McCARTER &ENGLISH
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BY FEDERAL EXPRESS WITH DELIVERY CONFIRMATION

September 3, 2015

Ms. Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

WM 15091006

Re: In the Matter of the Joint Application of Oakwood Village Sewerage Associates, L.L.C and AION Oakwood Sewer, L.L.C. for Approval of a Transfer of Control of a Public Utility

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Dear Secretary Asbury:

We represent AION Oakwood Sewer, L.L.C. ("AION") in this matter. On behalf of AION and co-Petitioner Oakwood Village Sewerage Associates, L.L.C., we are filing a Petition and accompanying exhibits in two forms. In the plain sealed envelope, is a confidential copy of the Petition and exhibits, labeled as "confidential" on the first page and on each page which contains information claimed by Petitioners as confidential. Also enclosed in that envelope, in compliance with the requirements set forth at N.J.A.C. 14:1-12.8(a)-(b), is a letter to you, as records custodian, substantiating Petitioners' claim of confidentiality and a supporting affidavit from a representative of each Petitioner.

Also enclosed are ten (10) copies of the preliminary public copy of the Petition and exhibits and a check made out to "Treasurer, State of New Jersey" in the amount of twenty-five dollars ($25.00) for filing fees.

We enclose two (2) additional copies of the preliminary public copy of the Petition and exhibits, each marked as "File Copy." Please stamp each File Copy as "Received" and return them to me in the enclosed large, self-addressed, postage-paid envelope. Finally, two extra copies of this letter are enclosed. Please mark those copies with the assigned docket number and return them in the letter-sized, self-addressed, postage-paid envelope.

Thank you for your assistance. Please call with any questions.

Sincerely,

Tricia M. Caliguire

Enc.
cc: Attached Service List (by email only with preliminary public copy)

SERVICE LIST

In the Matter of the Joint Application of Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. for Approval of a Transfer of Control of a Public Utility
BPU Docket No._____

BPU

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STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE JOINT APPLICATION OF OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C. AND AION OAKWOOD SEWER, L.L.C. FOR APPROVAL OF A TRANSFER OF CONTROL OF A PUBLIC UTILITY	:	BPU DOCKET NO. _____
		PETITION

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

INTRODUCTION

Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. (referred to jointly as "Petitioners"), submit this Petition for approval of the Board of Public Utilities (the "Board" or "BPU") of the transfer of ownership and control of Oakwood Village Sewerage Associates, L.L.C. ("OVSA"), a public utility regulated by the Board and operating in accordance with a tariff approved by the Board's Order issued on December 19, 2002 in BPU Docket No. WE00120986, along with any related required approvals. This request is brought before the Board pursuant to N.J.S.A. 48:2-51.1, N.J.A.C. 14:1-5.14 and N.J.S.A. 48:3-10 and N.J.A.C. 14:1-5.10.

The acquisition of the public utility by AION Oakwood Sewer, L.L.C. ("AION") is part of a much larger transaction involving thirteen (13) residential rental properties owned by East Coast Oakwood Village L.L.C. and affiliated entities. The majority of these rental properties are located in New Jersey, including Oakwood Village Apartments, a 1224-unit complex located in Mount Olive Township, Morris County, which receives sewer service from OVSA.

Petitioners also request the Board's approval of a mortgage agreement that will be executed as of closing of the proposed transaction pursuant to N.J.S.A. 48:3-7, to the extent the Board deems such approval necessary.

Finally, the OVSA tariff, approved by the Board's Order issued on December 19, 2002 in BPU Docket No. WE00120986, has not been changed or updated since 2002. Petitioners request the Board's approval of the revised tariff, to be effective as of the date of the Board's approval, modified to reflect minor changes, including addresses, names and citations, with no changes in the sewer service rates charged by OVSA to its customers.

In support of the foregoing, Petitioners state as follows:

I. THE JOINT PETITIONERS

1. Oakwood Village Sewerage Associates, L.L.C. ("OVSA"), is a limited liability company of the state of New Jersey, with its principal office at 32 Old Slip, 28th Floor, New York, NY 10005. OVSA maintains a local office at 77 Oakwood Village, #9, Flanders, NJ 07836. East Coast Oakwood Apartments Sewage L.L.C. ("East Coast"), a limited liability company of the state of Delaware, is the owner of OVSA.

2. In 2007, the Board issued an Order approving East Coast's acquisition of one hundred percent (100%) ownership of OVSA from Oakwood Apartments, L.L.C. I/M/O THE Application of East Coast Oakwood Apartments Sewage L.L.C. for Approval of a Transfer of Control of Oakwood Village Sewerage Associates, L.L.C., Docket No. WM07070535 (September 12, 2007).

3. AION is a limited liability company of the state of Delaware, with its principal office at 11 East 44th Street, Suite 1000, New York, NY 10017. [redacted]

II. BACKGROUND AND HISTORY OF OPERATIONS

4. In 1972, the sewage treatment plant was built on a 40-acre tract on Route 206 in Flanders, Lot 11, Block 4600, Mount Olive Township, Morris County, to provide sewage

treatment services for the Oakwood Village apartments, located on the same tax block.

5. On or about 1973, Oakwood Apartments, L.L.C. completed construction of Oakwood Village, a 1224-unit apartment complex in Flanders, Lot 11, Block 4600, Mount Olive Township, Morris County, New Jersey. Oakwood Apartments, L.L.C. owned the apartments, the sewage treatment plant and a system of sewage collection transmission mains serving the apartments until September 2007 when they were acquired by East Coast Oakwood Village, L.L.C., a Delaware limited liability company.

6. On or about 2000, the Mount Olive Township Planning Board approved Westminster Development's application to build Dara Estates, a 34-unit single family housing subdivision, on Lots 6.01 through 6.34, 10, and a portion of 11, Block 4600 in Flanders (the "Service Area"). The Planning Board set a condition that the proposed homes be served by a central sanitary sewage collection and treatment system. At the time, the only sewage treatment plant available to serve Dara Estates was the plant serving Oakwood Village Apartments. At that time, and continuously since, Mount Olive Township supplied the apartment complex and the housing subdivision with water service.

7. Mount Olive Township further required Westminster Development to construct gravity wastewater collection and transmission mains, a force main and a wastewater pump station.

8. On November 21, 2000, Mount Olive Township issued a Municipal Consent to OVSA[1] "to acquire, construct, operate, maintain and manage a sewage collection, treatment and disposal plant and system . . . to the Apartments and the residential units developed and constructed on [the Service Area] . . . [and] to use . . . the roads, streets, avenues and ways . . .within and adjacent to the Service Area." Mount Olive Township, NJ, Ordinance 41-2000 (Nov. 21, 2000). The Ordinance is attached as Exhibit A.

9. Conditions attached to the Municipal Consent included that OVSA "shall be formed and

[1] OVSA was organized as a limited liability company of the state of New Jersey in October 2000.

organized pursuant to N.J.S.A. 48:13-1 et seq.[2] to acquire, construct, operate, maintain and manage the sewage collection, treatment and disposal plant and system [and OVSA] shall petition the [BPU] for approval of this [Consent]." Ordinance 41-2000, p. 2.

10. The final condition attached to the Municipal Consent stated that "all Sewer Service provided by [OVSA] shall be limited and restricted to the Apartments and the residential units developed and constructed on the Subject Properties within the Service Area, and no sewer service shall be provided by [OVSA] to any other lands which are situated outside the Service Area." Ordinance 41-2000, p. 4.

11. By petition filed December 27, 2000, and amended August 20, 2002 and October 11, 2002, OVSA requested Board approval of (1) the Municipal Consent, in the form of Ordinance 41-2000, for the provision of wastewater service by OVSA to the apartments owned by Oakwood Apartments, L.L.C. and the homes to be developed within the Dara Estates subdivision; (2) the organization of OVSA and the issuance of one hundred percent (100%) of its ownership interest to Oakwood Apartments, L.L.C.; and (3) OVSA's initial tariff.[3]

12. By Order issued on December 19, 2002 in BPU Docket No. WE00120986, attached as Exhibit B, the Board approved (1) the consent granted by the Township of Mount Olive to OVSA to provide sewage service to the Service Area; (2) the organization of OVSA as proposed and the issuance of one hundred percent (100%) ownership interest to Oakwood Apartments, L.L.C.; and (3) the initial tariff with specific annual rates for wastewater service.

13. On July 1, 2003, Oakwood Apartments, L.L.C. and Dara Estates Homeowners Association, Inc. entered into an Operating Agreement for OVSA outlining their mutual obligations to OVSA. Oakwood Apartments, L.L.C. would own one hundred percent (100%) of OVSA; the Dara Estates Homeowners Association would be a non-equity member of OVSA with a zero percent (0%) ownership interest in OVSA. Further,

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[2] At the time of Ordinance 41-2000, much of Chapter 13, regarding sewerage companies, had been repealed, including the sections related to authorization of formation.

[3] See I/M/O the Application of Oakwood Village Sewerage Associates, L.L.C. for Approval of (A) Service Area, (B) Issuance of Equity Interests, and (C) Initial Tariff, Docket No. WE00120986 (December 18, 2002), at 2.

Oakwood Apartments, L.L.C. would make all capital contributions to OVSA; contributions for operating expenses would be made to OVSA by both contracting parties. The Operating Agreement is attached as Exhibit C.

III. CURRENT OPERATIONS

14. The OVSA sewage treatment plant is located on Route 206 in Flanders on a 40 acre property. It is a Tertiary Wastewater Treatment Plant with spray irrigation overland flow. OVSA serves only the Oakwood Village apartment complex and the 34-unit Dara Estates subdivision, now known as "Millbrook Estates at Flanders." OVSA has no plans nor any intention to expand the sewer system, nor to request an expansion of the service territory or the persons eligible for service.

15. In 2007, the Board approved the transfer of ownership and control of OVSA from Oakwood Apartments, L.L.C. to East Coast Oakwood Apartments Sewage, L.L.C. ("East Coast"). I/M/O the Application East Coast Oakwood Apartments Sewage L.L.C. for Approval of a Transfer of Control of Oakwood Village Sewerage Associates, L.L.C., Docket No. WM07070535 (September 12, 2007) ("2007 Order") . The 2007 Order is attached as Exhibit D.

16. East Coast owns one hundred percent (100%) of OVSA. The Millbrook Estates at Flanders Homeowners Association (successor to the Dara Estates Homeowners Association) is a non-equity member of OVSA with a zero percent (0%) ownership interest in OVSA.

17. OVSA has a ninety-nine (99) year lease, dated July 1, 2003, between OVSA as tenant and East Coast Village Oakwood, L.L.C. (as assignee of Oakwood Garden Associates, L.L.C., as assignee of Oakwood Apartments, L.L.C.). The lease demises to OVSA the sewerage treatment plant, including the building and plant equipment, the septic fields, appurtenant parking and access, and the right to flow sewerage to the plant through the existing sewerage mains in Oakwood Village Apartment Complex 6. This lease is attached as Exhibit E.

18. OVSA has a ninety-nine (99) year lease, dated July 1, 2003, with Millbrook Estates at

Flanders Homeowners Association, Inc. (as successor to Dara Estates Homeowners Association) authorizing OVSA to operate a pump station, force main and related facilities for delivery of sewage from the 34-unit housing development to the treatment plant. This lease is attached as Exhibit F.

19. Applied Water Management, Inc. ("AWM"), a subsidiary of Natural Systems Utilities, L.L.C., has for many years operated and maintained the Oakwood Village treatment plant. On February 1, 2013, AWM and East Coast Oakwood Village L.L.C. entered into an "Operations and Maintenance Contract for Operations and Maintenance of the Oakwood Village WWTP" (the "O/M Contract"), which is attached as Exhibit G. The O/M Contract is for a period of three (3) years, continuing until January 31, 2016; AION has begun discussions with AWM to extend the O/M Contract following Closing.

IV. THE PROPOSED TRANSFER

20. Pursuant to a Purchase and Sale Agreement dated September 2, 2015 ("PSA"), attached as Exhibit H, entities including East Coast Oakwood Village L.L.C. agreed to sell to AION Real Estate II, L.L.C. land on Route 206 South, in Mount Olive Township, County of Morris, New Jersey, described more fully on Exhibit I, attached; improvements thereon; all tangible personal property thereon; all leases, licenses, and occupancy agreements covering the land and improvements; all related third-party operating agreements; the lease for the OVSA treatment plant, described in Paragraph 17, above; and OVSA's interest in the lease with the Millbrook Estates at Flanders Homeowners Association, described in Paragraph 18, above.

21. Prior to Closing, AION Real Estate II, L.L.C. will assign its interest in and obligations under the PSA to AION Oakwood Venture, L.L.C., a limited liability company of the state of Delaware. AION Oakwood Venture, L.L.C. is the one hundred percent (100%) owner of two entities, both of which are limited liability companies of the state of Delaware: AION Oakwood Village, L.L.C. and AION Oakwood Sewer, L.L.C. (Joint Petitioner herein and defined as "AION" above). An organizational chart showing the Post-Closing structure and addresses of these entities, and a chart showing the Pre-Closing structure of the East Coast entities, are attached as Exhibit J.

22. At Closing, AION Oakwood Village, L.L.C. would take title to the Oakwood Village apartment complex, the sewage treatment plant, and the property on which the treatment plant is located, and would become the assignee of the landlord's interest under the OVSA lease.

23. At Closing, AION would acquire the one hundred percent (100%) ownership interest in OVSA, a public utility regulated by the Board.

24. At Closing, AION would assume East Coast's obligations under the Operating Agreement, described in paragraph 13, above.

25. After Closing, AWM would continue to operate and maintain the sewer system and treatment plant in accordance with the O/M Contract, which provides for assignment by East Coast Oakwood Village L.L.C. with AWM's prior written consent, which consent shall not be unreasonably withheld.

26. After Closing, OVSA will remain a public utility subject to the Board's jurisdiction, operating in accordance with its revised tariff, to be effective as of the date of Closing, modified to reflect minor changes, including addresses, names and citations, with no changes in the sewer service rates charged by OVSA to its customers.

27. Pursuant to the PSA, the transaction contemplated by the PSA and the obligations of the Seller entities, including East Coast, and the Purchaser entities, including AION, to consummate the transaction are conditioned on the approval of the Board of the transfer described in this Petition.

28. AION Oakwood Village, L.L.C. is contemplating placement of a fixed-rate loan from a local regional bank to purchase all assets described in the PSA. It is anticipated that the treatment plant and the property upon which it is located, which will be owned by AION, Oakwood Village, L.L.C. will be subject to this mortgage.

V. STATUTORY AND REGULATORY REVIEW OF THE PROPOSED TRANSFER

29. The Petitioners request Board approval of their proposal to transfer ownership and

control of OVSA, a public utility regulated by the Board, from East Coast to AION. The controlling statute, N.J.S.A. 48:2-51.1, provides in pertinent part:

> [N]o person shall acquire or seek to acquire control of a public utility directly or indirectly . . . without requesting and receiving the written approval of the Board of Public Utilities. [I]n considering a request for approval of an acquisition of control, the board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates.

30. The proposed acquisition of control of OVSA by AION will have no impact on competition. There is no other provider of sewer service to the impacted OVSA customers. OVSA will remain a stand-alone sewer utility with a new owner. The new owner, AION, does not own and has no intention to purchase any other sewage treatment plants.

31. The proposed acquisition of control of OVSA by AION will have no impact on rates charged to OVSA customers. OVSA will continue to operate under the tariff dated December 26, 2001, with minor Board-approved modifications.

32. The proposed acquisition of control of OVSA by AION will have no impact on the employees of OVSA as OVSA has no employees. AWM will continue to operate and maintain the treatment plant and collection system in accordance with the February 1, 2013 O/M Contract. AION will take over management responsibility of OVSA from East Coast, and Millbrook Estates at Flanders Homeowners Association will continue as a non-equity member of OVSA with a zero percent (0%) ownership interest in OVSA.

33. The proposed acquisition of control of OVSA by AION will have no impact on the provision of safe and adequate utility service at just and reasonable rates. AWM has more than thirty (30) years' experience in the water and wastewater industry. The company is well qualified to continue operating the OVSA plant and to carry out the utility's obligation to render safe, adequate and proper service to the OVSA customers. As described above, there will be no discernible change in the operation, maintenance, and management of the OVSA treatment plant and sewer collection service. Rates,

previously deemed by the Board as "just and reasonable," will not change.

34. AION will not make changes in OVSA policies with respect to finances, operations, accounting, rates, depreciation, operating schedules, maintenance and management affecting the public interest.

35. In addition to the statutory requirements described above, the regulations, N.J.A.C. 14:1-5.14(c), provide:

> The Board shall not approve a merger, consolidation, acquisition and/or change in control unless it is satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1.

36. In the 2007 proceeding involving this public utility, the Board found that the OVSA customers and the State of New Jersey would benefit when East Coast acquired OVSA on the basis of East Coast's capitalization and the assurance East Coast was therefore capable of funding any needed repairs and improvements to the treatment plant and sewerage collection system. 2007 Order, at 8.

37. Similarly, OVSA customers and the State of New Jersey will benefit from the acquisition of OVSA (and the served apartment complex) by AION, which shall continue operation and maintenance of the sewer treatment plant and collection system pursuant to the O/M Contract and the requirements of the Board. AION is fully capable of funding any repairs or improvements necessary for OVSA to provide safe, adequate and proper service to its customers. OVSA customers will benefit from AION's commitment to fiscally prudent stewardship of OVSA.

38. N.J.S.A. 48:3-10 requires a public utility to acquire Board approval before making or permitting a transfer:

> "to be made upon its books to any . . . person . . . the result of which . . . transfer . . . shall be to vest in such . . . person a majority in interest of the outstanding capital stock of such public utility corporation[.]"

39. OVSA is a limited liability company, not a corporation, but will be transferring on its books all of its membership interests from East Coast to AION if the proposed

transaction is consummated. Should the Board determine that Board approval of the proposed transaction is required under this statutory provision, as well as under N.J.S.A.48:2-51.1, such approval is requested.

VI. STATUTORY AND REGULATORY REVIEW OF THE PROPOSED MORTGAGE FINANCING

40. Petitioners request that, should the Board deem such approval necessary, the Board approve the proposed mortgage under which AION Oakwood Village, L.L.C. is contemplating placement of a fixed-rate loan from a local regional bank to purchase all assets described in the PSA. It is anticipated that the treatment plant and the property upon which it is located, which will be owned by AION Oakwood Village, L.L.C., will be subject to this mortgage.

41. N.J.S.A. 48:3-7 provides, in pertinent part:

> "No public utility shall, without the approval of the board, sell, lease, mortgage or otherwise dispose of or encumber its property, franchises, privileges or rights, or any part thereof [.] Where, by the proposed sale, lease or other disposition of all or a substantial portion of its property, any franchise or franchises, privileges or rights or any part thereof . . . it appears that the public utility . . . may be unable to fulfill its obligation to any employees thereof . . . the board shall not grant its approval unless the public utility seeking the board's approval for such sale, lease or other disposition assume such responsibility as will be sufficient to provide that all such obligations. . . will be satisfied[.]"

42. The public utility, OVSA, will not be encumbering its property, as it owns neither the sewer plant nor the land upon which the plant is located. The ownership of the sewer plant and the land on which it is located will transfer from East Coast to AION Oakwood Village, L.L.C, which will also assume all obligations of East Coast under the lease.

43. The mortgage will not adversely impact OVSA as OVSA's involvement is incidental to the much larger real estate transaction.

44. The mortgage will have no impact on employees of the public utility, as OVSA has no employees.

VII. THE PROPOSED TARIFF MODIFICATIONS

45. The initial OVSA tariff was approved by the Board on December 19, 2002 in BPU Docket No. WE00120986. OVSA has operated continuously since then under the original tariff.

46. Since 2002, the Board has moved from Newark to Trenton, ownership of OVSA has changed (with Board approval), and the regulations governing operations of water and sewer treatment plants have been revised. Working with Board staff, AION has modified the OVSA tariff to reflect these changes; AION proposes no changes in the sewer service rates charged by OVSA to its customers. The tariff with proposed modifications is attached as Exhibit K.

47. Petitioners submit the revised tariff for review and request the Board's approval of the tariff as modified, to be effective as of the date of Closing.

VIII. ADDITIONAL REGULATORY REQUIREMENTS

48. As required under N.J.A.C. 14:1-5.14(b) (1-14), Petitioners provide the following additional documents:

(1) Copies of the resolutions of the members of each company authorizing the proposed transaction are attached as Exhibit L.

(2) The 2014 OVSA annual report (filed with the Board this past May), which includes OVSA's balance sheet and income statement as of December 31, 2014, is attached as Exhibit M.

(3) The members of AION are described in paragraph 3, above, and with more detail on Exhibit J.

(4) The Petitioners will publish a public hearing notice, in the form attached as Exhibit N or as modified by Board staff and/or by agreement with Rate Counsel, in newspapers of wide circulation, on the Oakwood Village Apartments website, and will provide a copy to the Township of Mount Olive for display and/or publication on its website.

