demand					
Units	Duration	Start Date	Finish Date			3-Bedroom Units	NJDEP Daily Flow (GPD)	NJDEP Total Flow (GPD)	60% of Flow (GPD)
6	7Mo	3/1/15	Jan-16			6	300	1800	1080
6	7Mo	4/1/15	Feb-16			6	300	1800	1080
4	7Mo	5/1/15	Mar-16			4	300	1200	720
4	7Mo	6/1/15	Apr-16			4	300	1200	720
4	7Mo	7/1/15	May-16			4	300	1200	720
4	7Mo	8/1/15	Jun-16			4	300	1200	720
4	7Mo	9/1/15	Jul-16			4	300	1200	720
6	7Mo	10/1/15	Aug-16			6	300	1800	1080
6	7Mo	11/1/15	Sep-16			6	300	1800	1080
6	7Mo	12/1/15	Oct-16			6	300	1800	1080
6	7Mo	1/1/16	Nov-16			6	300	1800	1080
4	7Mo	2/1/16	Dec-16			4	300	1200	720
						60		18000	10800

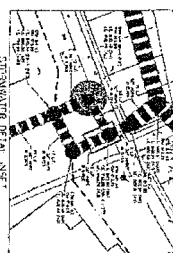
TOTAL FLOW PER NJDEP REGULATIONS (GPD)
 60% OF TOTAL FLOW (GPD)

Grand Total (GPD) 77,868
 60% of Total (GPD) 46,721

EXHIBIT C - PLANS



NO.	DESCRIPTION	DATE
1	PREPARED BY	
2	CHECKED BY	
3	APPROVED BY	
4	DATE	
5	SCALE	
6	PROJECT NO.	
7	CLIENT	
8	LOCATION	
9	DATE OF ISSUE	



	9 SHEET NO.		30 FEET
	FIELDSTONE AT MT. ARLINGTON UTILITY PLAN		
PREPARED BY: [Name] CHECKED BY: [Name] APPROVED BY: [Name] DATE: [Date]		OMLAND ENGINEERS & ARCHITECTS 1000 [Address] [City, State, Zip]	

EXHIBIT D

FORM OF LETTER OF CREDIT

Sample

(Date)

VALLEY NATIONAL BANK IRREVOCABLE
STANDBY LETTER OF CREDIT NUMBER: _____

To Beneficiary

Name: United Water Arlington Hills
Sewerage, Inc.
Address: 200 Lakeshore Drive
Haworth, NJ 07641

Applicant

Name: Valley Road Development Urban Renewal, LLC
and Seasons Woodmont JV, LLC
Address: c/o Woodmont Properties
100 Passaic Avenue, Suite 240
Fairfield, NJ 07004

Amount: U.S. \$1,993,000.00 (United States Dollars One Million Nine Hundred Ninety Three Thousand and 00/100)

Expiration Date: (two years from issuance date) at our counters at 224 Broadway, 4th Floor, New York, NY 10010

We hereby establish our irrevocable standby letter of credit in your favor which is available with us at our office indicated herein by sight payment.

It is available against presentation of your draft(s) drawn on us at sight, accompanied by the following documents or as indicated under Special Terms & Conditions:

- A written statement, dated on or before the date of presentation hereunder, purportedly signed by the Director of Engineering, President or any Vice-President of United Water Arlington Hills Sewerage Inc., marked "Original", stating: "The undersigned, the Director of Engineering, President or Vice President of United Water Arlington Hills Sewerage, Inc., hereby certifies, on its behalf, that the amount of the current drawing under Irrevocable Standby Letter of Credit No. _____ issued by Valley National Bank represents the amount due United Water Arlington Hills Sewerage Inc. as a result of the failure of Valley Road Development Urban Renewal, LLC and Seasons Woodmont JV, LLC to make timely payment after notice as detailed in that certain document entitled Second Restated Developer's Agreement, dated _____. The undersigned hereby further certifies, on behalf of United Water Arlington Hills Sewerage Inc., that notice of the failure to make timely payment upon which this drawing is based was given to Valley Road Development Urban Renewal, LLC and Seasons Woodmont JV, LLC by registered or certified mail or by courier on (insert date)." The date must be inserted in the space provided in the aforementioned statement and this date must be at least 15 days prior to the date of the statement.
- The original of this letter of credit, including any and all original amendments thereto.

Special Terms & Conditions:

This letter of credit shall be deemed automatically extended, without amendment, for one (1) year from the present expiration date hereof or from any future expiration date unless, at least sixty (60) days prior to any expiration date, we send notification to you in writing to your address set forth herein and the applicant to its address known to us, by registered or certified mail, courier service or hand delivery, that we elect not to consider this letter of credit extended for any such additional period. Upon such notice to you, you may also immediately draw hereunder, by presentation of the following documents:

- Your draft(s) drawn on us at sight.
- Your signed statement, marked "Original", reading: "We hereby certify that United Water Arlington Hills Sewerage, Inc. is in receipt of a written notice from Valley National Bank of its election not to extend its Irrevocable Standby Letter of Credit No. _____ for an additional term of one year and has not received a replacement letter of credit meeting the requirements of the Second Restated Developer's Agreement dated _____, or other acceptable security meeting applicable legal requirements."

All drafts must be marked: "Drawn under Valley National Bank Irrevocable Standby Letter of Credit No. _____"

This letter of credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, except as set forth herein.

This letter of credit shall inure to the benefit of United Water Arlington Hills Sewerage Inc. only and no other party shall acquire any rights hereunder.

We hereby agree with you that any drawing(s) under and in compliance with the terms and conditions of this letter of credit shall be duly honored upon presentation to us.