(5) No other state or federal regulatory agency has jurisdiction to approve the proposed transaction. A list of all submissions that will be made to the New Jersey Department of Environmental Protection after Closing in connection with transfer of

permits issued for the treatment plant is attached as Exhibit O.

49. Certain documents described in N.J.A.C. 1-5.10 (b) are not applicable to the proposed transaction. Petitioners will not submit the certificate of membership for East Coast as the structure of the limited liability company will continue; only the assets of the company will be acquired in the proposed transaction. Further, there will be no shares of capital stock issued in connection with the proposed transaction and the proposed transaction does not involve an exchange of stock. Finally, the franchise cost will not be capitalized on the books of the surviving company.

IX. PRAYER FOR RELIEF

50. Petitioners respectfully request that the Board approve the proposed change of ownership and control of OVSA to AION and, if necessary, approve OVSA's transfer on its books of all its membership interests to AION, that the Board approve the proposed mortgage to the extent the Board deems such approval necessary, that the Board approve the tariff as modified, and that the Board issue any and all other approvals that the Board deems necessary and appropriate in connection with the proposed transactions.

X. CONCLUSION

For all of the reasons set forth herein, the Petitioners respectfully request review and approval of this Petition and that the Board issue an Order approving the change in ownership and control of OVSA from East Coast to AION including, if necessary, the transfer by OVSA of all its membership interests to AION, approving the proposed mortgage, and approving the submitted minor modifications to the OVSA tariff.

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VERIFICATION OF AION OAKWOOD SEWER, L.L.C.

MICHAEL BETANCOURT, of full age, hereby certifies:

1. I am the Managing Member of Petitioner AION Oakwood Sewer, L.L.C. I submit this Verification in connection with the Petition captioned "In the Matter of the Joint Petition of Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. for Approval of a Transfer in Control of a Public Utility" (the "Petition"). In my capacity as Managing Member of AION, I am familiar with the proposed transaction described in the Petition and in particular with the intention of AION to acquire and operate the wastewater treatment plant and sewerage collection system located on Route 206 in Flanders, Township of Mount Olive, Morris County, New Jersey, as described in the Petition.

2. I have read the Petition and the factual statements set forth therein with respect to AION are true and correct to the best of my knowledge, information and belief.

3. The foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

MICHAEL BETANCOURT

Dated: September 3rd, 2015

Signed and sworn before me this
3rd day of September, 2015.

Notary Public

CANDICE S. COLLIER
Notary Public, State of New York
No. 01CO6188349
Qualified in Bronx County
Commission Expires June 9, 2016

VERIFICATION OF OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.

TIMOTHY BARRY, of full age, hereby certifies:

1. I am the Vice President of Oakwood Village Sewerage Associates, L.L.C. ("OVSA"). I submit this Verification in connection with OVSA's and AION Oakwood Sewer L.L.C.'s Petition captioned "In the Matter of the Joint Petition of Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer L.L.C. for Approval of a Transfer in Control of a Public Utility" (the "Petition"). In my capacity as Vice President of OVSA, I am familiar with the proposed transaction described in the Petition and in particular with the factual statements related to OVSA and its current ownership and operation.

2. I have read the Petition and factual statements contained therein made on behalf of OVSA. The factual statements are based on information collected from records of OVSA, which are true and correct to the best of my knowledge, information and belief, and those records acquired in the normal course of business from the predecessor owner of OVSA, of which I have no personal knowledge, but believe to be true.

3. The foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

TIMOTHY BARRY

Signed and sworn before me this

2 day of September, 2015.

Notary Public

MONICA KLEINMAN
Notary Public, State of New York
No. 01KL6211588
Qualified in Kings County
Commission Expires 9/21/20 17
Certificate Filed in New York County

A

Revised

ORDINANCE NO. 41-2000

AN ORDINANCE OF THE TOWNSHIP OF MOUNT OLIVE, IN THE COUNTY OF MORRIS, AND STATE OF NEW JERSEY, GRANTING MUNICIPAL CONSENT TO OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C., TO CONSTRUCT, OPERATE, MANAGE AND MAINTAIN A SEWAGE COLLECTION, TREATMENT AND DISPOSAL PLANT AND SYSTEM TO SERVICE CERTAIN TRACTS OF LAND LYING AND SITUATE IN THE TOWNSHIP OF MOUNT OLIVE, COUNTY OF MORRIS AND STATE OF NEW JERSEY.

WHEREAS, the TOWNSHIP COUNCIL OF THE TOWNSHIP OF MOUNT OLIVE (the "Township Council") has received a Petition from Oakwood Village Sewerage Associates, L.L.C. ("Oakwood Sewer") for the grant of the municipal consent of the Township of Mount Olive, in the County of Morris (the "Township") to Oakwood Sewer pursuant to R.S. 48:13-11 to construct, operate, manage and maintain a sewage collection, treatment and disposal plant and system to provide sewerage service to certain tracts of land in the Township as hereinafter more particularly described (the "Subject Properties"); and

WHEREAS, Oakwood Sewer is a limited liability company comprised of Oakwood Apartments, LLC, a New Jersey limited liability company ("OA") and Dara Estates Homeowners Association, Inc., a New Jersey non-profit corporation ("DEHA"); and

WHEREAS, OVA is the owner of Lot 11 in Block 4600 in the Township (the "Apartment Site") as shown on the Official Tax Map of the Township ("Tax Map") on which is situated an apartment complex containing 1,224 dwelling units (the "Apartments") and a sewage treatment plant facility serving the Apartments (the "STP"), all owned and operated by OA; and

WHEREAS, DEHA is the designated homeowners association organized to administer the single-family subdivision known as Dara Estates and comprised of 34 residences to be developed in the future on Lots 6.01 through 6.34, inclusive, in Block 4600 on the Tax Map and as shown on a certain subdivision plan entitled "Final Plat – Major Subdivision – Dara Estates – Section 2 – Lots 6, 10 and a portion of 11 – Block 4600 – Township of Mount Olive – Morris County, New Jersey" dated May 8, 1997 and about to be filed in the Morris County Clerk's Office(Clerk's Office") ("Dara Estates" and, collectively with the Apartment Site, the "Subject Properties"); and

WHEREAS, Oakwood Sewer was formed and organized to acquire from OA, own, operate and maintain the STP for the purpose of providing sanitary sewage treatment service to the Apartments and all dwelling units to be developed in Dara Estates; and

WHEREAS, it appears to the Township Council that the granting of the request to permit Oakwood Sewer to construct, operate, maintain and manage a sewage collection, treatment and disposal plant and system within the limits of the Subject Properties to service the Subject

Properties is necessary and proper for the public convenience and to properly serve the public interest;

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Mt. Olive, County of Morris and State of New Jersey as follows:

SECTION 1. Pursuant to R.S. 48:13-11, Municipal consent is hereby given to Oakwood Village Sewerage Associates, L.L.C., a limited liability company of the State of New Jersey in formation (the "Service Grantee"), to acquire, construct, operate, maintain and manage a sewage collection, treatment and disposal plant and system within the limits of the Township to service the tracts of land being within that area of the Township more particularly described as follows (provided the New Jersey Department of Environmental Protection ["DEP"] grants final approval to the sewer company as to this system and the Board of Public Utilities ["BPU"] approves the consent):

ALL THOSE CERTAIN tracts of land situate in the Township of Mount Olive, County of Morris, State of New Jersey, being described as follows:

Lot 11 in Block 4600 as shown on the Township Tax Map; and

Lots 6.01 through 6.34, inclusive, in Block 4600 as shown on "Final Plat – Major Subdivision – Dara Estates – Section 2 – Lots 6, 10 and a portion of 11 – Block 4600 – Township of Mount Olive – Morris County, New Jersey" dated May 8, 1997 and about to be filed in the Clerk's Office

(collectively, the "Service Area").

Municipal consent is further given to the Service Grantee for the use, without impairment of, or obstruction to, the public use, of the roads, streets, avenues and ways of this Township situate within and adjacent to the Service Area herein described for the development, installation, construction, operation and maintenance, and the connections thereto, of the necessary sewage collection, treatment and disposal plant and system, for the purpose of supplying and furnishing sanitary sewage service for residential use within the Subject Properties hereinabove set forth (the "Service Consent") subject to DEP and BPU approval.

SECTION 2. The aforesaid Service Consent is expressly conditioned upon all of the following conditions herein contained:

(a) The Service Grantee shall be Oakwood Village Sewerage Associates, L.L.C.

(b) The Service Grantee shall be formed and organized pursuant to N.J.S.A. 48:13-1, et seq. to acquire, construct, operate, maintain and manage the sewage collection, treatment and disposal plant and system to service the Subject Properties.

(c) The Service Grantee shall petition the Board of Public Utilities of the State of New Jersey for approval of this Service Consent (the "BPU Approval").

(d) The Service Grantee shall receive the BPU Approval and be fully operational to operate, maintain and manage the sewage collection, treatment and disposal plant and system not later than the date of issuance of the first certificate of occupancy for a dwelling unit in Dara Estates ("Operations Commencement Date").

(e) From and after the Operations Commencement Date, the sewage collection, treatment and disposal plant and system shall be continuously operated by the Service Grantee in a safe and efficient manner and maintained in a state of good operation and repair.

(f) The Service Grantee shall construct, operate, maintain and manage the sewage collection, treatment and disposal plant and system in accordance with all applicable (i) statutes of the State of New Jersey, (ii) rules and regulations of the DEP and BPU, and (iii) ordinances, rules and regulations, and administrative orders of the Township and all regulatory agencies, bodies and officials thereof.

(g) That the granting of this Service Consent and the construction, operation, maintenance and management of said sewage collection, treatment and disposal plant and system or systems shall in no way place any obligation, financial or otherwise, or any liability of any kind, upon the Township, and no obligation is to attach for the construction, operation, maintenance or management of said sewage collection, treatment and disposal plant and system to the Township.

(h) That the Township will have no obligation, financial or otherwise, to connect or compel the connection of any houses or other buildings located on the Subject Properties to the sewage collection, treatment and disposal plan and system.

(i) In the laying of pipes, mains and laterals and construction of manholes and other facilities and appurtenances where there are no applicable Township Ordinances governing the same, the said mains and other facilities and appurtenances shall be laid and constructed only after plans are submitted to the Township Engineer indicating the location and depth of said mains and other facilities and appurtenances and approval of such plans by the Township Engineer is subsequently obtained. Said plans shall include the location of such mains, facilities and appurtenances by reference to existing street right-of-way lines, the diameter of mains or the nature of other facilities and appurtenances to be installed and the location of any connections to private property by reference to property lines of adjoining property owners.

(j) The Service Grantee shall keep all of its mains, other facilities, equipment and appurtenances constructed, operated, maintained, and installed under the provisions of this Service Consent in good and safe order and condition, and shall at all times fully indemnify, protect, and save harmless the Township from and against all actions, claims, suits, damages and charges and against all loss and necessary expenditures arising from the erection, construction, maintenance and operation of its sewage collection, treatment and disposal system and from its neglect or failure to maintain said facilities and systems in good and safe order and condition.

(k) The Service Grantee, by acceptance of the grants, rights and privileges conferred by this Ordinance, does hereby agree to defend, indemnify and hold harmless the

Township and all of its subsidiary agencies, officials and employees from any and all claims of whatsoever kind or nature arising from and/or relating to the design, construction, installation, operation, maintenance, repair or failure to undertake or complete the foregoing, of any of the sewage collection, treatment and disposal plant and system, including all facilities and appurtenances including, but not by way of limitation, claims for (i) personal injury or property damages, (ii) non-compliance with statutes, ordinances or rules and regulations, and (iii) failure, absence or cessation of service or charges relating thereto.

(l) All Sewer Service provided by the Service Grantee shall be limited and restricted to the Apartments and the residential units developed and constructed on the Subject Properties within the Service Area, and no sewer service shall be provided by the Service Grantee to any other lands which are situated outside of the Service Area.

SECTION 3. That subject to the provisions hereof, including the ordinances and construction standards stated and referred to herein, the Service Grantee shall have the privilege of laying connecting pipes from its mains to the Subject Properties along said streets, avenues, parks, parkways, highways and other public places now or hereafter constructed within the Service Area, provided such private and public lands or facilities are restored to their preexisting condition or better.

SECTION 4. The Service Grantee shall have no right to assign any of the rights, privileges, duties and obligations granted and imposed hereunder to any other party without the prior written consent and authorization of the Township Council having been first obtained.

SECTION 5. All Ordinances or parts thereof which are inconsistent with or in conflict with this Ordinance or any part hereof are hereby repealed to the extent of said inconsistency.

SECTION 6. If the provisions of any Section, subsection, paragraph, subdivision or clause of this Ordinance shall be adjudged invalid by a Court of competent jurisdiction, such Ordinance or Judgment shall not affect or invalidate the remainder of any Section, subsection, paragraph, subdivision or clause of this Ordinance, or any other Ordinance which is referred to herein by reference and to this end the provisions of this Section, subsection, paragraph, subdivision or clause of this Ordinance are hereby declared to be severable. Should any clause, sentence or other part of this Ordinance be adjudged invalid by a Court of competent jurisdiction, such Judgment shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION 7. This Ordinance shall take effect upon its passage and publication according to law.

William H. Sohl

William H. Sohl, Council President

Attest: 11/21/00

Lisa M. Lashway

LISA LASHWAY, Township Clerk

B

Agenda Date: 12/18/02
Agenda Item: 5B

STATE OF NEW JERSEY

Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE APPLICATION OF OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C. FOR APPROVAL OF (A) SERVICE AREA, (B) ISSUANCE OF EQUITY INTERESTS, AND (C) INITIAL TARIFF

DIVISION OF WATER & WASTEWATER

ORDER

DOCKET NO. WE00120986

(Service List Attached)

BY THE BOARD:

Background and Procedural History

Oakwood Village Sewerage Associates, L.L.C. (Petitioner or Oakwood Village) was organized as a limited liability company of the State of New Jersey through the execution of an Operating Agreement dated December 1, 2000, between Oakwood Apartments, L.L.C. (Oakwood) and Dara Estates Homeowners Association, Inc. (Dara HOA). Oakwood is the owner of certain property located in the Township of Mount Olive (Township) on which is situated an apartment complex containing 1,224 dwelling units and a wastewater treatment plant[1], together with a system of sewage collection transmission mains serving the apartments, all currently owned and operated by Oakwood.

Dara HOA is the designated homeowners association organized to administer the single-family subdivision known as Dara Estates. Dara Estates will be comprised of 34 single-family homes within the Township. The Dara Estates subdivision was approved by the Township Planning Board on the condition that each of the 34 intended individual lots be served by a central sanitary sewage collection and treatment system.[2] Petitioner was formed to obtain a lease agreement from Oakwood for the purpose of operating and maintain the sewage treatment plant for the purpose of providing sanitary sewage service to the 34 homes to be developed in the Dara Estates subdivision as well as to the apartments owned by Oakwood.[3] Pursuant to the lease, Oakwood would retain sole responsibility for the maintenance, repair and replacement of the sewage mains as well as the replacement of all parts and components of the sewage treatment plant.[4]

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[1] The sewerage treatment plant will be leased by Oakwood to Petitioner for the sum of $1.00 per year. See: August 20, 2002 filing, Exhibit 3.

[2] There are no other existing central sanitary sewage collection and treatment systems available to serve the Dara Estates subdivision. In response to discovery, Petitioner stated that water service will be provided by Mount Olive Township.

[3] See: August 2002 filing, Exhibit 1, "Certificate of Formation", dated October 19, 2000, filed with the State Treasurer October 26, 2000.

[4] See: August 20, 2002 filing, Exhibit 3.

In order for the single-family homes in Dara Estates to receive wastewater service, the Township required the developer of Dara Estates to construct, install and complete a gravity wastewater collection and transmission mains, a force main and a wastewater pump station.[5] Upon their completion and installation, these facilities are to be conveyed to Dara HOA, which, in turn, shall lease the facilities to Petitioner for the sum of one dollar ($1.00) per year. Dara HOA, however, shall retain the sole responsibility for the maintenance, repair and replacement of the facilities installed by the developer.[6]

By petition filed on December 27, 2000, and amended on August 20, 2002 and October 11, 2002, Oakwood Village requested Board approval of: (1) the Municipal Consent, granted by the Township on November 21, 2000, in the form of Ordinance 41-2000, for the provision of wastewater service by Petitioner to the apartments owned by Oakwood and the homes to be developed within the Dara Estates subdivision; (2) the organization of Petitioner as proposed in the petition and the issuance of 100 percent of its ownership interest to Oakwood Apartments, L.L.C.; and (3) Petitioner's Initial Tariff.

The Municipal Consent

Oakwood is the owner of Lot 11 in Block 4600 in the Township. Dara HOA is the designated homeowners' association organized to administer Dara Estates. Dara Estates will be developed on Lots 6.01 through 6.34, inclusive, in Block 4600 on the Tax Map as shown on a subdivision plan entitled "Final Plat – Major Subdivision Dara Estates Lots 6 & 10, Block 4600, Township of Mount Olive, Morris County, New Jersey" dated January 5, 2000, and filed in the Morris County Clerk's Office on January 18 2002, as Map. No. 5678.

The Township granted the Municipal Consent to Petitioner in Ordinance No. 41-2000, adopted November 21, 2000. After appropriate notice, a hearing related to the municipal consent was held on October 2, 2002, at the Board's Newark offices before Edward D. Beslow, Esq., the Board's duly designated Hearing Examiner. At the hearing, Petitioner relied on the testimony of John H. Hague, Esq. Mr. Hague testified that he was real estate counsel to Kushner Companies, which serves as real estate advisor and consultant to a group of real estate companies including Petitioner.[7]

In addition to identifying and discussing the various operating and lease agreements that are to be executed among the parties (i.e., Petitioner, Oakwood, Dara HOA), Mr. Hague testified that, with the addition of the facilities that are to be constructed and installed by the developer of the Dara Estates subdivision as set forth above, the sewage system that now serves the Oakwood apartments has the capacity to serve the proposed 34 single-family homes. Mr. Hague further testified that upon the execution of the operating and lease agreements, Petitioner shall have physical control of all the facilities needed to provide sewage service to the entire service area contemplated by the municipal consent. With regard to the relationship of the parties, the witness noted that Oakwood Apartments, L.L.C. would be responsible for all capital improvements with respect to the ongoing operation of the wastewater treatment plant, including the replacement of any component portions thereof, while Dara HOA would be

[5] See: August 20, 2002 filing, Exhibit 5. "An Ordinance of the Township of Mount Olive" (Municipal Consent)

[6] In response to discovery, Petitioner stated that the pump station and force main will be installed and paid for by the developer and will be contributed free and clear of all liens and at no cost to Dara Estates. Dara Estates will, in turn, lease the Pump Station and Force main to Petitioner for the sum of $1.00 per year. See: August 20, 2002 filing, Exhibit 4.

[7] (October 2, 2002 Transcript, Page 9)

responsible for the replacement of any component portions of the facilities that are to be constructed by the developer of the Dara Estates, including the pump station. Mr. Hague also stated that Oakwood Village Sewerage Associates, L.L.C. would enter into contracts with Applied Wastewater Management, Inc. (Applied) for the operation and management of both the sewage plant and pump station. Mr. Hague stated that Applied is very familiar with the system as it has been operating the sewage plant on behalf of Oakwood for the past five years on a month-to-month basis.

The Issuance of Common Stock

The Petitioner seeks to organize and issue one hundred percent (100%) of its ownership interest to Oakwood and to designate Oakwood G. Corporation as its manager.

N.J.S.A. 48:3-10 provides that then no public utility shall transfer a majority interest to any individual or corporation without authorization from the Board and Petitioner has identified the individuals or entities that hold a ten percent (10%) or greater and ownership interest in Oakwood. Those individuals or entities holding a 10% or greater ownership interest are as follows:

Member	Address	Percentage of Ownership
Charles Kushner	c/o Kushner Companies 26 Columbia Turnpike Florham Park, NJ 07932	19.73%
Linda Laulicht	c/o Kushner Companies 26 Columbia Turnpike Florham Park, NJ 07932	11.8502%
Ester Schulder	c/o Kushner Companies 26 Columbia Turnpike Florham Park, NJ 07932	11.8502%
LMEC Associates, L.P.	c/o Kushner Companies 26 Columbia Turnpike Florham Park, NJ 07932	30%

The Initial Tariff

In its August 20, 2002, filing, the Petitioner proposed an annual wastewater rate of $833 per homeowner. The proposed tariff that accompanied Petitioner's filing proposed a quarterly rate of $218.00 (resulting in an annual rate of $872) per homeowner and a quarterly rate of $82,718 ($330,872 annually) for the apartment complex.[8] This was based upon projected operating expenses of $323,586. Actual operating expenses amounted to $227,423 for the year ending December 31, 1998; $253,911 for the year ending December 31, 1999; $222,498 for the year ending December 31, 2000; $224,209 for year ending December 21, 2001; and $114,532 for the first six months of 2002. The petitioner also proposed a $50 reconnection charge (plus all expenses incurred in disconnecting and reconnecting a customer's connection) for those customers whose service is discontinued because of non-payment.

In its October 10, 2002 filing, Petitioner proposed a quarterly rate of $241.50 ($966 annually) per homeowner and a quarterly rate of $78,574.25 ($314,297 annually) for the apartment complex.[9] This is based on projected operating expenses of $333,720, an increase of $10,134 over the projected operating expenses that were included in its August 20, 2002, filing. The October 10, 2002, filing reflects increases ($63,005 from $56,753) in expenses for Applied Wastewater Management and an increase ($11,700 from $8,000) in the annual charge to residents of Dara Estates for the maintenance of the pump station and force main. The October 10, 2002, filing only addressed those tariff changes that Petitioner proposed to make as a result of the foregoing increases to its projected operating expenses.

Petitioner is not proposing to earn a return on its investment. Petitioner further proposes that any capital surplus that may result from its operations be allocated to future operating expenses.

The Division of the Ratepayer Advocate

The Division of the Ratepayer Advocate (DRA) submitted comments with regard to Oakwood Village's petition on November 26, 2002. The DRA stated that it did not oppose approval of the municipal consent. The DRA further stated that it did oppose Petitioner's proposed rates and recommended several adjustments, which result in a proposed annual rate of $767 for the homeowners and a proposed annual rate of $221,380 for the apartment complex. The DRA's comments did not address Petitioner's request to issue common stock.

As noted above, the DRA recommended several adjustments to the Petitioner's proposed rates. First, the DRA stated that Oakwood Village's projected operating expenses were significantly higher than the actual costs incurred over the last three years. The DRA also stated that, in response to discovery, Petitioner indicated that this differential was due to the fact that, in the past, the costs for wastewater operations were co-mingled with costs incurred to provide other services and/or with costs incurred by affiliates on behalf of sewer operations.

[8]Computed at $67.58 per quarter per apartment unit. As previously indicated there are 1,224 units in the apartment complex. In response to discovery, the Petitioner stated that there is no separate water or wastewater charges to residents of the apartments. The cost of providing both these services is charged to Oakwood Apartments, L.L.C.

[9]Computed at $64.19 per quarter per apartment unit.

The DRA thus concluded that Petitioner had provided little cost support for its projected level of operating expenses.

The DRA made the following additional comments with regard to Oakwood Village's projected operating expenses.

1. The draft contract with Applied, in support of Petitioner's claim for expenses incurred for the services supplied by Applied, was based on the average of the costs over the five years of the contract and not just the costs associated with the first year of the contract, which is the period for which the initial rates are being established. The DRA argued that the use of a five-year average violates ratemaking principles.

2. Petitioner's projected operating expenses included a five percent (5%) administrative fee. Petitioner did not explain what services were provided in return for the administrative fee, how the administrative fee was determined, or how the administrative fee compared with the costs of services that could be obtained from unaffiliated third parties.

3. Petitioner had utilized a tax-gross up rate of 15%, while the DRA found the actual rate to be 14.9425%.

4. With one exception, all other projected operating expenses should be based on the actual costs incurred to date. Except for sludge removal, the operating expenses for the first six months of 2002 should be doubled to reflect a full year of operating expenses. Sludge removal expenses incurred for the first six months of 2002 do not appear to be representative of a normal, on-going level of sludge removal costs. Therefore, a three-year average should be used for sludge removal expenses.

Discussion and Findings

Based on the entire record in this matter, the Board HEREBY FINDS that:

1. The consent granted by the Township Council of the Township of Mount Olive in the form of Ordinance No. 41-2000 is necessary and proper for the public convenience and properly conserves the public interest and that Oakwood Village has demonstrated that it has sufficient capacity and all necessary facilities in order to adequately serve the wastewater needs of the service area; and

2. The issuance of 100% of Petitioner's ownership interest to Oakwood, and the designation of Oakwood G. Corporation is uncontested, is in accordance with law, is not contrary to the public interest, and the purpose thereof should be granted.

The Board has also reviewed expenses projected by Petitioner in both its August 20, 2002, filing and its October 10, 2002, filing and the November 26, 2002, comments submitted by the DRA. Based upon this review, the Board HEREBY FINDS the projected operating expenses for Petitioner to be $251,396. The Board FURTHER FINDS the projected level of operating expenses for the residents of Dara Estates to be $28,060. This results in an annual rate for wastewater service of $825 ($206.25 per quarter) for residents of Dara Estates and an annual rate of $236,765 ($59,191.25 per quarter) for the apartment buildings. The Board notes that these rates were agreed to by Petitioner during an informal telephone conference, which was also attended by representatives of the DRA.

Accordingly, the Board, pursuant to N.J.S.A. 48:2-14 and 48:13-11, HEREBY APPROVES the consent granted by the Township Council of the Township of Mount Olive to Oakwood Village Sewerage Associates, L.L.C. to provide sewage service to the areas within the Township specifically set forth in Ordinance No. 41-2000.

In addition, pursuant to N.J.S.A. 48:2-21, 48:3-9 and 48:3-10 FURTHER APPROVES the organization of Oakwood Village Sewerage Associates, L.L.C. as proposed in its petition and the issuance of 100 percent of its ownership interest to Oakwood Apartments, L.L.C.

The Board also APPROVES an initial tariff with an annual rate for wastewater service of $825 ($206.25 per quarter) for residents of Dara Estates and an annual rate of $236,765 ($59,191.25 per quarter) to the apartment buildings. Petitioner is HEREBY DIRECTED to submit, within ten (10) business days of the date of this Order, a copy of a Tariff which reflects the foregoing rates for wastewater service.

The Petitioner is HEREBY DIRECTED to submit, a copy of the final contract(s) between Petitioner and Applied Wastewater Associates, within ten (10) business days of said contracts execution by the parties.

This Order is subject to the following conditions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by Petitioner.

2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matters affecting Petitioner.

3. Oakwood Village shall disclose to all prospective homeowners through any prospectus, brochures or other similar material, and through the by-laws, covenants or other legal documents which govern the homeowners' association, all of the homeowners' rights and obligations, including, but not limited to, the ownership and maintenance of the pump station, force main, and wastewater treatment and collection system as outlined above.

4. Oakwood Village shall also disclose to all prospective homeowners, by including in the prospectus for Dara Estates, the annual and quarterly rate for wastewater service as well as an estimate of annual bill for water service from Mount Olive Township.

5. Petitioner shall file a copy of the prospectus, for the Dara Estates subdivision, with the Board, Board Staff, and the Division of the Ratepayer Advocate.

DATED: 12/19/02

BOARD OF PUBLIC UTILITIES
BY:

JEANNE M. FOX
PRESIDENT

FREDERICK F. BUTLER
COMMISSIONER

CAROL J. MURPHY
COMMISSIONER

CONNIE O. HUGHES
COMMISSIONER

JACK ALTER
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

IN THE MATTER OF THE APPLICATION OF OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C. FOR APPROVAL OF (A) SERVICE AREA, (B) ISSUANCE OF EQUITY INTERESTS; AND (C) INITIAL TARIFF
DOCKET NO. WE00120986

SERVICE LIST

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Public Utilities Tax Section
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P.O. Box 46005
Newark, New Jersey 07102

Andrea Crane
The Columbia Group
38C Grove Street
Ridgefield, CT 06877

Lisa Lashway, Township Clerk
Township of Mt. Olive
204 Flanders-Drakestown Road
P.O. Box 450
Budd Lake, NJ 07828

C

OPERATING AGREEMENT
FOR
OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.

OPERATING AGREEMENT dated as of July 1, 2003, by and between OAKWOOD APARTMENTS, L.L.C., a New Jersey limited liability company, with offices located at c/o 18 Columbia Turnpike, Florham Park, New Jersey 07932 ("OA") and DARA ESTATES HOMEOWNERS ASSOCIATION, INC., a New Jersey non-profit corporation ("DEHA"), having an address c/o of 18 Columbia Turnpike, Florham Park, New Jersey 07932 (individually, a "**Member**" and collectively, the "**Members**").

WITNESSETH:

WHEREAS, the Members desire to form a limited liability company (the "Company") pursuant to the New Jersey Limited Liability Company Act (the "Act"); and

WHEREAS, the Members, through the Company (as hereinafter defined), intend to pursue the acquisition, development and sale of real estate as hereinafter described (collectively the "Property"); and

WHEREAS, the Company is being formed to (i) acquire the sanitary sewage treatment plant facility owned by OA and continue to own, operate, maintain that facility for the exclusive benefit of the Members; and

WHEREAS, by executing this Operating Agreement, each Member represents that it has sufficient right and authority to execute this Operating Agreement and is not acting on behalf of any undisclosed or partially disclosed principal,

NOW THEREFORE, in consideration of Ten Dollars ($10.00) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members hereto agree as follows effective as of the date first written above.

ARTICLE I

DEFINITIONS

1.1 For purposes of this Agreement, the following terms shall have the definitions set forth below:

"**Additional Member**": Any person or entity who acquires an additional interest in the Company.

"**BPU**": The Board of Public Utilities of the State of New Jersey.

"**Capital Account**" or "**Capital Accounts**": As defined in Section 7.4.

"**Capital Contributions**". The respective capital contributions, including any Additional Contribution, of each Member to the Company.

"**Capital Transaction**" or "**Capital Transactions**": Financing, refinancing, sale, exchange or other disposition of all or part of the interest of the Company in the Property, including, without limitation, casualty or condemnation or other similar transactions which, in accordance with generally accepted accounting principles, are treated as a capital transaction.

"**Certificate of Formation**": of the Company means the Certificate of Formation filed with the Secretary of State, State of New Jersey, pursuant to the Act to form the Company, as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"**Code**": The Internal Revenue Code of 1986, as amended, and any reference to a particular section of the Code shall be deemed to include any successor section to such section.

"**Company**": Oakwood Village Sewerage Associates, L.L.C.

"**Default Rate**": A floating rate equal to the lesser of (a) ten percent (10%) per annum in excess of the rate of interest announced from time to time in The Wall Street Journal as the "prime rate" or "base rate" charged by institutional commercial lenders, from time to time or (b) the maximum rate of interest then permitted according to the laws of the State of New Jersey or according to Federal law, to the extent applicable.

"**Dara Estates**": The residential subdivision to be developed on the DEHA Lands as shown on that certain map entitled "Final Plat - Major Subdivision - Dara Estates - Section 2- Lots 6, 10 and a portion of 11 - Block 4600 - Township of Mount Olive - Morris County, New Jersey" dated May 8, 1997 and filed January 18, 2002 as Map No. 5678.

"**DEHA**": Dara Estates Homeowners Association, Inc., a New Jersey non-profit corporation, having an address as first above set forth.

"**DEHA Lands**": Lots 6.01 through 6.34, inclusive, in Block 4600, in the Township of Mount Olive, Morris County, New Jersey, intended to be developed as a detached single-family residential subdivision administered and managed by Dara Estates Homeowners Association, Inc

"**Gain from a Capital Transaction**": The gain recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 7.4(c), Gain from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items.

"**Interest**": The respective percentage interest of each Member determined in accordance with Section 6.1.

"**Loss from a Capital Transaction**": The loss recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 7.4(c). Loss from a Capital

Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"**Manager**": means OA.

"**Member**": Each of the Parties who has executed this Operating Agreement and any party who may hereafter become an Additional Member or a Substitute Member pursuant to this Operating Agreement.

"**Member Nonrecourse Debt**": Any nonrecourse debt of the Company for which a Member bears the economic risk of loss, determined in accordance with Treasury Regulation Section 1 .7042(b)(4).

"**Member Nonrecourse Debt Deductions**": With regard to any Member Nonrecourse Debt, the amount of the net increase during any taxable year of the Company in the amount of Minimum Gain Attributable to Member Nonrecourse Debt, over the aggregate amount of any distributions during such year to the Member who bears the economic risk of loss for such debt of proceeds of such debt that are allocable to an increase in the Minimum Gain Attributable to such Member Nonrecourse Debt. Such amounts shall be determined in accordance with Treasury Regulation Section 1 .704-2(I)(2).

"**Minimum Gain**": The amount of gain which would be recognized to the Company for federal income tax purposes if all property of the Company secured by Nonrecourse liability were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction. The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1 .704-IT(B)(4)(iv)(c).

"**Minimum Gain Attributable to Member Nonrecourse Debt**": The amount of gain which would be recognized by the Company for federal income tax purposes if all property of the Company secured by Member Nonrecourse Debt were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction. The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1 .704-IT(b)(4)(iv)(h).

"**Net Profit**" and "**Net Loss**": The net income (including income exempt from tax) and, net loss (including expenditures that can neither be capitalized nor deducted), respectively, of the Company, determined in accordance with the method of accounting used by the Company for federal income tax purposes, but computed without regard for Gain from Capital Transactions, Loss from Capital Transactions and items of income or loss, if any, that are specially allocated to Members. In the event there is a revaluation of property of the Company and the Capital Accounts are adjusted pursuant to Section 7.4(c), Net Profits and Net Losses shall be computed by reference to the "book items" and not corresponding "tax items".

"**Nonrecourse Liability**": Any debt of the Company for which no Member has any economic risk of loss, determined in accordance with Treasury Regulation Section 1 .704-2(b)(3).

"**Operating Agreement**": This Operating Agreement as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"**OA**": Oakwood Apartments, L.L.C., a New Jersey limited liability company having an address as first above set forth.

"**OA Apartments**": The apartment complex situated on Lot 11 in Block 4600 in the Township of Mount Olive, Morris County, New Jersey, owned by Oakwood Apartments, L.L.C. containing 1,224 dwelling units.

"**Party**" or "**Parties**": Any Member or both Members, collectively.

"**Sewer Service**": The sanitary sewage collection and treatment service to be provided by the Company through the STP Facility to the OA Apartments and the DEHA Lands.

"**STP Facility**": The sanitary sewage treatment facility located on Lot 11 in Block 4600 in the Township currently owned by OA and serving the OA Apartments and intended to serve Dara Estates, together with all sewage collection lines, mains and appurtenances.

"**Tariff**": That certain document issued pursuant to an Order of the Board of Public Utilities, State of New Jersey, Docket No. WE00120986, dated December 19, 2002 setting forth the Tariff provisions and rates for the OVSA.

"**Township**": The Township of Mount Olive in the County of Morris, a municipal corporation of the State of New Jersey.

"**Unit**": Any OA Apartment or residential dwelling constructed in Dara Estates.

ARTICLE 2

FORMATION

2.1 The Members hereby enter into and form a limited liability company under the name of Oakwood Village Sewerage Associates, L.L.C. pursuant to the Act. Pursuant to the provisions of the Act, the formation of the Company shall be effective upon the filing of the Certificate of Formation.

In order to maintain the Company as a limited liability company under the laws of the State of New Jersey, the Company shall from time to time take appropriate action, including the preparation and filing of such amendments to the Certificate of Formation and such other assumed name certificates, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(i) a change in the Company name;

(ii) a correction of a defectively or erroneously executed Certificate of Formation;

(iii) a correction of false or erroneous statements in the Certificate of Formation or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members; or

(iv) a change in the time for dissolution of the Company as stated in the Certificate of Formation and in this Agreement.

2.2 Other Instruments. Each Member hereby agrees to execute and deliver to the Company within five (5) days after receipt of a written request therefore, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Operating Agreement, to preserve the Company as a limited liability company under the Act and to enable the Company to be taxed as a partnership for federal and state income tax purposes.

ARTICLE 3

PRINCIPAL OFFICE

3.1 The Company's registered office in New Jersey shall be c/o 18 Columbia Turnpike, Florham Park, New Jersey 07932. The Company's registered agent who is a resident of New Jersey is, Jeffrey Freireich, whose business address is in care of Kushner Companies, 18 Columbia Turnpike, Florham Park, New Jersey 07932. At any time, the Company may designate another registered agent and/or office.

3.2 The principal place of business of the Company shall be 18 Columbia Turnpike, Florham Park, New Jersey 07932. At anytime, the Company may change the location of its principal place of business and may establish additional offices.

ARTICLE 4

TERM AND DURATION

4.1 The Company shall commence upon the filing of the Certificate of Formation, and shall continue in full force and effect in perpetuity; provided, however, that the Company shall be dissolved upon the happening of any of the following events:

(a) The mutual written consent of the Members to dissolve the Company with the confirmation of the BPU.

(b) The sale or other divestiture of all or substantially all of the assets of the Company.

(c) The entry of a decree of judicial dissolution under Section 49 of the Act.

4.2 Upon any dissolution of the Company, the distribution of the Company's assets and the winding up of its affairs shall be concluded in accordance with Article 19 of this Operating Agreement.

ARTICLE 5

PURPOSE

5.1 OA currently owns and operates the STP Facility which provides sanitary sewage collection and treatment service to the OA Apartments. OA has agreed that the STP Facility will also provide sanitary sewage collection and treatment service to Dara Estates and all of the DEHA Lands comprising Dara Estates which will be administered by DEHA. Provided, however, that the Company shall not acquire the STP Facility nor provide Sewer Service until (i) the Township has granted its municipal consent to the Company authorizing such Sewer Service, and (ii) the BPU grants the Company full authority to provide the Sewer Service.

5.2 The Company is being formed for the following purposes:

(a) To apply for, prosecute and obtain all permits, licenses and approvals required under all applicable federal, state, county and municipal laws and ordinances to provide the Sewer Service;

(b) To acquire the STP Facility and construct, install and complete such addition, expansions and replacements thereto needed to provide Sewer Service; and

(c) To conduct such other activities incident or appropriate to the foregoing, including acting directly or in conjunction with others through joint ventures, companies or otherwise.

5.3 The Company is also authorized to engage in any other lawful acts or activities permitted under the laws of the State of New Jersey and approved by the Members.

ARTICLE 6

INTERESTS

6.1 The respective Interests of the Members shall be apportioned as follows:

OA	-	100%
DEHA	-	0%

6.2 DEHA agrees and acknowledges that (i) OA will transfer its ownership interest in the STP Facility to the Company without compensation; (ii) DEHA will not be required or otherwise obligated to make any capital contribution, additional contribution or loan to the Company; and (iii) by reason of the foregoing, DEHA shall have no membership interest in the Company, the STP Facility, or any other asset of the Company; and that DEHA's rights and obligations are limited to those set forth in Section 6.3, infra.

6.3 The Members covenant and agree that the sole business purpose of the Company is to operate, repair and maintain the STP Facility and to provide safe, adequate and continuous sewage collection and treatment service to the OA Apartments and Dara Estates. DEHA's rights in the Company as a Member are limited solely to the right to continue to receive safe, adequate and continuous sewage collection and treatment service for each of the residential dwellings constructed within Dara Estates. The Members further covenant and agree that the sole financial obligation of DEHA to the Company shall be the obligations imposed by Article 8, infra.

ARTICLE 7

CAPITAL CONTRIBUTIONS BY THE MEMBERS

7.1 OA shall contribute all of the capital required by the Company.

7.2 No Member shall have the right to withdraw any part of his Capital Contribution or receive any distribution, except in accordance with the provisions of this Operating Agreement. No interest shall be paid on any Capital Contribution.

7.3 No Member shall have any priority over any other Member with respect to the return of Capital Contributions.

7.4 The Company shall maintain a capital account (a "Capital Account") for each Member within the provisions of Treasury Regulation Section 1.704-1 (b)(2)(iv) as such regulation may be amended from time to time. Without limiting the foregoing, the Member's Capital Accounts shall be adjusted as follows:

(a) Subject to the last sentence of Section 7.4 (c), the Capital Account of each Member shall be credited with (i) an amount equal to such Member's initial cash contribution and any additional cash contributions to the Company and the fair market value of property

contributed to the Company (net of liabilities secured by such property) if a contribution of property shall be permitted by the Members and (ii) such Member's share of the Company's Net Profits and Gain from Capital Transactions (including income and gain exempt from tax).

(b) Subject to the last sentence of Section 7.4 (c), the Capital Account of each Member shall be debited by (i) the amount of cash distributions to such Member and the fair market value of property distributed to the Member (net of liabilities secured by such property) and (ii) such Member's share of the Company's Net Loss and Net Loss from Capital Transactions (including expenditures which are not permitted to be capitalized or deducted for tax purposes).