This letter of credit is subject to Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 ("UCP"), and any subsequent revisions thereof approved by a congress of the International Chamber of Commerce and adhered to by us.

Very truly yours,

VALLEY NATIONAL BANK

By:
Authorized Signature

EXHIBIT E

FORM OF RELEASES

RELEASE

THIS RELEASE, Dated March 17, 2015, is given

BY: the Releasor(s) United Water Arlington Hills Sewerage Inc., United Water New Jersey Inc. and United Water Mid-Atlantic Inc., referred to as "I".

TO: Valley Road Development, L.L.C., Seasons Associates, L.L.C., Valley Road Development Urban Renewal, LLC, Seasons Woodmont, JV, LLC, New Jersey limited liability companies, and Robert E. Atkins, their subsidiaries, affiliates, heirs, executors, administrators, successors and permitted assigns, referred to as "You".

If more than one person signs this Release, "I" shall mean each person who signs this Release.

1. Release. I release and give up any and all claims and rights which I may have against You. This releases all claims, including those of which I am not aware and those not mentioned in the Release. This release applies to all claims resulting from anything which has happened up to now. This release does not include matters governed by the provisions of a Second Restated Developer's Agreement ("Agreement") dated this date between United Water Arlington Hills Sewerage Inc. and Valley Road Development, LLC and Seasons Associates, LLC, which Agreement and any payments due thereunder shall survive this Release.
2. Payment. I have been paid a total of One (\$1.00) Dollar, in full payment for making this Release. I agree that I will not seek anything further including any other payment and/or credit from You. I understood that this payment is not an admission of liability on the part of You and liability being denied, the payment is made in order to avoid dispute and litigation between the parties.
3. Who is Bound. I am bound by this Release. Anyone who succeeds to my rights and responsibilities, including my employees, members, heirs, devisees, executors, officers, shareholders, directors, affiliates, subsidiaries, parent companies, accountants, attorneys, and agents are also bound. This Release is made for Your benefit and all who succeed to Your rights and responsibilities including Your heirs, successors-in-interest, employees, officers, shareholders, directors, affiliates, subsidiaries, parent companies, accountants, attorneys, and agents.
4. Signatures. I understand and agree to the terms of this Release. If this Release is made by a corporation, the signature of its proper corporate officer and its corporate seal are affixed.

United Water Arlington Hills Sewerage Inc.

By: _____

Title: Secretary

United Water New Jersey Inc.

By: _____

Title: Assistant Secretary

United Water Mid-Atlantic Inc.

By: _____

Title: Secretary

RELEASE

THIS RELEASE, Dated 7th MARCH February, 2015, is given

BY: the Releasor(s) Valley Road Development, L.L.C, Seasons Associates, L.L.C., Valley Road Development Urban Renewal LLC., and Seasons Woodmont ,JV, LLC, New Jersey limited liability companies, and Robert E. Atkins, their subsidiaries, affiliates, heirs, executors, administrators, successors and permitted assigns, referred to as "I".


TO: United Water Arlington Hills Sewerage Inc., United Water Arlington Hills Inc. and United Water Mid-Atlantic Inc., referred to as "You".

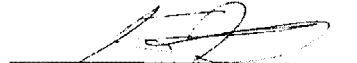
If more than one person signs this Release, "I" shall mean each person who signs this Release.

1. Release. I release and give up any and all claims and rights which I may have against You. This releases all claims, including those of which I am not aware and those not mentioned in the Release. This release applies to all claims resulting from anything which has happened up to now. This release does not include matters governed by the provisions of a Second Restated Developer's Agreement ("Agreement") dated this date between United Water Arlington Hills Sewerage Inc., and Valley Road Development, LLC and Seasons Associates, LLC which Agreement and any payments due thereunder shall survive this Release.
2. Payment. I have been paid a total of One (\$1.00) Dollar, in full payment for making this Release. I agree that I will not seek anything further including any other payment and/or credit from You. I understand that this payment is not an admission of liability on the part of You and liability being denied, the payment is made in order to avoid dispute and litigation between the parties.
3. Who is Bound. I am bound by this Release. Anyone who succeeds to my rights and responsibilities, including my employees, members, heirs, devisees, executors, officers, shareholders, directors, affiliates, subsidiaries, parent companies, accountants, attorneys, and agents are also bound. This Release is made for Your benefit and all who succeed to Your rights and responsibilities including Your heirs, successors-in-interest, employees, officers, shareholders, directors, affiliates, subsidiaries, parent companies, accountants, attorneys, and agents.
4. Signatures. I understand and agree to the terms of this Release. If this Release is made by a corporation, the signature of its proper corporate officer and its corporate seal are affixed.

Attested by:


Valley Road Development, L.L.C.

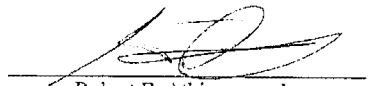



_____ Robert E. Atkins, member

Attested by:

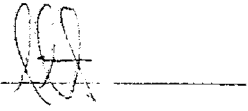
Seasons Associates, L.L.C.

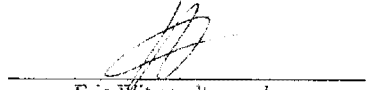



_____ Robert E. Atkins, member

Attested by:

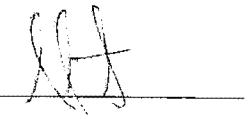
Valley Road Development Urban
Renewal LLC




_____ Eric Witmond, member

Attested by:

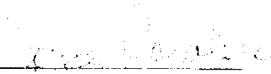
Seasons Woodmont JV, LLC

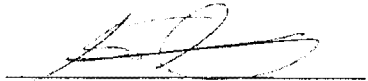



_____ Eric Witmond, member

Attested by:

Robert E. Atkins




_____ Robert E. Atkins