(c) Upon the transfer of an interest in the Company, the Capital Account of the transferor Member (as adjusted, if at all, as required by this Section 7.4) that is attributable to the transferred interest will be carried over to the transferee Member. The Capital Account will not be adjusted to reflect any adjustment under Section 743 of the Code except as specifically provided in Treasury Regulation Section 1.704-2(iv)(m). Upon (i) the "liquidation of the Company" (as hereinafter defined), (ii) the "liquidation of a Member's interest in the Company" (as hereinafter defined), (iii) the distribution of money or property to a Member as consideration for an interest in the Company, or (iv) the contribution of money or (if permitted pursuant to (a) above) property to the Company by a new or existing Member as consideration for an interest in the Company, or upon any transfer causing a termination of the Company for tax purposes within the meaning of Section 708(b)(1)(B) of the Code, then adjustments shall be made to the Members' Capital Accounts in the following manner. All property of the Company which is not sold in connection with such event shall be valued at its then fair market value. Such fair market value shall be used to determine both the amount of gain or loss which would have been recognized by the Company if the property had been sold for its fair market value (subject to any debt secured by the property) at such time, and the amount of income, which would have been distributable by the Company pursuant to Article 9 if the property had been sold at such time for said fair market value, less the amount of any debt secured by the property. The Capital Accounts of the Members shall be adjusted to reflect the deemed allocation of such hypothetical gain or loss in accordance with Article 10. The Capital Accounts of the Members (or of a transferee of a Member) shall thereafter be adjusted to reflect "book items" and not "tax items" in accordance with Treasury Regulation Sections 1.704-1(b)(2)(iv)(g) and 1.704-1(b)(4)(I).

(d) For purposes of this Article 7, (i) the term "liquidation of the Company" shall mean (A) a termination of the Company effected in accordance with this Operating Agreement, which shall be deemed to occur, for purposes of Article 7, on the date upon which the Company ceases to be a going concern and is continued in existence solely to wind-up its affairs, or (B) a termination of the Company pursuant to Section 708(b)(1) of the Code; and (ii) the term "liquidation of a Member's interest in the Company" shall mean the termination of the Member's entire interest in the Company effected by a distribution, or a series of distributions, by the Company to the Member.

ARTICLE 8

EXPENSES

The Members covenant and agree that each of the Members shall be required to contribute to the Company its proportionate share of all operating expenses incurred by the Company including depreciation ("Operating Expenses"). The Company shall bill each of its Members on a quarterly basis its proportionate share of the Operating Expenses incurred in that quarter (the "Expense Contribution"). The Expense Contribution of DEHA shall be 5.82% of the Operating Expenses, which percentage represents a reserved capacity in the STP Facility of 300 gallons per day multiplied by the 34 units comprising Dara Estates. The DEHA Expense Contribution shall be billed to DEHA's members pursuant to the Company's BPU approved Tariff.

ARTICLE 9

CASH DISTRIBUTIONS

9.1 The Company shall distribute Net Profits (less any reserves the Members deem reasonably necessary, provided that once the Members determine that such reserves are no longer necessary, same shall be distributed as if it were profits available for distribution as of the date of such determination) to the Members at such times as the Company shall determine (but not less often than annually), in the following order of priority:

(a) first, to any Member who made a contribution to the Company which has been documented as a loan to the Company and was necessitated by another Member's failure to make any contribution required under the terms of this Operating Agreement, to the payment of accrued and unpaid interest, and the then outstanding principal balance of, any such loan, such distribution to be in proportion to the aggregate amount of interest, and then principal, owed. If more than one Member participates in the making of any such loan, then distributions to such Members on account of this Section 9.1(a) shall be made in proportion to the amounts so loaned. If there shall be more than one instance in which any such loan has been made, then such loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) the balance, if any, shall be distributed to the Members in proportion to their Interests.

9.2 Notwithstanding Section 9.1, income from a Capital Transaction which constitutes a liquidation of the Company, together with other funds remaining to be distributed, shall be distributed to the Members no later than the later of (a) the end of the taxable year of the Company in which such liquidation occurs; or (b) within ninety (90) days after the date of such liquidation event, after payment of all Company liabilities and expenses (or adequate provision therefore) in accordance with Section 9.1, except that in no event shall (x) a distribution be made to any Member if, after giving effect to such distribution, all liabilities of the Company, other than liabilities to Members on account of their Interests and liabilities for which the recourse of creditors of the Company is limited to specified property of the Company, exceed the fair value of the assets of the Company, except that the fair value of property that is subject to a liability for

which the recourse of creditors is limited shall be included in the assets of the Company only to the extent that the fair value of that property exceeds that liability and (y) the distribution to a Member exceed the positive balance in such Member's Capital Account after giving effect to allocations to such Member under Article 10 of Net Profits, Net Losses, and Gain and Loss from Capital Transactions so that liquidation proceeds shall be distributed in accordance with each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1 (b)(2)(ii)(b) as in effect on the date hereof). If a Member shall receive a distribution in violation of Section 9.2(x), the provisions of Section 42:2B-42(b) of the Act shall apply. Section 42:2B-42(c) of the Act shall apply to all distributions made to the Members.

ARTICLE 10

TAX ALLOCATIONS

10.1 Net Profits, Net Losses and any investment tax credit for each fiscal year or part thereof shall be allocated to the Members in proportion to their Interests.

10.2 Gain from a Capital Transaction shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, who have deficit balances in their Capital Accounts immediately prior to such Capital Transaction an amount of such gain equal to the aggregate amount of such deficit balances, which amount shall be allocated in the same proportion as such deficit balances.

(b) There shall next be allocated to each of the Members gain in proportion to (but not greater than) the amount by which (x) the amount of Net Losses theretofore allocated to each Member and not theretofore taken into account under this Section 10.2(b), exceeds (y) the gain allocated to such Member under Section 10.2(a).

(c) There shall next be allocated to each of the Members gain equal to the amount by which (x) the aggregate proceeds derived from a Capital Transaction distributable to each Member in accordance with the provisions of Sections 9.1 or 9.2 other than with respect to any loan(s) as described in Section 9.1(a) of this Operating Agreement, as the case may be, exceeds (y) the positive balance, if any, in such Member's Capital Account after such Member's Capital Account has been adjusted to reflect the gain allocated to such Member pursuant to Sections 10.2(a) and 10.2(b); provided, however, that if there shall be an insufficient amount of gain determined by this Section 10.2(c), then the gain shall be allocated to the Members in proportion to the respective amounts determined pursuant to this Section 10.2(c).

(d) Any remaining gain shall be allocated among the Members in proportion to their Interests.

(e) If the Company shall realize, upon a Capital Transaction, gain which is treated as ordinary income under Sections 1245 or 1250 of the Code, such ordinary income shall be allocated to the Members who receive the allocation of the depreciation or cost recovery deduction that generated the ordinary income which amount shall be allocated in the same proportions as such deductions.

(f) Notwithstanding the foregoing, distributions of income made to a Member for interest and in repayment of the principal on any loan(s) as described in Section 9.1(a) of this Operating Agreement shall not be treated as income for the purpose of allocating gain pursuant to this Section 10.2 or for any other purpose. Any interest on any loan(s) as described in Section 9.1(a) of this Operating Agreement shall be treated as a "guaranteed payment" for purposes of Section 707(c) of the Code.

10.3 Losses from Capital Transactions shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, whose positive balances in their Capital Accounts exceed any amounts owed to such Member as a result of any loan(s) made by such Member to the Company in accordance with Section 9.1(a) of this Operating Agreement, an amount of such loss equal to such excess amount, which amount shall be allocated in the same proportion as such excess amounts.

(b) There shall next be allocated to those Members, if any, that have positive balances in their Capital Accounts, an amount of such loss equal to the aggregate amount of such positive balances, which amount shall be allocated in the same proportion as such positive balances.

(c) The balance of such loss shall be allocated to the Members in proportion to their Percentage Interests.

10.4 Notwithstanding the preceding provisions of this Article 10:

(a) Except as provided in sub-section (e) below, no allocation of loss or deduction shall be made to a Member if such allocation would cause at the end of any taxable year a deficit in such Member's Adjusted Capital Account to exceed his allocable share of Minimum Gain; and any such loss or deduction not allocated to a Member by reason of this Section 10.4 shall be allocated **pro-rata** to each other Member if and to the extent that such allocation shall not create a deficit in such other Member's Adjusted Capital Account (as defined below) in excess of his allocable share of Minimum Gain; provided, however, that if such allocation would create such deficit in all Members' Adjusted Capital Accounts in excess of their share of Minimum Gain, then such allocation shall be made in accordance with the principles of Treasury Regulation Section 1.704-1(b).

(b) If, during any taxable year, there is a net decrease in Minimum Gain then, before any other allocations are made for such year, each Member shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to each Member's share of the net decrease in Company Minimum Gain (within the meaning of Treasury Regulation Section 1.704-2(g)(2)) in a manner so as to satisfy the requirements of Treasury Regulation Section 1.7042(f).

(c) If, during any taxable year, there is a net decrease in Company Minimum Gain Attributable to Member Nonrecourse Debt, then, before any other allocations are made for such year other than those pursuant to Section 10.4(b) above, each Member with a share of the Company Minimum Gain Attributable to Member Nonrecourse Debt at the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, for

subsequent years) in an amount equal to each Member's share of the net decrease in Minimum Gain Attributable to Member Nonrecourse Debt as determined in accordance with Treasury Regulation Section 1 .704-2(I)(4) in a manner so as to satisfy the requirements of said Treasury Regulation.

(d) If during any taxable year a Member unexpectedly receives (i) a distribution of cash or property from the Company, or (ii) an adjustment or allocation described in either Treasury Regulation Section 1 .704-1(b)(2)(ii)(d)(4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties) or Treasury Regulation Section L7041(b)(2)(ii)(d)(5) as in effect on the date hereof (concerning allocations of loss and deduction if interests change during the year, if an interest is acquired by gift or if a Member receives certain Company property in redemption of part or all of his Interest), and if such adjustment, allocation or distribution would cause at the end of the taxable year a deficit balance in such Member's Adjusted Capital Account in excess of his allocable share of Minimum Gain, then a pro-rata portion of each item of Company income, including gross income, and gain for such taxable year (and, if necessary, subsequent taxable years) shall be allocated to such Member in an amount and in a manner sufficient to eliminate such excess balance as quickly as possible before any other allocation is made for such year other than pursuant to Section 10.4(b) above so as to satisfy the requirements of Treasury Regulation Section 1.704-1 (b)(2)(ii)(d) (qualified income offset).

(e) To the extent required by Treasury Regulation Section 1 .704-2(I)(1), Member Nonrecourse Debt Deductions for any taxable year shall be allocated to the Member (or Members) who bear(s) the economic risk of loss of such Member Nonrecourse Debt.

(f) In the event that any allocation is or has been made to a Member pursuant to Sections 10.4(a), (b), (c), (d) or (e) above, subsequent items of income, deduction, gain and loss shall be allocated before any other allocations are made (subject to the provisions of said Sections) to the Members in the manner which would result in each Member having a Capital Account balance equal to what it would have been had the allocation pursuant to said Sections.

(g) Upon the occurrence of an event described in Section 7.4(c), all Company property shall be revalued on the Company's books at fair market value, Capital Accounts will be adjusted in accordance with Section 7.4(c), and subsequent allocations of taxable income, gain, loss and deductions shall, solely for tax purposes, be made as necessary so as to take account of the variation between the adjusted tax basis and the fair market value of such property in accordance with Section 704 of the Code and the Treasury Regulations thereunder.

(h) For the purposes of this Article, each Member's "Adjusted Capital Account" shall equal the Capital Account of each Member (1) reduced at the end of each taxable year by the sum of (x) the excess of distributions reasonably expected to be made to such Member over the offsetting increases to such Member's Capital Account reasonably expected to be made in the same taxable year as the aforesaid distributions, (y) adjustments expected to be made to such Member's Capital Account described in Treasury Regulation Section 1 .704-1(b)(2)(ii)(d)(4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties), and (z) allocations expected to be made described in Treasury Regulation Section 1 .7041(b)(2)(ii)(d)(5) as in effect on the date hereof (concerning allocations of loss and

deduction if Interests change during the year, if an Interest is acquired by gift or if a Member receives certain Company property in redemption of part or all of his Interest in the Company), and (2) increased by the sum of (i) the amount, if any, which the Member is obligated to restore to the Company upon liquidation of his Interest if a deficit balance exists in his Capital Account at such time, (ii) the outstanding principal balance of any promissory note made by such Member and contributed to the Company if such note is not readily tradable on an established securities market and if such note must be satisfied within ninety (90) days after the date said Member's Interest is liquidated and (iii) the sum of (a) the amount the Member would be personally liable for either as a Member or in his individual capacity as a guarantor or otherwise, and (b) the economic risk of loss the Member would bear attributable to any Company liability (as determined in accordance with Treasury Regulation Section 1.752-2).

(i) In accordance with Section 704(b) and (c) of the Code and Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company (including all or part of any deemed capital contribution under Section 708 of the Code) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its agreed value. In the event that Capital Accounts are ever adjusted pursuant to Treasury Regulation Section 1.704(b)(2) to reflect the fair market value of any Company property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset and its value as adjusted in the same manner as required under Section 704(c) of the Code and the Regulations thereunder.

(j) The allocations provided in this Section 10.4 are intended to comply with the provisions of Section 704(b) of the Code and the regulations thereunder. However, if any such allocation causes a distortion in the Members' Interest in contravention of the Members' economic arrangement as reflected in Article 6, the Company has the authority to make curative allocations to bring such allocations in accordance with such Member's Interest, as if such allocations which caused the distortion had not occurred and to bring such allocations in compliance with Section 794(b) of the Code and regulations thereunder.

ARTICLE 11

RIGHTS, POWERS AND REPRESENTATIONS OF THE MEMBERS

11.1 OA shall serve as the Manager of the Company. By written notice to DEHA, the Manager shall designate its representative(s) to act on its behalf as the Manager ("Manager Designee") and may change its Manager Designee by written instrument. Any notice in writing given under or pursuant to this Operating Agreement shall be deemed to be effective if delivered to DEHA.

11.2 Unless otherwise agreed by the Members in writing, the business and affairs of the Company shall be carried on and managed by the Manager, who shall have full, exclusive and complete discretion with respect thereto. The Manager acting pursuant to any authority granted to him by the Members shall have all necessary and appropriate powers to carry out the authority so granted. The Manager may:

(a) negotiate, execute, deliver and perform on behalf of, and in the name of the Company any and all contracts, deeds, assignments, deeds of trust, leases, subleases, promissory notes and other evidences of indebtedness, mortgages, bills of sale, financing statements, security agreements, easements, stock powers, and any and all other instruments necessary or incidental to the business of the Company and the financing thereof,

(b) borrow money, without limit as to amount, and to secure the payment thereof by mortgage, pledge, or assignment of, or security interest in, all or any part of the assets then owned or thereafter acquired by the Company,

(c) establish, maintain and draw upon checking and other accounts of the Company,

(d) execute any notifications, statements, reports, returns or other filings that are necessary or desirable to be filed with any state or Federal agency, commission or authority,

(e) enter into contracts in connection with the business of the Company,

(f) arrange for facsimile signatures for the Manager in executing any and all documents, papers, checks or other writings or legal instruments which may be necessary or desirable in the Company business, and

(g) execute, acknowledge and deliver any and all contracts, documents and instruments deemed appropriate to carry out any of the foregoing purposes and intent of this operating Agreement.

11.3 In the management of the Company, and with respect to any and all decisions with respect to the Company and its business and the conduct of its operations, the consent of the Manager of the Company shall be the only authority required.

11.4 The fact that the Members are directly or indirectly interested in or connected or affiliated with any person, firm or corporation employed by the Company to render or perform a service, or from which or whom the Company may buy merchandise, material or other property shall not prohibit the Company from employing such persons, firms or corporations, or from otherwise dealing with him under such reasonable terms and conditions as the Members may determine.

ARTICLE 12

BOOKS, RECORDS AND REPORTS

12.1 At all times during the continuance of the Company, the Company shall keep or cause to be kept full and true books of account, in which shall be entered fully and accurately each transaction of the Company. The books of account, together with an executed copy of the Certificate of Formation of the Company and any amendments thereto, shall at all times be maintained at the principal office of the Company and shall be open to inspection and examination by the Members or their representatives at reasonable hours and upon reasonable

notice. For purposes hereof, the Company shall keep its books and records on the same method of accounting employed for tax purposes.

12.2 The fiscal year of the Company shall be the calendar year. Within a reasonable time after the end of each fiscal year and in any event on or before thirty (30) days prior to the filing date for individual tax returns (including extensions), the accountants for the Company shall deliver to each Member (a) upon request of a Member, an annual statement of the Company's receipts and expenses for such year and the Capital Account of such Member as of the end of each such year, prepared by the Company's accountants, and (b) a report or a tax return setting forth such Member's share of the Company's profit or loss for such year and such Member's allocable share of all items of income, gain, loss, deduction and credit for Federal income tax purposes.

12.3 The Company shall also cause to be prepared and filed all Federal, state and local tax returns required of the Company. All books, records, balance sheets, statements, reports and tax returns required pursuant to Sections 12.1 and 12.2 hereof shall be prepared at the expense of the Company.

ARTICLE 13

BANK ACCOUNTS

13.1 All funds and income of the Company (a) shall be deposited in the name of the Company in such bank account or accounts as shall be determined by the Manager, (b) shall be invested in such investments as the Manager shall determine, and (c) shall be kept separate and apart from the funds of any other individual or entity.

13.2 Withdrawals from any such bank account or accounts shall be made upon the signature of one (1) authorized representative of the Manager.

ARTICLE 14

RIGHTS AND DUTIES OF MEMBERS

14.1 It is expressly understood that each Member may engage in any other business or investment, including the ownership of or investment in real estate and the operation and management of real estate, whether or not in direct competition with the business of the Company and neither the Company nor any other Member shall have any rights in and to said businesses or investments, or the income or profits derived therefrom.

14.2 The Members may employ, on behalf of the Company, such persons, firms or corporations, including those firms or corporations in which any Member has an interest, as the Members shall deem advisable in the operation and management of the business of the Company, including, without limitation, such accountants, attorneys, architects, engineers, contractors, appraisers and experts and on such terms and for such compensation as the Members shall determine

14.3 No Member shall be personally liable to the Company or any other Member for any act or omission performed or omitted by him, except if such act or omission was attributable to willful misconduct or gross negligence.

14.4 Each Member (and each former Member) shall be indemnified and saved harmless by the Company from any loss, damage or expense incurred by it by reason of any act or omission performed or omitted by it, except if such act or omission was attributable to willful misconduct or gross negligence.

ARTICLE 15

TAX MATTERS

15.1 (a) Notwithstanding any provisions hereof to the contrary, each of the Members hereby recognizes that the Company will be treated as a partnership for United States federal income tax purposes and that the Company will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code; provided, however, that the filing of U.S. Partnership Returns of Income shall not be construed to extend the purposes of the Company or expand the obligations or liabilities of the Members. At the request of any Member, the Company shall file an election under Section 754 of the Code.

(b) The Company shall engage an accountant (the "Accountant") to prepare at the expense of the Company all tax returns and statements, if any, which must be filed on behalf of the Company regarding the Property and the operation, dissolution and liquidation of the Company with any taxing authority.

(c) OA is hereby designated Tax Matters Member (herein "TMM") for purposes of Chapter 63 of the Code and the Members will take such actions as may be necessary, appropriate, or convenient to effect the designation of each named representative as TMM. The TMM shall attempt to comply with the responsibilities outlined in this Section 15.1 and in Sections 6222 through 6231 of the Code (including any Treasury Regulations promulgated thereunder).

ARTICLE 16

BANKRUPTCY OF A MEMBER

16.1 Unless the Members shall elect otherwise, and with the prior consent of BPU, a Member shall cease to be a Member of the Company:

(a) If it:

(i) Makes an assignment for the benefit of creditors;

(ii) Files a voluntary petition in bankruptcy;

(iii) Is adjudged bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceeding;

(iv) Files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature; or

(vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of its properties; or

(b) One hundred twenty (120) days after the commencement of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed; or within ninety (90) days after the appointment without its consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

ARTICLE 17

ASSIGNABILITY, TRANSFER OR PLEDGE OF INTERESTS, RESIGNATION OF MEMBER

17.1 (a) No Member shall have the right to assign, convey, sell or otherwise transfer or dispose of, or pledge, mortgage, hypothecate or otherwise encumber his Interest, whether record or beneficial interest thereof, without the prior written consent of the other Members, which consent may be withheld or delayed in each Member's sole but reasonable discretion.

(b) An assignee or transferee of any portion of the interest of the Member shall be entitled to receive allocations and distributions attributable to the interest acquired by reason of such assignment from and after the effective date of the assignment of such interest to such assignee; however, anything herein to the contrary notwithstanding, the Company shall be entitled to treat the assignor of such interest of the Member as the absolute owner thereof in all respects, and shall incur no liability for allocations of net income, net losses, or gain or loss on sale of Company property, or transmittal of reports and notices required to be given to Members hereunder which are made in good faith to such assignor until such time as the written assignment has been received by the Company, approved and recorded on its books and the effective date of the assignment has passed. Provided that the Company has actual notice of any assignment of the interest of the Member, the effective date of such assignment on which the assignee shall be deemed an assignee of record shall be the date set forth on the written instrument of assignment.

(c) Any assignment, sale, exchange, transfer or other disposition in contravention of any of the provisions of this Article 17 and Article 18 hereof shall be void and ineffective and shall not bind or be recognized by the Company.

(d) In the event that there shall be more than one assignee, transferee, representative or other successor in interest as permitted herein (collectively, the "Transferees") and the Member as of the date of this Operating Agreement shall remain a Member, then the Member shall be authorized to act, and shall so act, on behalf of the Member and all of the Transferees acting as such by, through or under the Member. In the event that there shall be more than one Transferee, and the Member as of the date of the Operating Agreement shall no longer be a Member, then the Company must be advised by the Member whose interest is the subject of such event or failing which by a two thirds (2/3) majority in interest of those holding any portion of the interests of the Member, of one person to act on behalf of all of the Transferees. The Member, if the first sentence of this paragraph shall be applicable, or the person so noted to the Company, if the second sentence of this paragraph shall be applicable, shall be authorized to act, and shall so act, for all of the Transferees, all of whom shall be bound by any decision or action taken by such person, and the Company, the Company and all of the other Members shall be entitled to rely on the decisions or actions taken by such person. Until the Company shall be advised as to the identity of such person, (i) the Transferees shall be entitled only to distributions and tax allocations and provided in Article 9 and 10 hereof, but shall have no right, power or authority with respect to any decision making reserved herein to the Members or any of them and (ii) wherever in this Operating Agreement provision shall be made for the Members to make decisions with respect to Company matters, the Interests of the Member, as transferred to the Transferees, shall not be included in determining whether the requisite Interest of Members have consented to or approved of such decision, except that OA may pledge its Interest to an institutional lender holding a first mortgage on the OA Apartments.

17.2 Without the prior written consent of all Members, a Member may not withdraw from the Company prior to the dissolution and winding up of the Company.

ARTICLE 18

ADMISSION OF SUBSTITUTED MEMBERS; FURTHER CONDITIONS

18.1 No assignment or transfer of all or any part of the interest of a Member permitted to be made under this Operating Agreement shall be binding upon the Company unless and until a duplicate original of such assignment or instrument of transfer, duly executed and acknowledged by the assignor and the transferee, has been delivered to the Company.

18.2 As a condition to the admission of any substituted Member, as provided in Article 17 hereof, the person so to be admitted shall execute and acknowledge such instruments, in form and substance reasonably satisfactory to the Company, as the other Members may deem necessary or desirable to effectuate such admission and to confirm the agreement of the person to be admitted as a Member to be bound by all of the covenants, terms and conditions of this Operating Agreement, as the same may have been amended.

18.3 Any person to be admitted as a Member pursuant to the provisions of this Operating Agreement shall, as a condition to such admission as a Member, pay all reasonable expenses in connection with such admission as a Member, including, but not limited to, the cost

of the preparation, filing and publication of any amendment to this Operating Agreement and/or Certificate of Formation.

18.4 Notwithstanding anything to the contrary contained in this Operating Agreement, no sale or exchange of an interest in the Company may be made if the interest sought to be sold or exchanged, when added to the total of all other interests sold or exchanged within the period of twelve (12) months prior thereto, results in the termination of the Company under Section 708 of the Code without the prior written consent of a majority in interest of the Members.

18.5 In the event of a permitted transfer of all or part of the interest of a Member, the Company, shall, if requested, file an election in accordance with Section *754* of the Code or a similar provision enacted in lieu thereof, to adjust the basis of the Property of the Company. The Member requesting said election shall pay all costs and expenses incurred by the Company in connection therewith.

ARTICLE 19

LIQUIDATION

19.1 Upon the dissolution of the Company, the Company shall be liquidated and its assets distributed as required by Section 42:2B-51 of the Act.

19.2 The assets of the Company shall be liquidated as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

19.3 In the event that any proceeds are to be distributed to the Members, same shall be distributed, if practicable, no later than the later of (i) the end of the taxable year of the Company in which such liquidation occurs; or (ii) within ninety (90) days after the date of such liquidation event.

19.4 In any liquidation, the Company's assets shall be used first to pay the costs and expenses of the dissolution and liquidation. The liquidation trustee (which may be a Member) shall be entitled to establish reserves to provide for any contingent or unforeseen liabilities or obligations of the Company.

19.5 With respect to distributions to Members, said distributions shall be made:

(a) first, to the repayment of any accrued and unpaid interest on, and the then outstanding principal balance of, any Default Loan, in proportion to the aggregate amount of interest, and then principal, owed, and if more than one Member shall have made a Default Loan, then in Proportion to the amounts so loaned. If there shall be more than one instance in which a Default Loan has been made, then Default Loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) next, to all Members in proportion to and to the extent of any remaining positives balances in such Member's Capital Account after giving effect to all allocations to such Member under Article 10 of this Operating Agreement so that liquidation proceeds shall be

distributed in accordance with each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1 (b)(2)(ii)(b) as in effect on the date hereof); and

(c) last, to all Members pro-rata in accordance with their Interests.

ARTICLE 20

GENDER

20.1 All terms and words used in this Operating Agreement, regardless of the sense or gender in which they are used, shall be deemed to include each other sense and gender unless the context requires otherwise.

ARTICLE 21

FURTHER ASSURANCES

21.1 The Members agree immediately and from time to time to execute, acknowledge, deliver, file, record and publish such further certificates, amendments to certificates, instruments and documents, and to do all such other acts and things as may be required by law, or as may, in the opinion of the Members, be necessary or advisable to carry out the intent and purposes of this Operating Agreement.

ARTICLE 22

COVENANT AGAINST PARTITION

22.1 The Members, on behalf of themselves, their legal representative, heirs, successors and assigns, hereby specifically renounce, waive and forfeit all rights where arising under contract, statute, or by operation of law, to seek, bring, or maintain any action for partition in any court of law or equity pertaining to any property which the Company may now or in the future own, regardless of the manner in which title to any such real property may be held.

ARTICLE 23

NOTICES

23.1 Unless otherwise specified in this Operating Agreement, all notices, demands, requests or other communications which any of the parties to this Operating Agreement may desire or be required to give hereunder (hereinafter referred to collectively as "Notices") shall be in writing and shall be given by mailing the same by postage prepaid certified or registered mail, return receipt requested, or by Federal Express or other similar overnight courier to the appropriate Member at the current address set forth in the business records of the Company.

Notices given in compliance with the provisions of this Article shall be deemed given three (3) business days after mailing in a repository of the United States Postal Service.

ARTICLE 24

APPLICABLE LAW

24.1 The Member agree that the Members shall be governed by, and this operating Agreement construed in accordance with, the laws of the State of New Jersey applicable to agreements made and to be performed in such state and that all claims and suits shall be heard in the courts located in the State of New Jersey.

ARTICLE 25

CAPTIONS

25.1 All section titles or captions contained in this Operating Agreement are for convenience only and shall not be deemed a part of this Operating Agreement.

ARTICLE 26

COUNTERPARTS

26.1 This operating Agreement may be executed in counterparts and each counterpart so executed by each Member shall constitute an original, all of which when taken together shall constitute one agreement, notwithstanding that all the parties are not signatories to the same counterpart.

ARTICLE 27

BINDING EFFECT

27.1 This Operating Agreement may not be changed, modified, waived or discharged, in whole or in part, unless in writing and signed by all of the Members. This operating Agreement shall be binding upon the Members and their respective executors, administrators, legal representatives, heirs, successors and assigns. The singular of any defined term or term used herein shall be deemed to include the plural.

ARTICLE 28

PARTIAL INVALIDITY

28.1 If any term or provision of this Operating Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Operating Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Operating Agreement shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 29

INTEGRATION

29.1 This Operating Agreement is the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements relative to such subject matter.

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement as of the day and year first above written.

OAKWOOD APARTMENTS, L.L.C.
By: OAKWOOD G. CORP., Managing Member

By: _____
JEFFREY FREIREICH, Vice President

DARA ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____
JEFFREY FREIREICH, Vice President

ODMA\PCDOCS\GHC DOCS\3104452

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Agenda Date: 9/12/07
Agenda Item: 5B

STATE OF NEW JERSEY

Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

OFFICE OF THE ECONOMIST
& DIVISION OF WATER

IN THE MATTER OF THE APPLICATION OF EAST COAST OAKWOOD APARTMENTS SEWAGE L.L.C. FOR APPROVAL OF A TRANSFER OF CONTROL OF OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.	)))))	DECISION AND ORDER DOCKET NO. WM07070535

(SERVICE LIST ATTACHED)

BY THE BOARD:

Petitioner, East Coast Oakwood Village Apartments L.L.C., seeks approval of the New Jersey Board of Public Utilities (hereinafter "Board") for a change of ownership and control in Oakwood Village Sewerage Associates, L.L.C. (hereinafter "OVSA"), a public utility regulated by the Board and operating in accordance with a tariff approved by the Board's Order issued on December 19, 2002 in BPU Docket No. WE00120986. The Petition for change of ownership and control is brought before the Board pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14.

Petitioner also seeks approval of a Mortgage Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents executed as of October 28, 2005 the "(Mortgage") by Oakwood Garden Associates, L.L.C ("Mortgagor"). in favor of and for the benefit of American General Life Insurance Company ("Mortgagee") and a Pledge and Security Agreement dated as of October 27, 2005, the ("Pledge") by Oakwood Residential Corp., Charles Kushner, The Dara Kushner Trust, The Jared Kushner Trust, The Nicole Kushner Trust, The Joshua Kushner Trust, Richard Stadtmauer, Linda Laulicht, and Westminster Holdings L.L.C. (collectively the" Pledgors" and "Kushner Interests") for the benefit of American General Life Insurance Company (together with its successors and assigns" Lender") pursuant to N.J.S.A. 48:3-7 to the extent that the Board deems such approval necessary. Petitioner seeks approval of its assumption and assignment of the Mortgage and Pledge pursuant to N.J.S.A. 48:3-7 to the extent the Board deems such approval necessary.

BACKGROUND AND PROCEDURAL HISTORY:

On July 17, 2007, East Coast Oakwood Village Apartments Sewage L.L.C. ("Petitioner"), a Delaware limited liability company, filed a Verified Petition seeking approval of the Board under N.J.S.A. 48:2-51.1 and N.J.A.C.14:1-5.14 to acquire a one hundred percent (100%) ownership interest in Oakwood Village Sewerage Associates, L.L.C. ("OVSA"), a public utility regulated by the Board. The Verified Petition also was filed to facilitate a larger transaction whereby East Coast Residential Associates L.L.C. ("ECRA"), and affiliated entities, will be purchasing 86 rental properties from Westminster Management and affiliated entities. The majority of these

rental properties are located in New Jersey, including the Oakwood Village Apartments complex, in Mount Olive Township, Morris County, New Jersey, which receives sewer service from OVSA.

According to the Verified Petition, the Petitioner's membership interests are held by ECRA, a Delaware limited liability company. ECRA's membership interests are held by AIG Global Real Estate Investment Corp. and MPM Acquisition Corp. AIG Global Real Estate Investment Corp., a member company of American International Group, Inc. ("AIG"), is a part of AIG Global Real Estate, a group of international real estate companies that actively invest in and manage real estate for clients and AIG member companies in over 50 countries around the world. AIG Global Real Estate owns, manages, or has under development approximately $14.6 billion in equity in more than 53 million square feet of all property types in major global markets. AIG Global Real Estate is affiliated with AIG Investments. MPM Acquisition Corp., a Pennsylvania corporation, is wholly-owned by Morgan Properties. Morgan Properties, individually and jointly with their institutional partners, own approximately 14,000 apartment units in Delaware, Indiana, Maryland, Nebraska, New Jersey, Ohio, Pennsylvania, South Carolina and Virginia. Since 1996, Morgan Properties in conjunction with its institutional partners have invested in multi-family assets with an aggregate purchase price in excess of $1.1 billion ($1,100,000,000).

On June 24, 2007, ECRA and Westminster Management, along with various entities owning the 86 rental properties, entered into a Purchase and Sale Agreement by which Petitioner will purchase the portfolio of real property. The Oakwood Village Apartment complex, consisting of 1,224 one and two-bedroom units, in Mount Olive, New Jersey, is among the properties being purchased by ECRA. The property upon which the apartments are located is owned by Oakwood Garden Associates, L.L.C.

Sewerage collection and treatment service is provided to the Oakwood Village Apartments by OVSA. OVSA is one hundred percent (100%) owned by Oakwood Apartments, L.L.C. Millbrook Estates at Flanders Homeowners Association, L.L.C. ("Millbrook"), formerly known as Dara Estates Homeowners Association, Inc., is a non-equity member of OVSA with a zero percent (0%) ownership interest in OVSA. The members of Oakwood Apartments, L.L.C. are Oakwood Residential Corp. (the Managing Member), Westminster Holdings, L.L.C., a Kushner affiliate, and various members of the Kushner family, as well as individually named trusts formed for the benefit of such family members.

OVSA provides service pursuant to its Board authorized Tariff, approved by Board Order dated December 19, 2002 in Docket No. WE00120986 and two ninety-nine year leases dated July 1, 2003. The first lease is between OVSA, as tenant, and Oakwood Garden Associates, L.L.C. ("Oakwood Lease"), as assignee of Oakwood Apartments, L.L.C. (the assignment document will be executed at or before closing), as landlord. The Oakwood Lease demises to OVSA the waste water treatment plant, including the building and plant equipment, the septic fields, appurtenant parking and access and the right to flow sewerage to the plant through the existing sewerage mains in the Oakwood Village Apartments complex. The second lease is between Millbrook and OVSA ("Millbrook Lease"). The Millbrook Lease allows OVSA to operate the sewerage pump station, a force main and related facilities located within Millbrook Estates, so as to deliver sewage from Millbrook Estates to the waste water treatment plant. Millbrook Estates at Flanders Homeowners Association, Inc. (formerly known as Dara Estates Homeowners Association, Inc.) executed a Consent to Assignment dated July 27, 2007 whereby it consented to the assignment to East Coast Apartments Sewage, L.L.C. of the Oakwood Apartments, L.L.C.'s membership interests in Oakwood Village Sewerage Associates, L.L.C.

The waste water treatment plant is located on Rt. 206 in Flanders, New Jersey on approximately 40 acres. The plant is a Tertiary Waste Water Treatment Plant with spray irrigation overland flow which services the 1,224 apartments comprising the Oakwood Village Apartments as well as the 34 residential homes of Millbrook Estates. The plant is currently managed by Applied Water Management, by virtue of an Operations, Maintenance and Management Agreement ("Operating Agreement") effective as of April 1, 2003 and expiring on April 1, 2008. The waste water treatment plant was built in 1972 and upgraded by Applied Water Management in 1997.

OVSA is also subject to an Operating Agreement for Oakwood Village Sewerage Associates, L.L.C., dated July 1, 2003, between Oakwood Apartments, L.L.C., and Millbrook ("Financial Operating Agreement"). The Financial Operating Agreement specifies, among other things, that capital contributions under enumerated circumstances are to be made by Oakwood Apartments, L.L.C. to OVSA and operating expenses are to be provided to OVSA by both parties. Petitioner will assume Oakwood Apartments, L.L.C.'s obligations under the Financial Operating Agreement.

At closing, the Petitioner proposes that East Coast Oakwood Village, L.L.C., an entity created by ECRA, will take title to the Oakwood Village Apartments complex, the waste water treatment plant, and the property on which the waste water treatment plant is located from Oakwood Garden Associates, L.L.C., and become the assignee of the landlord's interest under the Oakwood Lease. Thereby, East Coast Oakwood Village, L.L.C. would become lessor under the Oakwood Lease. At closing, Petitioner also proposes to acquire from Oakwood Apartments, L.L.C. its one hundred percent (100%) ownership interest in OVSA, valued by Petitioner at $802,666.54, and to assume the obligations of Oakwood Apartments, L.L.C. under the Financial Operating Agreement.

After closing, the Petitioner states that: Applied Water Management will continue to operate the sewer system in accordance with its Operating Agreement and OVSA will remain a sewer utility subject to the Board's jurisdiction, operating in accordance with its Board-approved tariff. After closing, Petitioner will assume the responsibilities of Oakwood Apartments, L.L.C. under the Financial Operating Agreement and Operating Agreement, thereby assuring the continued financial support of OVSA. Petitioner will utilize Mitchell L. Morgan Management, Inc. ("Morgan") to actively manage Oakwood Village Apartments and the non-sewerage system operational functions of OVSA.

Board Staff and Rate Counsel propounded discovery requests upon Petitioner, and Petitioner responded to same. On August 16, 2007, a duly noticed public hearing was held at the Mount Olive public library, at which representatives of Petitioner described the overall transaction and the proposed change in control of OVSA. No members of the public attended or filed comments. Rate Counsel, by letter dated August 31, 2007, provided comments with respect to the proposed change in control stating that Rate Counsel was not opposed to the Board's approval of Petitioner's application. By letter dated September 11, 2007, Rate Counsel stated that after review of Petitioner's correspondence to the Board of September 6, 2007 and September 10, 2007 that it has no objection to the Board approving the mortgage and pledge, as well as their assumption by East Coast Oakwood Village, L.L.C.

Rate Counsel noted that: there is no current rate impact as a result of the change in control. OVSA will continue to exist as the regulated entity and Applied Water Management will continue to operate the sewerage treatment plant and collection system. While there have been several compliance issues regarding DEP rules and permits, these have been, or are being addressed by Applied Water Management. The proposed change in control brings a more substantial owner in charge of the system. Additionally, it also brings a professional on-site manager

(Morgan Properties) that has not previously existed. There is no indication that environmental performance shall be degraded as a result of the transaction. The presence of a full-time on-site manager and a fiscally substantial owner can only improve future performance.

Rate Counsel submits that approval of the Petition should not include authorization to include in rate base the specific assets that will be acquired as a result of this Petition. The determination of any assets to be included in rate base should be addressed in a future base rate proceeding. Rate Counsel therefore recommends that any Board Order approving the Petition contain the following language:

1 This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioner.

2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State, in any future Petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.

Rate Counsel states that these provisions will satisfy its concerns that BPU approval is limited to the acquisition of control of OVSA by the Petitioner, should not indicate authorization to include any specific assets or amounts in rate base, or indicate authorization for any other ratemaking treatment. With these caveats, Rate Counsel is not opposed to approval of the Petition.

REGULATORY REQUIREMENTS:

As a result of the proposed transaction, Petitioner at closing would acquire from Oakwood Apartments, L.L.C. its one hundred percent (100%) ownership interest in OVSA, a public utility regulated by the Board. N.J.S.A. 48:2-51.1 provides:

> No person shall acquire or seek to acquire control of a public utility directly or indirectly through the medium of an affiliated or parent corporation or organization, or through the purchase of shares, the election of directors, the acquisition of proxies to vote for the election of directors, or through any other manner, without requesting and receiving the written approval of the Board of Public Utilities. Any agreement reached, or any other action taken, in violation of this act shall be void. In considering a request for approval of an acquisition of control, the Board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. The Board shall accompany its decision on a request for approval of an acquisition of control with a written report detailing the basis for its decision, including findings of fact and conclusions of law.

The proposed acquisition of control of OVSA by Petitioner will have no impact on competition. OVSA will remain a stand-alone sewer utility with a new entity, Petitioner, holding a controlling interest.

The proposed acquisition of control of OVSA by Petitioner will have no impact on the rates charged OVSA's customers as Petitioner has advised that OVSA will continue to operate under its current Board-approved tariff.

The proposed acquisition of control of OVSA by Petitioner will have no impact on OVSA's employees since OVSA has no employees. Petitioner has stated that Applied Water Management will continue to operate the sewerage treatment plant and collection system in accordance with the Operating Agreement. Petitioner will take over management responsibility from Oakwood Apartments, L.L.C., and Millbrook will continue to hold a non-equity interest in OVSA.

The proposed acquisition of control of OVSA by Petitioner will have no adverse impact on the provision of safe, adequate and proper service. Applied Water Management will continue to operate the sewer system in accordance with the Operating Agreement. Petitioner will assume Oakwood Apartments, L.L.C.'s obligations under the Financial Operating Agreement and Morgan will assume management functions of OVSA other than sewerage system operation and maintenance.

In addition to the statutory requirements, N.J.A.C. 14:1-5.14(c) provides:

> The Board shall not approve a merger, consolidation, acquisition and/or change in control unless it is satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1.

Petitioner's membership interests are held by ECRA. The Petition states that ECRA's owners are fully capable of funding, through Petitioner or otherwise, any necessary repairs or improvements required for the sewer system for which OVSA is responsible. The Petition further states that while the members of Oakwood Apartments, L.L.C., which currently has the ownership interest in OVSA, included Westminster Holdings, L.L.C. and various Kushner Interests, all of which are financially significant, ECRA's and Petitioner's members are even larger entities with more assets. Thus, OVSA's customers and the State of New Jersey will benefit from the change in control of OVSA.

In addition to the benefits cited above, Petitioner, by letter dated September 6, 2007, committed to take all necessary steps to ensure that OVSA timely complies with the Board's filing requirements for annual reports and other documentation and timely seek necessary Board approvals. If necessary, Morgan states that it will secure assistance from outside experts with experience in utility matters to ensure that this occurs. Morgan also stated that after closing that Applied Water Management will be authorized to undertake and complete within 12 months of closing upgrade projects totaling $272,269.

The Petitioner also requests the Board approve the 2005 Mortgage and the 2005 Pledge as well as its assumption of each pursuant to N.J.S.A. 48:3-7, should the Board deem such approval necessary. N.J.S.A. 48:3-7 provides:

> No public utility shall, without the approval of the board, sell, lease, mortgage or otherwise dispose of or encumber its property, franchises, privileges or rights, or any part thereof; or merge or consolidate its property, franchises, privileges or rights, or any part thereof, with that of any other public utility.

> Where, by the proposed sale, lease or other disposition of all or a substantial portion of its property, any franchise or franchises, privileges or rights, or any part thereof or merger or consolidation thereof as set forth herein, it appears that the public utility or a wholly owned subsidiary thereof may be unable to fulfill its obligation to any employees thereof with respect to pension benefits previously enjoyed, whether vested or contingent, the board shall not grant its approval unless the public utility seeking the board's approval for such sale, lease or other disposition assumes such responsibility as will be sufficient to provide that all such obligations to employees will be satisfied as they become due.
>
> Every sale, mortgage, lease, disposition, encumbrance, merger or consolidation made in violation of this section shall be void.

In 2005, Oakwood Garden Associates, L.L.C. ("OGA"), owner of Oakwood Village Apartments and the land upon which they are located and the wastewater treatment plant ("Plant") and the land upon which it is located ("Land"), obtained a $92,000,000 loan from American General Life Insurance Company ("American"). American is in the AIG family of companies. OGA took the loan in order to refinance debt affecting these properties at a more advantageous interest rate than was the case under the prior loan. The terms of the loan provided that the loan amount bear interest at the fixed rate of 5.498%, with monthly payments of principal and interest ($526,830.01) to be made on the first day of each month, commencing on December 1, 2005 and continuing through October 31, 2035. The Mortgage replaced the following three loans in the amounts of; $3,796,000 at a rate of 11.5%, $71,500,000 at a rate of 7.36% and $16,703,000 at a rate of 6.515% for a total monthly payment of $584,716.

To secure the loan, OGA and American entered into a Mortgage, Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents dated October 28, 2005 ("Mortgage"). The Mortgage, among other things, covers OGA's interest in the Plant and Land and gives to American, in the case of default, all of OGA's right, title and interest in the ninety-nine year lease between OGA and Oakwood Village Sewerage Associates, L.L.C., which entitles OVSA to occupy the Land and operate the Plant ("Oakwood Lease"). So long as OVSA meets its obligations under the Oakwood Lease, its right to operate the sewer system would be unaffected by a default of OGA under the Mortgage. In the proposed transaction, East Coast Oakwood Village would become owner of the Land and Plant and would become assignee of OGA's rights and obligations under the Oakwood Lease.

In addition, as further security for the Mortgage, the members and owners of Oakwood Apartments, L.L.C. ("OVSA Owner"), which owns a 100% membership interest in OVSA, pledged their collective 100% membership interest in OVSA Owner for the benefit of American by way of a Pledge and Security Agreement dated as of October 27, 2005. In the proposed transaction, which is the subject of this Petition, Petitioner East Coast Oakwood Apartments Sewage L.L.C. would acquire the 100% ownership interest in OVSA now held by OVSA Owner and would assume OVSA Owner's rights and obligations under the Pledge. Thus, the members of Petitioner East Coast Apartments Sewage L.L.C., the new owner of OVSA, would pledge their 100% collective membership interests in Petitioner for the benefit of American. In the event of a default under the Mortgage, and American's taking the ownership interest of Petitioner, OVSA would continue to be a Board-regulated public utility fully subject to Title 48 and the Board's regulations.

Petitioner notes that in the proposed transaction, the utility, OVSA, will not be mortgaging its property or pledging its membership interests. Accordingly, Petitioner suggests that Board approval may not be required for the assignment of Oakwood Apartments, L.L.C.'s rights and obligations under the Lease and Mortgage to East Coast Oakwood Village L.L.C. or for the assignment of Oakwood Apartments' rights and obligations under the Pledge to Petitioner. Petitioner requests Board approval of these actions if the Board deems such approval necessary and appropriate.

The Board notes that the OVSA has not previously received Board approval for the Mortgage nor the Pledge and Security Agreement which are the subject of the proposed assignment. Petitioner, in a letter dated September 6, 2007 requests the Board approve the 2005 Mortgage and the Pledge and Security Agreement as well as its assumption, should the Board deem such approval necessary and appropriate.

The Mortgage on the waste water treatment plant and the property upon which it is located, which OVSA controls by virtue of the ninety-nine year Oakwood Lease, encumbers real and personal property essential to provide sewer service to OVSA's service territory. The Board HEREBY CONCLUDES that in accordance with applicable statutory authority, the Board has the jurisdiction to review the Mortgage and the proposed assignment and assumption of same.

The Board notes that one of the purposes of the loan which is secured by the Mortgage was to refinance then current debt affecting the properties at a more advantageous interest rate than was the case under the prior loans. The Board further notes that the Mortgage has no impact on the obligations of OVSA's employees, because OVSA has no employees. In the event of a default under the Mortgage, so long as OVSA meets its obligations under the Oakwood Lease, its right to operate the sewer system would be unaffected by a default of Oakwood under the Mortgage. East Coast Oakwood Village would become the owner of the Land and Plant and would become the assignee of Oakwood's rights and obligations under the Oakwood Lease. In the event of a default under the mortgage, and the mortgagee's taking the ownership interest of Petitioner, OVSA would continue to be a Board regulated public utility fully subject to the Board's regulation under Title 48 and the mortgagee and or any other secured party must obtain Board approval before taking any action to enforce any lien on the property of OVSA.

The Mortgage and Pledge provide the lender with security in both the Oakwood Apartments and the sewerage collection system which serves the Oakwood Apartments and is an integral part of the operation of Oakwood Apartments as residential housing. The Board CONCLUDES under these circumstances that Oakwood Garden Associates, L.L.C.'s Mortgage dated October 28, 2005 should be approved, now as if at the time of the Mortgage, and that East Coast Oakwood Village L.L.C.'s assumption, by way of assignment of Oakwood Garden Associates, L.L.C.'s rights and obligations under the Mortgage, should be approved by the Board under N.J.S.A. 48:3-7.

The Board also CONCLUDES that Oakwood Residential Corp's Pledge and Security Agreement dated October 27, 2005 should be approved, now as if at the time of the Pledge, and that Petitioner's assumption of Oakwood Apartments, L.L.C.'s rights and obligations under the Pledge should be approved under N.J.S.A. 48:3-7, because Petitioner will acquire a one-hundred percent (100%) membership interest in OVSA from Oakwood Apartments, L.L.C..

The Board DIRECTS OVSA to seek prior approval from the Board for any and all future financings which encumber its property, franchises, privileges or rights, or any part thereof pursuant to N.J.S.A. 48:3-7; and to seek approval from the Board prior to issuing any indebtedness payable more than twelve months after the date of the original instrument pursuant to N.J.S.A. 48:3-9.

DECISION AND FINDINGS:

Based on the entire record in this matter, the Board HEREBY FINDS that:

1 The proposed acquisition of control of Oakwood Village Sewerage Associates, L.L.C. by Petitioner East Coast Oakwood Village Sewerage L.L.C. will have no impact on competition, on the rates charged to Oakwood Village Sewerage Associates, L.L.C.'s customers, or on employees of the utility; and

2. The proposed acquisition of control of Oakwood Village Sewerage Associates, L.L.C. by Petitioner East Coast Oakwood Village Sewerage L.L.C. will have no adverse impact on the provision of safe, adequate, reliable, and proper service at just and reasonable rates by the utility; and

3. The financial capabilities of Petitioner's members and those of East Coast Residential Associates L.L.C. are such that the utility, Oakwood Village Sewerage Associates, L.L.C., its customers and the State will benefit by having greater financial support available to the utility than under the present successful operation,. Customers will also benefit from Petitioner's commitment to take all steps necessary to ensure OVSA complies with Board reporting requirements in a timely manner and Petitioner's commitment to undertake and complete more than $270,000 in improvements to the system; and

4. The Mortgage between Oakwood Garden Associates and American General Life Insurance Company and the assignment of Oakwood Garden Associates, L.L.C.'s rights and obligations under the Mortgage to East Coast Oakwood Village LLC will not affect any employees of OVSA and will not adversely impact OVSA itself because OVSA's involvement is incidental to the much larger transaction; and

5. The Pledge and Security Agreement between Oakwood Residential, Et al. and American General Life Insurance Company and the assumption by Petitioner of Oakwood Apartments, L.L.C.'s rights and obligations under the Pledge will not affect any employees of OVSA and will not adversely impact OVSA itself because OVSA's involvement is incidental to the much larger transaction.

The Board HEREBY ORDERS the following subject to the conditions set forth below:

Pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, the Board HEREBY APPROVES the change in control of Oakwood Village Sewerage Associates, L.L.C. by Petitioner East Coast Oakwood Village Apartments L.L.C.'s acquisition from Oakwood Apartments L.L.C. of a one-hundred percent (100%) membership interest in Oakwood Village Sewerage Associates, L.L.C.

The Board, pursuant to N.J.S.A. 48:3-7, FURTHER APPROVES the Mortgage between Oakwood Garden Associates, L.L.C. and American General Life Insurance Company, now as if at the time of the Mortgage, and the assignment of Oakwood Garden Associates , L.L.C.'s rights and obligations under the Mortgage to East Coast Oakwood Village L.L.C. The Board, pursuant to N.J.S.A. 48:3-7 also approves Pledge and Security Agreement between Oakwood Residential Corp., et al and American General Life Insurance Company, now as if at the time of the Pledge, and the assumption by Petitioner of Oakwood Apartments, L.L.C.'s rights and obligations under the Pledge.

Petitioner is HEREBY DIRECTED to advise the Board in writing of its acquisition of a one-hundred percent (100%) membership interest in Oakwood Village Sewerage Associates, L.L.C.,

the assumption of East Coast Oakwood Village LLC of the rights and obligations under the Mortgage, and Petitioner's assumption of the rights and obligations under the Pledge within two weeks of their occurrence.

This Order is subject to the following conditions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by Oakwood Village Sewerage Associates, L.L.C.; and

2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matters affecting Oakwood Village Sewerage Associates, L.L.C.

3. OVSA shall seek prior approval from the Board for all future financings which encumber its property, franchises, privileges or rights, or any part thereof pursuant to N.J.S.A. 48:3-7; and shall seek approval from the Board prior to issuing any indebtedness payable more than twelve months after the date of the original instrument pursuant to N.J.S.A. 48:3-

4. No action may be taken by the Mortgagee , or any other secured party, to enforce any lien on the mortgage of OVSA until all necessary Board approvals have been obtained. Any documentation of the pledge of property, franchises, privileges or rights of OVSA shall note this requirement.

DATED: 9/14/07

BOARD OF PUBLIC UTILITIES
BY:

JEANNE M. FOX
PRESIDENT

FREDERICK F. BUTLER
COMMISSIONER

JOSEPH L. FIORDALISO
COMMISSIONER

CHRISTINE V. BATOR
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

SERVICE LIST

East Coast Oakwood Apartments Sewage, LLC for Approval of a Transfer of Control of Oakwood Village Sewerage Associates L.L.C
BPU Dkt. No. WM07070535

The Honorable Kristi Izzo, Secretary
NJ Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

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Division of Rate Counsel
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Alex Moreau Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
P.O. Box 45029
Newark, NJ 07101

E

THIS LEASE, Made this 1st day of July 2003 by and between OAKWOOD APARTMENTS, L.L.C., with offices at 18 Columbia Turnpike, Florham Park, New Jersey 07932 (hereinafter called "Lessor"), and OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C., with offices at 26 Columbia Turnpike, Florham Park, New Jersey (hereinafter called "Lessee").

WITNESSETH:

That in consideration of the respective covenants, conditions and agreements herein contained, it is agreed by and between Lessor and Lessee as follows:

I. Lessor does hereby demise and lease subject to the provisions hereinafter set forth unto Lessee, its successors and assigns, all that certain tract or parcel of land and improvements located thereon located in the Township of Mount Olive, Morris County, New Jersey, as particularly described on Schedule "A", annexed hereto.

TOGETHER WITH all buildings, rights, equipment, alleys, ways and appurtenances thereunto belonging or in anywise appertaining; said property and rights being hereinafter collectively called "the Premises".

II. TO HAVE AND TO HOLD the aforesaid Premises unto Lessee, its successors and assigns, subject to the provisions of this Lease, for a term of ninety nine (99) years beginning on the date hereof.

III. Lessee, its successors and assigns, covenants and agrees to pay to Lessor as minimum rental for the Premises the sum of One Dollar ($1.00) per year, said rental to be payable annually on the anniversary date of this lease.

IV. Lessor does hereby grant unto Lessee the right of occupying and using the Premises for the purpose of a sewerage pump station and force main and related facilities hereinafter "the Sewer Facilities".

Lessee may not improve, add to, change, raze, alter or handle the Premises without Lessor's prior consent.

It is understood and agreed that any buildings and driveways erected, constructed, or built upon the Premises shall upon the termination of this Lease remain the property of Lessor.

It is further understood and agreed that all equipment, signs, advertising devices, floodlights and other trade fixtures installed under the authority of Lessor herein granted shall always be and remain the personal property of Lessor and may not be removed by Lessee at any time. Lessee shall be responsible for the maintenance and repair of the Sewer Facilities. Lessor shall be responsible for the maintenance, repair and replacement of the gravity mains. Lessor shall also be responsible for the replacement of the pump station equipment parts and building components.

V. Lessee covenants and agrees, at Lessee's sole cost and expense, promptly to make such repairs to the Premises as may be required from time to time, and subject to the provisions of Paragraph IV above, peaceably and quietly to quit and surrender the Premises to Lessor at the end of the term of this Lease, or any renewal hereof, in good condition, ordinary wear and tear and casualty excepted. It shall be the duty of Lessee to keep the Premises free from ice and snow, trash and litter and to maintain, by cutting at reasonable intervals, the adjacent grass areas, if any.

In the event any of the buildings or improvements upon the Premises shall be totally or partially damaged or destroyed by fire or otherwise, Lessee shall promptly restore such buildings and improvements, whether or not the insurance carried by Lessee be adequate or in force. In the event Lessee fails to commence promptly and proceed with due diligence to complete the restoration of the buildings and improvements, Lessor shall have the right to make such repair and replacements at the expense of the Lessee. There shall be no rental abatement during the period of any reconstruction of the Premises as a result of any damage destruction thereto except as herein specifically provided. Lessee shall reimburse Lessor for the cost of any repairs or replacements made by Lessor as additional rent within ten (10) days after the completion of such repairs and submission of bills therefore to the Lessee.

Lessor covenants and agrees that Lessee, its successors and assigns, upon payment of the rent and performance of the covenants herein contained, shall and may peaceably and quietly have, hold and enjoy the Premises during the term of this Lease or of any renewal hereof, as the case may be.

Lessor further covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts and papers as may be necessary for the better assuring unto Lessee, its successors and assigns, of the performance of all the covenants and agreements herein contained.

VI. Lessor shall have the right, at its option, to terminate this Lease if the licenses, permits and franchises, or any of them for maintaining and operating a Sewer Facility upon the Premises shall be revoked or any renewal thereof be denied by any duly constituted public authority without fault on the part of the

successors and assigns, or if the Lessee shall be otherwise prevented, without fault on the part of the Lessee, its successors and assigns, from operating its Sewer Facilities upon the Premises.

VII. Lessee covenants promptly to comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State, County and local governments and of any and all their departments, bureaus and agencies applicable to said Premises, or to the operation thereon of Sewer Facilities.

Lessee further covenants and agrees to operate the Sewer Facilities upon the Premises continuously and uninterruptedly throughout the term.

VIII. Lessee shall, during the term of this Lease, or any renewal thereof, carry and pay the cost of fire, extended coverage and vandalism and malicious mischief insurance on all improvements on the Premises for a sum not less than one hundred percent (100%) of the full insurable value of the improvements thereon and environmental insurance. Certificates of such polices shall be delivered to Lessor and/or Lessor's first institutional mortgagee. Said policy shall have an endorsement thereon to the benefit of Lessor and Lessor's first institutional mortgagee covering its interest as the same shall appear in relation to any claim thereunder. In the event the Lessee fails to carry or pay for the aforesaid insurance, which failure shall constitute an event of default, Lessor may, at its option, take out such insurance and make any payments therefore for the account of Lessee and charge the same as additional rent payable by Lessee hereunder.

Lessee agrees to indemnify Lessor and save Lessor harmless from any and all liability, loss or damage by reason of any injury or damage to any person or persons or

to any property belonging to Lessee or any other person or persons occurring in or about the Premises or on the sidewalks and curbs adjacent thereto whether caused by fire or other casualty or from the elements or from any injury or damage which may arise from any other cause whatsoever in on or about the said Premises.

Lessee further covenants and agrees to furnish Lessor with a Certificate of Insurance evidencing public liability insurance naming the Lessor as a joint assured covering injury to one person in the sum of One Million ($1,000,000.00) Dollars and injury to two or more persons in the sum of Three Million ($3,000,000.00) Dollars and property damage in the sum of Two Hundred Fifty Thousand ($250,000.00) Dollars. Lessee shall additionally provide insurance to protect against environmental damage or loss as a result of the Sewer Facilities operations. These limits are subject to future increases as may be commercially reasonable as determined by lessor.

Lessee agrees to furnish Lessor with certificates of the fire, extended coverage and vandalism and malicious mischief insurance and liability insurance.

Wherever in this Lease Lessee is required to supply to the Lessor certificates of insurance, Lessee may, temporarily in lieu thereof, supply binders for such insurance evidencing the existence of the coverage, the nature and amount of the coverage, the existence of a mortgage endorsement, if any, but Lessee will use its best efforts to obtain the issuance of a policy or certificate itself as soon as possible.

IX. Lessor agrees to pay all taxes, assessments, excises, levies, fees and charges of every character, whether general or special, ordinary or extraordinary, or foreseen or unforeseen (including all interest and penalties thereon), which at any time during the term of this Lease may be assessed, levied or imposed against or in respect of

the Premises or on any rents therefrom, other than income or franchise tax of the Lessee. Lessee agrees to pay all licenses, fees, franchise taxes and other taxes imposed for the carrying on of the business of the Lessee at the Premises.

X. Lessee shall have no right or power to and Lessee shall not in any way encumber the title of Lessor in and to the Premises, nor shall the fee simple estate of Lessor therein be in any way subject to any claim by way of lien, or otherwise, whether arising by operation of law, by express or implied contract or in any other manner, and any such encumbrance or claim by way of lien or otherwise upon the Premises whether arising by operation of law, by any act or omission of Lessee or in any other manner, shall accrue only against the leasehold estate of Lessee and shall in all respects be subject to the paramount rights of Lessor in and to the Premises.

XI. In the event of any change in grade of any streets, alleys or highways abutting the Premises, or the condemnation of the whole or any part of that portion of the Premises which shall render the Premises, or such portion thereof as shall remain after such condemnation, unsuitable for the purpose of Sewer Facilities or materially adversely affect the use of the property, Lessee may, at its option, terminate this Lease, in which event all liability on the part of the Lessee shall cease or Lessee may continue in possession of the remaining portion of the Premises. Lessee's option to terminate this Lease or to continue in possession of the remaining portion of the Premises must be exercised within one hundred twenty (120) days following completion of all work incident to the change in grade or condemnation as provided in this subparagraph.

In the event of any such condemnation proceeding, or other taking of the parcel comprising the Premises, or any part thereof, Lessor shall have any and all right or

rights of action against any public or private authority that shall institute and prosecute such condemnation proceeding for all damages which may accrue to Lessor or Lessee by reason of any loss, damage or injury to any of its property (including buildings and improvements constructed by Lessee) that shall then be in, on, under or about the Premises. It is expressly understood, however, that Lessee shall not participate in any award or damages for a taking of the land or improvements.

XII. Lessor shall exerts its best efforts to cause the holder of any mortgage now existing upon the Premises to enter into a written agreement with Lessee under which Lessee will agree to attorn to such mortgagee, or to a purchaser at foreclosure sale in the event of a mortgage foreclosure; and such mortgagee or purchaser will agree to recognize Lessee's rights under this Lease, notwithstanding a mortgage foreclosure so long as Lessee performs and observes its obligations under this Lease. ("Attornment/Non-Disturbance Agreement").

Provided it and any purchaser at foreclosure agrees in writing to recognize Lessee's rights under this Lease, so long as Lessee observes and performs its obligations hereunder, the holder of any mortgage hereafter placed upon the Premises, Lessee shall have the right to elect, at any time, whether this Lease shall be subordinate to the operation and effect of such mortgage or superior thereto including the exclusive right to the use of insurance proceeds for the restoration of the Sewer Facilities, without the necessity in either case for execution by Lessee of any instrument other than this Lease, and such election shall be binding upon Lessee. If however, the holder of the mortgage or any purchaser at any foreclosure sale thereunder desires to confirm the effect of this

provision, the Lessee shall execute an attornment or subordination agreement in form satisfactory to such holder or purchaser upon request.

XIII. The leasehold estate of Lessee may not be mortgaged or assigned during the term of this Lease.

XIV. If Lessee defaults in the payment of rent or additional rent payable under this Lease and such default continues for more than fifteen (15) days after written notice thereof; or if Lessee defaults in the performance or observance of any term, covenant or condition to be performed by it hereunder, which may be performed merely by the payment of money and such default shall not be cured within fifteen (15) days after written notice; or if the Lessee defaults in the performance or observance of any other term, covenant or condition of this Lease on its part to be performed or observed and does not commence to rectify such default within thirty (30) days after written notice thereof, or does not thereafter diligently complete a correction of any default hereunder; then, in any such event, Lessor may, at is option, (i) terminate this Lease and reenter the Premises without application to or process of law and without liability for any entry by force; or (ii) reenter the Premises in the aforesaid manner without terminating this Lease and relet the Premises as agent for Lessee, and such agency shall be deemed as a power coupled with interest and shall be irrevocable; and in either such event, Lessor shall be entitled to the benefit of all provisions of the public general laws of New Jersey respecting the summary eviction of tenants in default of enforceable entry and detainer.

XV. No notice hereunder shall be sufficient unless in writing and if to Lessor, sent by registered or certified mail, addressed to C/O Westminster Management, L.L.C., 26 Columbia Turnpike, Florham Park, New Jersey 07932, and if to Lessee, sent

by registered or certified mail, addressed to it at C/O Westminster Management, L.L.C., 26 Columbia Turnpike, Florham Park, New Jersey 07932. Either party may change its place of notice by giving notice as provided in this Paragraph. Any notice hereunder shall be deemed delivered when hand delivered, delivered by recognized overnight courier or when deposited in a United States general or branch post office enclosed in a registered or certified prepaid wrapper, addressed as hereinabove provided.

XVI. Rentals hereunder shall be paid to Lessor at the address set forth in Paragraph XV above unless the same shall be changed by Lessor as provided in Paragraph XV.

Lessee shall not be bound by any assignment or change in interest of Lessor, whether recorded or unrecorded until Lessee shall receive notice of such assignment, it being distinctly understood and agreed that until such actual notice is received by Lessee, payment to Lessor, as herein provided, shall be sufficient receipt to Lessee for any payment made by Lessee during the occupancy of the Premises.

XVII. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by Lessee of any provision of this Lease. The failure of Lessor to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Lessor of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision of this Lease shall be deemed to have

been made unless expressed in writing and signed by Lessor. In addition to the other remedies in this Lease provided, Lessor shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions and provisions of this Lease.

XVIII. Each party covenants, warrants and represents to the other party that there was no broker instrumental in negotiating or consummating this Lease and that no conversations or prior negotiations were had with any broker concerning the leasing of the Premises. Each party agrees to hold the other party harmless from and against any claims for brokerage commission arising out of any conversations or negotiations had by that party with any broker.

XIX. This Lease shall be of no binding effect as to either party hereof unless and until signed by an officer thereof, and except as herein expressly otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding on either party unless in writing and signed by an officer of each party hereto.

XX. The terms, covenants and conditions of this Lease shall be binding upon, and inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors and assigns, and shall run with the land.

XXI. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed, and their respective seals affixed thereto, the day and year first written above.

LESSOR

OAKWOOD APARTMENTS, L.L.C.

By: Oakwood G. Corp., its Managing Member

By: _____
Jeffrey Freireich, Vice President

LESSEE

OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.

By: Oakwood Apartments, L.L.C., its Manager

By: Oakwood G. Corp., its Managing Member

By: _____
Jeffrey Freireich, Vice President

SCHEDULE A

DESCRIPTION OF PREMISES

The existing sewerage treatment plant, including the building and plant equipment, the septic fields, appurtenant parking and access, together with the right to flow sewerage to the plant through the existing sewer mains, all located in an apartment complex known as Oakwood Village, on Lot 11 in Block 23, Township of Mount Olive, County of Morris and the State of New Jersey.

F

THIS LEASE, Made this 1st day of July, 2003 by and between DARA ESTATES HOMEOWNERS ASSOCIATION, INC., with offices at 18 Columbia Turnpike, Florham Park, New Jersey 07932 (hereinafter called "Lessor"), and OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C., with offices at 18 Columbia Turnpike, Florham Park, New Jersey (hereinafter called "Lessee").

WITNESSETH:

That in consideration of the respective covenants, conditions and agreements herein contained, it is agreed by and between Lessor and Lessee as follows:

I. Lessor does hereby demise and lease subject to the provisions hereinafter set forth unto Lessee, its successors and assigns, all that certain tract or parcel of land and improvements located thereon located in the Township of Mount Olive, Morris County, New Jersey, as particularly described on Schedule "A", annexed hereto.

TOGETHER WITH all buildings, rights, equipment, alleys, ways and appurtenances thereunto belonging or in anywise appertaining; said property and rights being hereinafter collectively called "the Premises".

II. TO HAVE AND TO HOLD the aforesaid Premises unto Lessee, its successors and assigns, subject to the provisions of this Lease, for a term of ninety nine (99) years beginning on the date hereof.

III. Lessee, its successors and assigns, covenants and agrees to pay to Lessor as minimum rental for the Premises the sum of One Dollar ($1.00) per year, said rental to be payable annually on the anniversary date of this lease.

IV. Lessor does hereby grant unto Lessee the right of occupying and using the Premises for the purpose of a sewerage pump station and force main and related facilities hereinafter "the Sewer Facilities".

Lessee may not improve, add to, change, raze, alter or handle the Premises without Lessor's prior consent.

It is understood and agreed that any buildings and driveways erected, constructed, or built upon the Premises shall upon the termination of this Lease remain the property of Lessor.

It is further understood and agreed that all equipment, signs, advertising devices, floodlights and other trade fixtures installed under the authority of Lessor herein granted shall always be and remain the personal property of Lessor and may not be removed by Lessee at any time. Lessee shall be responsible for the maintenance and repair of the Sewer Facilities. Lessor shall be responsible for the maintenance, repair and replacement of the gravity mains. Lessor shall also be responsible for the replacement of the pump station equipment parts and building components.

V. Lessee covenants and agrees, at Lessee's sole cost and expense, promptly to make such repairs to the Premises as may be required from time to time, and subject to the provisions of Paragraph IV above, peaceably and quietly to quit and surrender the Premises to Lessor at the end of the term of this Lease, or any renewal hereof, in good condition, ordinary wear and tear and casualty excepted. It shall be the duty of Lessee to keep the Premises free from ice and snow, trash and litter and to maintain, by cutting at reasonable intervals, the adjacent grass areas, if any.

In the event any of the buildings or improvements upon the Premises shall be totally or partially damaged or destroyed by fire or otherwise, Lessee shall promptly restore such buildings and improvements, whether or not the insurance carried by Lessee be adequate or in force. In the event Lessee fails to commence promptly and proceed with due diligence to complete the restoration of the buildings and improvements, Lessor shall have the right to make such repair and replacements at the expense of the Lessee. There shall be no rental abatement during the period of any reconstruction of the Premises as a result of any damage destruction thereto except as herein specifically provided. Lessee shall reimburse Lessor for the cost of any repairs or replacements made by Lessor as additional rent within ten (10) days after the completion of such repairs and submission of bills therefore to the Lessee.

Lessor covenants and agrees that Lessee, its successors and assigns, upon payment of the rent and performance of the covenants herein contained, shall and may peaceably and quietly have, hold and enjoy the Premises during the term of this Lease or of any renewal hereof, as the case may be.

Lessor further covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts and papers as may be necessary for the better assuring unto Lessee, its successors and assigns, of the performance of all the covenants and agreements herein contained.

VI. Lessor shall have the right, at its option, to terminate this Lease if the licenses, permits and franchises, or any of them for maintaining and operating a Sewer Facility upon the Premises shall be revoked or any renewal thereof be denied by any duly constituted public authority without fault on the part of the Lessee, its

successors and assigns, or if the Lessee shall be otherwise prevented, without fault on the part of the Lessee, its successors and assigns, from operating its Sewer Facilities upon the Premises.

VII. Lessee covenants promptly to comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State, County and local governments and of any and all their departments, bureaus and agencies applicable to said Premises, or to the operation thereon of Sewer Facilities.

Lessee further covenants and agrees to operate the Sewer Facilities upon the Premises continuously and uninterruptedly throughout the term.

VIII. Lessee shall, during the term of this Lease, or any renewal thereof, carry and pay the cost of fire, extended coverage and vandalism and malicious mischief insurance on all improvements on the Premises for a sum not less than one hundred percent (100%) of the full insurable value of the improvements thereon and environmental insurance. Certificates of such polices shall be delivered to Lessor and/or Lessor's first institutional mortgagee. Said policy shall have an endorsement thereon to the benefit of Lessor and Lessor's first institutional mortgagee covering its interest as the same shall appear in relation to any claim thereunder. In the event the Lessee fails to carry or pay for the aforesaid insurance, which failure shall constitute an event of default, Lessor may, at its option, take out such insurance and make any payments therefore for the account of Lessee and charge the same as additional rent payable by Lessee hereunder.

Lessee agrees to indemnify Lessor and save Lessor harmless from any and all liability, loss or damage by reason of any injury or damage to any person or persons or

to any property belonging to Lessee or any other person or persons occurring in or about the Premises or on the sidewalks and curbs adjacent thereto whether caused by fire or other casualty or from the elements or from any injury or damage which may arise from any other cause whatsoever in on or about the said Premises.

Lessee further covenants and agrees to furnish Lessor with a Certificate of Insurance evidencing public liability insurance naming the Lessor as a joint assured covering injury to one person in the sum of One Million ($1,000,000.00) Dollars and injury to two or more persons in the sum of Three Million ($3,000,000.00) Dollars and property damage in the sum of Two Hundred Fifty Thousand ($250,000.00) Dollars. Lessee shall additionally provide insurance to protect against environmental damage or loss as a result of the Sewer Facilities operations. These limits are subject to future increases as may be commercially reasonable as determined by the Lessor.

Lessee agrees to furnish Lessor with certificates of the fire, extended coverage and vandalism and malicious mischief insurance and liability insurance.

Wherever in this Lease Lessee is required to supply to the Lessor certificates of insurance, Lessee may, temporarily in lieu thereof, supply binders for such insurance evidencing the existence of the coverage, the nature and amount of the coverage, the existence of a mortgage endorsement, if any, but Lessee will use its best efforts to obtain the issuance of a policy or certificate itself as soon as possible.

IX. Lessor agrees to pay all taxes, assessments, excises, levies, fees and charges of every character, whether general or special, ordinary or extraordinary, or foreseen or unforeseen (including all interest and penalties thereon), which at any time during the term of this Lease may be assessed, levied or imposed against or in respect of

the Premises or on any rents therefrom, other than income or franchise tax of the Lessee. Lessee agrees to pay all licenses, fees, franchise taxes and other taxes imposed for the carrying on of the business of the Lessee at the Premises.

X. Lessee shall have no right or power to and Lessee shall not in any way encumber the title of Lessor in and to the Premises, nor shall the fee simple estate of Lessor therein be in any way subject to any claim by way of lien, or otherwise, whether arising by operation of law, by express or implied contract or in any other manner, and any such encumbrance or claim by way of lien or otherwise upon the Premises whether arising by operation of law, by any act or omission of Lessee or in any other manner, shall accrue only against the leasehold estate of Lessee and shall in all respects be subject to the paramount rights of Lessor in and to the Premises.

XI. In the event of any change in grade of any streets, alleys or highways abutting the Premises, or the condemnation of the whole or any part of that portion of the Premises which shall render the Premises, or such portion thereof as shall remain after such condemnation, unsuitable for the purpose of Sewer Facilities or materially adversely affect the use of the property, Lessee may, at its option, terminate this Lease, in which event all liability on the part of the Lessee shall cease or Lessee may continue in possession of the remaining portion of the Premises. Lessee's option to terminate this Lease or to continue in possession of the remaining portion of the Premises must be exercised within one hundred twenty (120) days following completion of all work incident to the change in grade or condemnation as provided in this subparagraph.

In the event of any such condemnation proceeding, or other taking of the parcel comprising the Premises, or any part thereof, Lessor shall have any and all right or

rights of action against any public or private authority that shall institute and prosecute such condemnation proceeding for all damages which may accrue to Lessor or Lessee by reason of any loss, damage or injury to any of its property (including buildings and improvements constructed by Lessee) that shall then be in, on, under or about the Premises. It is expressly understood, however, that Lessee shall not participate in any award or damages for a taking of the land or improvements.

XII. Lessor shall exerts its best efforts to cause the holder of any mortgage now existing upon the Premises to enter into a written agreement with Lessee under which Lessee will agree to attorn to such mortgagee, or to a purchaser at foreclosure sale in the event of a mortgage foreclosure; and such mortgagee or purchaser will agree to recognize Lessee's rights under this Lease, notwithstanding a mortgage foreclosure so long as Lessee performs and observes its obligations under this Lease. ("Attornment/Non-Disturbance Agreement").

Provided it and any purchaser at foreclosure agrees in writing to recognize Lessee's rights under this Lease, so long as Lessee observes and performs its obligations hereunder, the holder of any mortgage hereafter placed upon the Premises, Lessee shall have the right to elect, at any time, whether this Lease shall be subordinate to the operation and effect of such mortgage or superior thereto including the exclusive right to the use of insurance proceeds for the restoration of the Sewer Facilities, without the necessity in either case for execution by Lessee of any instrument other than this Lease, and such election shall be binding upon Lessee. If however, the holder of the mortgage or any purchaser at any foreclosure sale thereunder desires to confirm the effect of this

provision, the Lessee shall execute an attornment or subordination agreement in form satisfactory to such holder or purchaser upon request.

XIII. The leasehold estate of Lessee may not be mortgaged or assigned during the term of this Lease.

XIV. If Lessee defaults in the payment of rent or additional rent payable under this Lease and such default continues for more than fifteen (15) days after written notice thereof; or if Lessee defaults in the performance or observance of any term, covenant or condition to be performed by it hereunder, which may be performed merely by the payment of money and such default shall not be cured within fifteen (15) days after written notice; or if the Lessee defaults in the performance or observance of any other term, covenant or condition of this Lease on its part to be performed or observed and does not commence to rectify such default within thirty (30) days after written notice thereof, or does not thereafter diligently complete a correction of any default hereunder; then, in any such event, Lessor may, at is option, (i) terminate this Lease and reenter the Premises without application to or process of law and without liability for any entry by force; or (ii) reenter the Premises in the aforesaid manner without terminating this Lease and relet the Premises as agent for Lessee, and such agency shall be deemed as a power coupled with interest and shall be irrevocable; and in either such event, Lessor shall be entitled to the benefit of all provisions of the public general laws of New Jersey respecting the summary eviction of tenants in default of enforceable entry and detainer.

XV. No notice hereunder shall be sufficient unless in writing and if to Lessor, sent by registered or certified mail, addressed to C/O Westminster Management, L.L.C., 26 Columbia Turnpike, Florham Park, New Jersey 07932, and if to Lessee, sent

by registered or certified mail, addressed to it at C/O Westminster Management, L.L.C., 26 Columbia Turnpike, Florham Park, New Jersey 07932. Either party may change its place of notice by giving notice as provided in this Paragraph. Any notice hereunder shall be deemed delivered when hand delivered, delivered by recognized overnight courier or when deposited in a United States general or branch post office enclosed in a registered or certified prepaid wrapper, addressed as hereinabove provided.

XVI. Rentals hereunder shall be paid to Lessor at the address set forth in Paragraph XV above unless the same shall be changed by Lessor as provided in Paragraph XV.

Lessee shall not be bound by any assignment or change in interest of Lessor, whether recorded or unrecorded until Lessee shall receive notice of such assignment, it being distinctly understood and agreed that until such actual notice is received by Lessee, payment to Lessor, as herein provided, shall be sufficient receipt to Lessee for any payment made by Lessee during the occupancy of the Premises.

XVII. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by Lessee of any provision of this Lease. The failure of Lessor to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Lessor of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision of this Lease shall be deemed to have

been made unless expressed in writing and signed by Lessor. In addition to the other remedies in this Lease provided, Lessor shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions and provisions of this Lease.

XVIII. Each party covenants, warrants and represents to the other party that there was no broker instrumental in negotiating or consummating this Lease and that no conversations or prior negotiations were had with any broker concerning the leasing of the Premises. Each party agrees to hold the other party harmless from and against any claims for brokerage commission arising out of any conversations or negotiations had by that party with any broker.

XIX. This Lease shall be of no binding effect as to either party hereof unless and until signed by an officer thereof, and except as herein expressly otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding on either party unless in writing and signed by an officer of each party hereto.

XX. The terms, covenants and conditions of this Lease shall be binding upon, and inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors and assigns, and shall run with the land.

XXI. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed, and their respective seals affixed thereto, the day and year first written above.

LESSOR

DARA ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____
Jeffrey Freireich, Vice President

LESSEE

OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.

By: Oakwood Apartments, L.L.C., its Manager

By: Oakwood G. Corp., its Managing Member

By: _____
Jeffrey Freireich, Vice President

SCHEDULE A

DESCRIPTION OF PREMISES

A sewer pumping station to be constructed, including the building and equipment, appurtenant parking and access, together with the right to flow sewerage to the pump station through sewer mains to be constructed and from the pump station to the existing sewer mains in the apartment complex known as Oakwood Village, all located on a major subdivision and easements appurtenant thereto in the Township of Mount Olive, County of Morris, State of New Jersey, known as Dara Estates as shown on map number 5678 filed in the Morris County Clerk's Office on January 18, 2002.

G

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

Operations and Maintenance Contract

between

Applied Water Management, Inc.

and

East Coast Oakwood Village LLC

For

Operations and Maintenance of the Oakwood Village WWTP

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

This Operations and Maintenance Contract ("Contract") is entered into as of the 1st day of February, 2013 by and between Applied Water Management, Inc., a corporation organized and existing under the laws of the State of New Jersey and having its principal place of business at 2 Clerico Lane, Hillsborough, NJ 08844 ("AWM") and East Coast Oakwood Village LLC, a corporation organized and existing under the laws of the State of NJ and having its principal place of business at 77 Oakwood Village Dr Flanders NJ 07836 ("Owner").

I. RECITALS AND DEFINITIONS

1. Recitals. Owner represents the owner and is responsible for the operation of a wastewater treatment system located at The Oakwood Village Apartments in Flanders, NJ. The wastewater treatment system consists of a wastewater treatment plant, pump station and related facilities and equipment, all of which are more particularly described in Schedule A attached hereto (the "Facility").

Owner has determined that (a) it is in the Owner's best interests to contract with AWM to manage, operate and maintain the Facility, and (b) the Owner has the legal authority pursuant to state and local rules, regulations and statutes to enter into this Contract.

2. Definitions. For purposes of this Contract, the following definitions shall apply:

(a) "Acceptable Effluent" means the treated liquid and gaseous byproduct from the wastewater treatment processes of the Facility that complies with all applicable guidelines and criteria under Applicable Laws and regulations for such byproduct substances.

(b) "Acceptable Influent" means domestic, commercial, institutional, industrial and other wastewater received at the Facility in quantities not exceeding the design capacity of the Facility, and which does not include any substances or contaminants that the Facility is not currently designed to treat or is capable of treating to the standards required for Acceptable Effluent as set forth in this Contract.

(c) "Applicable Law" means any federal, state or local statute, local charter provision, regulation, ordinance, rule, mandate, order, decree, permit, code or license requirement or other governmental requirement or restriction, or any interpretation or administration of any of the foregoing by any governmental authority, which applies to the services or obligations of either party under this Contract.

(d) "Capital Improvement" means the purchase and installation of new equipment, structures or other Facility items, or rehabilitation of existing structures, which are planned and non-routine.

(e) "Change in Law" means the enactment, adoption, amendment, promulgation, issuance, modification, repeal or change of any Applicable Law that takes effect after the execution date of this Contract as first set forth above.

(f) "Emergency Call-Out" means services provided by AWM pursuant to this Contract outside of Working Hours.

(g) "Force Majeure Event" means any act, event, condition or circumstance that (1) is beyond the reasonable control of AWM, (2) by itself or in combination with other acts, events, conditions or circumstances adversely affects, interferes with or delays AWM's ability to perform its obligations under this Contract, expands the scope of AWM's obligations under this Contract, or increases AWM's cost of performing its obligations under this Contract, and (3) is not the direct result of the willful or negligent act, intentional misconduct, or breach of this Contract by AWM.

Subject to clauses (2) and (3) above, a Force Majeure Event shall include, but not be limited to, the following:

(a) a Change in Law;
(b) any injunction or similar order issued by a governmental or regulatory body;
(c) the existence of a concealed or latent environmental condition on the Facility site prior to the date of execution of this Contract;
(d) contamination of the Facility site from groundwater, soil or airborne substances migrating from sources outside of the Facility site;
(e) naturally-occurring events such as earthquakes, hurricanes, tornadoes, floods, fires, landslides, underground movement, lightning, epidemics and other acts of nature;
(f) war, terrorism, explosion, sabotage, extortion, blockade, insurrection, riot, civil disturbance or acts of a declared public enemy;
(g) labor disputes, except labor disputes involving employees of AWM;
(h) the failure of any subcontractor of a party to this Contract to furnish services, materials, chemicals, equipment or otherwise perform its contractual obligations to the party, but only if such failure is the result of an event which would constitute a Force Majeure Event if it affected the party directly;
(i) the failure of any governmental body or private utility having operational jurisdiction in the area in which the Facility is located to provide and maintain utility services (including gas, water, sewer, electric, telephone and telecommunications) to the Facility;
(j) the failure of title to the Facility or the placement of any encumbrance on the Facility;
(k) the receipt of influent other than Acceptable Influent at the Facility;
(l) any breach by a party (other than the party claiming the occurrence of a Force Majeure Event) of its representations, warranties and covenants as set forth in this Contract;
(m) any failure, non-performance or non-compliance by a party (other than the party claiming the occurrence of a Force Majeure Event) with respect to its obligations and responsibilities under this Contract; or
(n) the action of any third party.

(h) "Maintenance" means those routine or repetitive activities, including preventive and predictive

activities, required or recommended by AWM to maximize the service life and performance of the equipment at the Facility and components thereof. Maintenance includes replenishment of consumables, re-establishing working tolerances and cleaning dirt and grime from equipment.

(i) "Repair" means those non-routine and non-repetitive activities required for operational continuity, safety and performance, generally due to failure or to avert a failure of equipment, vehicles, structures, the Facility or some component thereof.

(j) "Replacement" means the complete substitution of a piece of equipment, a component of a piece of equipment, vehicles, structures or a component of the Facility due to wear, breakage or other structural failure in order to return the equipment, vehicle, structure, Facility or component thereof to designed functionality.

(k) "Working Hours" has the meaning set forth in Schedule B.

II. STATED PURPOSE

The Owner and AWM wish to enter into an agreement for the operation, maintenance and management of the Facility, and the parties have reached agreement on the terms and conditions for AWM to provide the services set forth below to Owner. In consideration of the mutual rights, duties, agreements and covenants contained herein, and agreeing to be legally bound thereby, the Owner and AWM agree as follows:

III. TERM OF AGREEMENT

AWM shall provide services to Owner under this Contract beginning on February 01, 2013 (the "Commencement Date") and continuing until January 31st, 2016 ("Term"), unless the Contract is earlier terminated as herein provided.

IV. SCOPE OF SERVICES

Throughout the Term of this Contract, AWM shall, in accordance with Applicable Law, provide the services set out in Schedule B attached hereto, as may be amended from time to time by mutual agreement of the parties (the "Basic Services"). AWM shall provide the Basic Services at its cost and expense, including costs for personnel, in consideration for which the Owner shall pay AWM the "Base Monthly Fee" as set forth in Schedule E. In addition to the Basic Services, AWM shall be responsible for providing the goods and services set forth in Schedule C ("Additional Services"), in consideration for which the Owner shall pay AWM the "Additional Services Fees and Costs" related thereto as set forth in Schedule C. AWM shall not be required to perform any services necessary to operate the Facility other than the Basic Services and the Additional Services, or pay any costs related thereto, including, without limitation, those services, costs and expenses set out in Schedule D attached hereto (the "Excluded Services"). The Owner shall be responsible for providing all Excluded Services at its sole cost and expense.

1. Certified Personnel and Subcontractors. AWM shall provide the Basic Services under the direct supervision of AWM personnel, who possess valid wastewater operator certifications as required by the State of New Jersey, or if no such certification is required, by qualified personnel. Owner acknowledges and agrees that AWM may retain subcontractors to assist AWM in the performance of the Basic Services and the Additional Services. The use of subcontractors shall not relieve AWM of its responsibility or obligations under this Contract. AWM will require any such subcontractor to follow procedures for services hereunder applicable to AWM.

2. Insurance.

(a) AWM will provide Workers Compensation Insurance on its employees at the statutory limit for the State of New Jersey. AWM shall provide Owner with a certificate or certificates, or other evidence reasonably satisfactory to Owner, of the foregoing insurance coverage.

AWM will procure and maintain, in full force and effect during the term of this Contract a policy of General Liability Insurance, in the amount of $1,000,000 per occurrence combined single limit (no aggregate), along with an excess liability umbrella policy of $1,000,000 per occurrence, protecting AWM and its subcontractors from liability resulting from bodily injury, death and property damage arising out of the acts of AWM or its subcontractors. Such acquired insurance shall extend to liability risks relating to this Contract. AWM shall furnish Owner with a certificate or certificates, or other evidence reasonably satisfactory to Owner, of the foregoing insurance coverage.

(b) AWM shall not be required to carry, and will not carry any property insurance covering the Facility and that such property insurance shall be the responsibility of Owner at its expense.

3. Records. All regulatory records relating to the Facility are the property of the Owner, however, AWM shall be entitled to copies of such records and reasonable use thereof. AWM shall retain ownership of its business records and the Owner shall have no right to view or obtain copies of such business records.

4. Fines and Penalties.

(a) AWM shall be responsible for all fines and penalties relating to and arising from failure of AWM to operate the Facility in accordance with its obligations hereunder, but only to the extent of and in proportion to the degree of fault, failure or negligence of AWM. Owner shall be responsible for all other fines and penalties relating to and arising from the Facility, including, without limitation, the failure by Owner to perform its obligations hereunder.

(b) If a fine or penalty is assessed against AWM and/or the Owner with regard to the Facility, the party receiving such fine or penalty (the "Notifying Party") shall promptly notify the other party (the "Receiving Party") in writing of such fine and penalty and include a copy of any documents received. Such notice shall also contain a statement of the Notifying Party's position on which party or parties bear

responsibility for the fine or penalty. The Notifying Party's notice shall include assumption of all or partial responsibility of such fine or penalty, if applicable, or its rejection of any responsibility. If the notice asserts that the Receiving Party is either wholly or partially responsible, then, within five (5) business days of receipt of such notice, the Receiving Party shall either assume all responsibility if that party is wholly responsible, or assume partial responsibility for its portion of such fine or penalty, or reject such assertion in writing. If both parties are partially responsible for the fine or penalty, then they shall apportion the costs of the fine or penalty in proportion to the percentage of their respective responsibility. If either party denies responsibility or the parties are unable to come to a meeting of minds as to allocation of responsibility, the parties shall, in good faith, attempt to resolve the dispute amicably, failing which the parties shall submit the matter to dispute resolution in accordance with Article VI, Section 3.

(c) As to any fine or penalty for which Owner and/or AWM assumes responsibility, the party or parties assuming responsibility shall be entitled to request and pursue an appeal and/or administrative hearing review of the fine or penalty at the sole cost and expense of the responsible party or parties; provided, however, that the parties shall reasonably cooperate in providing prompt access to documents and information, and execution of any consents or authorizations reasonably required. Any testimony, investigations, reports, representation, advisory services provided by AWM are not included in the Basic Services or Additional Services, and will be provided at an additional cost to the Owner, in accordance with AWM's per diem rates then in effect, unless it is ultimately determined that AWM is responsible for the fine or penalty.

(d) As to any fine or penalty for which responsibility is disputed, either Owner or AWM (or jointly) may request and pursue an appeal and/or administrative hearing to review the fine or penalty without prejudice to allocation of ultimate responsibility between them, which would be submitted for resolution in accordance with Article VI, Section 3.

(e) Owner and AWM agree to cooperate in assertion of any appropriate affirmative defenses to any permit violation prior to assessment of a fine or penalty. AWM will prepare and submit the documentation to assert an affirmative defense, with Owner to be responsible for any charges associated therewith as an extra cost item.

5. Permits and Inspections.

Application for the renewal, modification, and payment of charges and fees in connection with any governmental permit, approval or certification for the Facility required by Applicable Law are the sole responsibility of Owner.

6. Safety.

During the term of this Contract, should AWM become aware of any unsafe conditions or safety violations at the Facility arising from the construction or condition of the Facility, it shall notify Owner of such condition within a reasonable time after such discovery. Thereafter, Owner shall determine the actions

needed to correct such conditions and proceed diligently, at its sole cost and expense, to implement such corrective measures. Owner will notify AWM in writing of the steps Owner shall take to correct these conditions and the proposed time for implementing them. Should AWM disagree with the steps or the proposed time to implement the corrective measures, it may notify Owner of such disagreement and the reasons therefore, whereupon the parties agree to consult in good faith to arrive at a mutually agreeable program for safety, upgrades and schedule therefore. Failing such agreement, either party shall have the right to terminate the Contract on thirty (30) days written notice to the other party.

V. COMPENSATION

Commencing on the Commencement Date, the Owner shall pay to AWM a monthly fee for performing the Basic Services, as more particularly set forth in Schedule E (the "Base Monthly Fee"). The Base Monthly Fee will be invoiced monthly by AWM for each year of the Contract Term. AWM will invoice the Additional Services Fees and Costs, in full, as they are incurred by AWM. All invoices submitted by AWM shall be paid by the Owner no later than thirty (30) days after the date of the invoice (for each invoice, the "Due Date"). The "Contract Price" shall mean the sum of (1) the Base Monthly Fee, and (2) the Additional Services Fees and Costs.

The Owner shall also pay AWM for any increase in costs or expenses attributable to (1) a change in the scope of services to be provided by AWM, including any Capital Improvements, as may be agreed to by the parties ("Change in Scope"), and (2) any excise, sales, use, VAT, gross receipts or other tax that may be imposed on AWM in connection with the performance of its obligations under this Contract. The increase in costs or expenses shall be added to the Base Monthly Fee effective upon the date of the Change in Scope, and will be included in the Contract Price. If the parties are unable to agree upon the amount of the increase in costs and expenses attributable to a change in scope, the dispute will be submitted for resolution in accordance with Article VI, Section 3, hereof.

If the Owner disputes any portion of an invoice in good faith, the Owner shall pay to AWM the undisputed portion by the Due Date and shall provide AWM with written notice of such dispute by the Due Date. Such notice shall contain a list of the billings that are disputed and a description of the basis for the Owner's dispute. Disputes will be submitted for resolution in accordance with Article VI, Section 3, hereof. Failure of the Owner to provide timely and detailed written notice of any such dispute will act as a waiver of any defense or justification for failing to pay the full amount of the invoice by the Due Date.

All undisputed portions of an invoice not paid by the Due Date for such invoice shall bear interest at the rate of 1.5% per month from the Due Date. Such interest shall be calculated and added to any unpaid amounts on a monthly basis, but shall not be compounded or treated as recomputed principal.

Notwithstanding any default provision contained hereunder, if Owner fails to pay any undisputed sum due AWM when due, then AWM may without limiting any other remedies that AWM may have under this Contract or Applicable Law, upon five (5) days written notice to Owner, and provided Owner does not

remedy such failure within such five (5) day period, immediately suspend performance of its obligations under this Contract until any and all amounts due AWM, including interest, are paid in full by Owner.

If AWM pursues collection action, Owner will be liable for all costs in connection with collection procedures, including reasonable attorneys' fees.

VI. OTHER PROVISIONS

1. Default.

(a) Events of Default - The following shall constitute "Events of Default" hereunder:

(i) The failure of the Owner to make any payment required hereunder within ten (10) days of notice from AWM that such payment is overdue.

(ii) The failure of either party (the "Defaulting Party") to perform any material term, covenant or condition of this Contract and the default continues for more thirty (30) days following the giving of notice of such default to the Defaulting Party; provided, however, that if and to the extent such default cannot reasonably be cured within such thirty (30) day period, and if the Defaulting Party has diligently attempted to cure the same within such thirty (30) day period and thereafter continues to diligently attempt to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, sixty (60) days.

(b) Termination for Default – If an Event of Default occurs, the non-defaulting party may terminate this Contract immediately upon written notice to the Defaulting Party. The terminating party may enforce any and all rights and remedies it may have against the Defaulting Party under Applicable Law.

2. Representations and Warranties.

(a) AWM and Owner, each with respect to itself, do hereby represent, warrant and covenant to the best of their knowledge, information and belief to each other as follows (such representations, warranties and covenants to be true as of the date of this Contract):

(i) AWM and Owner are authorized to do business and in good standing under the laws of the State of New Jersey, as applicable.

(ii) The persons signing this Contract on behalf of AWM and Owner have the power and authority to execute and deliver this Contract pursuant to the party's respective By-Laws and organizational documents. The execution, delivery and performance of this Contract has been duly authorized and approved by all requisite action.

(iii) The execution and delivery of this Contract and the performance by AWM and Owner of their obligations hereunder (a) does not conflict with or result in a violation of AWM's Articles of Incorporation, By-Laws or other organizational documents, Owner's Certificate of Incorporation, By-Laws, or other organizational documents, or of any applicable governing statute, law or regulation, including without limitation, those governing the operation of a public body corporate (b) shall not violate or result in a default (immediately or with the passage of time) under any agreement, contract or instrument to which AWM or Owner is a party or by which it is or may be bound, and (c) shall not conflict with or violate any order, writ, judgment or decree, issued by a governmental agency having jurisdiction, to which AWM or Owner is subject.

(iv) No additional approval, authorization or other action by, or filing with, any governmental authority is required in connection with the execution and delivery by AWM or Owner of this Contract.

(v) Each the provisions, covenants and obligations contained in this Contract is enforceable by and against the parties under Applicable Law.

(b) Except as set forth in Schedule F, Owner hereby warrants and represents as follows:

(i) That the Facility has been designed and constructed in accordance with all Applicable Law, governmental permits and/or approvals issued therefore.

(ii) That the Facility has the capacity to receive and convey wastewater influent in accordance with Applicable Law and all governmental statutes, regulations, permits and approvals required for same.

(iii) That the Facility is in good working order without any known defect or damage.

(iv) That there are presently no citations, summons, complaints, penalties, actions, suits, investigations or other proceedings pending or threatened against the Owner in connection with the operation or maintenance of the Facility, nor are there any judgments, decrees or orders of any court, governmental or administrative agency against the Owner that may adversely affect the Owner's or AWM's ability to perform its obligations under this Contract.

(v) That all licenses, permits, certificates, approvals, registrations and authorizations necessary for the operation of the Facility by AWM will be obtained and maintained by the Owner and provided by the Owner to AWM.

(vi) That, as of the execution date of this Contract, the operation and maintenance of the Facility is currently in compliance with all licenses, permits, certificates, approvals, registrations and authorizations necessary for the operation of the Facility and all provisions of Applicable Law.

3. Dispute Resolution.

(a) If a dispute between the parties arises out of, or relates to this Contract, which does not involve claims made by or asserted against third parties, and if the dispute cannot be settled through negotiation, the parties agree to try in good faith to settle the dispute by non-binding mediation, through a mutually agreed upon dispute resolution agency.

(b) If a dispute as contemplated by subsection (a) cannot be resolved through non-binding mediation, the parties agree to submit the dispute to binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction in the State of New Jersey.

4. Consequential Damages. In no event shall the parties be liable to each other, and each party specifically waives as against the other, any and all claims for consequential, incidental, indirect, special or punitive damages resulting in any way from performance or non-performance of this Contract, whether such damages are characterized as arising under breach of contract or warranty, tort (including negligence), fault, strict liability, indemnity, or other theory of legal liability.

5. Governing Law. This Contract and its interpretation shall be governed by the laws of the State of New Jersey.

6. Entire Contract. No oral agreement or conversation with any officer, agent or employee of the Owner or AWM, either before or after the execution of this Contract, shall affect or modify any of its terms or obligations herein contained. This Contract constitutes the entire agreement between the parties hereto and supersedes all previous or contemporaneous communications, representations or agreements. No changes, alternations or modifications to this Contract shall be effective unless in writing and signed by both parties hereto. Any changes, alternations or modifications to this Contract, including agreed upon interpretation of meaning and other mutually agreed upon conditions provided for in this Contract, shall be covered by a written amendment signed by both parties.

7. Successors and Assigns. The terms of this Contract shall be binding upon the successors, assigns, and legal representatives in privity of contract with AWM or Owner.

8. Assignment. AWM may assign this Contract with the prior written consent of the Owner, which consent shall not be unreasonably withheld by the Owner; provided, however, that AWM shall not require the consent of the Owner if assignment of this Contract is to an affiliate, subsidiary or related entity of AWM. Owner may assign this Contract with the prior written consent of AWM or its assignee, which consent shall not be unreasonably withheld by AWM.

9. Force Majeure Event Relief. If a Force Majeure Event occurs, AWM shall be entitled to (1) relief from its performance obligations under this Contract to the extent the occurrence of the Force Majeure Event prevents AWM's performance of such obligations, (2) an extension of schedule to perform its obligations

under this Contract to the extent the occurrence of the Force Majeure Event prevents AWM's ability to perform such obligations in the time specified in this Contract, and (3) an increase in the Contract Price or other fee to be paid under this Contract to the extent the occurrence of the Force Majeure Event increases AWM's costs of performance of its obligations under this Contract. The occurrence of a Force Majeure Event shall not, however, excuse or delay Owner's obligation to pay monies previously accrued and owing to AWM under this Contract, or for AWM to perform any obligation under this Contract not affected by the occurrence of the Force Majeure Event. The Owner shall continue to pay the Contract Price to AWM during the continuance of any Force Majeure Event.

Upon the occurrence of a Force Majeure Event, AWM shall notify the Owner in accordance with the notice provisions set forth herein, promptly after AWM first knew of the occurrence thereof, followed within fifteen (15) days by a written description of the Force Majeure Event, the cause thereof (to the extent known), the date the Force Majeure Event began, its expected duration and an estimate of the specific relief requested or to be requested by AWM. AWM shall use all reasonable efforts to reduce costs resulting from the occurrence of the Force Majeure Event, fulfill its performance obligations under the Contract and otherwise mitigate the adverse effects of the Force Majeure Event. While the Force Majeure Event continues, AWM shall give the Owner a monthly update of the information previously submitted. AWM shall also provide prompt written notice to the Owner of the cessation of the Force Majeure Event.

10. Indemnification. AWM shall indemnify and hold Owner, its employees, officers, directors, agents, consultants, contractors and representatives harmless from and against all liability (including attorney fees and costs) for all damages of any nature whatsoever, including employee related injury or illness, any bodily injury or personal damage claim and any damage to or loss of use or loss of any personal or real property, which is caused by or directly attributable to the fault, failure, error, omission, negligent or wrongful act of AWM, its employees, officers, directors, agents, consultants, contractors and representatives for which it may be responsible in the performance or purported performance of its obligations under this Contract, but only to the extent of and in proportion to the degree of fault, failure, error, omission, negligent or wrongful act of AWM, its employees, officers, directors, agents, consultants, contractors and representatives.

Owner shall indemnify and hold AWM, its employees, officers, directors, agents, consultants, contractors and representatives harmless from and against all liability (including attorney fees and costs) for all damages of any nature whatsoever, including any bodily injury or personal damage claim and any damage to or loss of use or loss of any personal or real property, which is caused by or directly attributable to the fault, failure, error, omission, negligent or wrongful act of Owner, its employees, officers, directors, agents, consultants, contractors and representatives for which it may be responsible in the performance or purported performance of its obligations under this Contract, but only to the extent of and in proportion to the degree of fault, failure, error, omission, negligent or wrongful act of Owner, its employees, officers, directors, agents, consultants, contractors and representatives.

AWM shall not be responsible or liable for any casualty loss to the Facility unless and only to the extent such loss is due to its negligence.

11. Limitation of Liability. Notwithstanding any other term in the Agreement, in no event shall AWM's total liability to the Owner and any of the Owner's officers, directors, employees, agents, contractors or subcontractors for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the Contract from any cause or causes, including, but not limited to, AWM's wrongful act, omission, negligence, errors, strict liability, breach of contract, breach of warranty, express or implied, exceed an amount equal to $250,000.

12. Capital Improvements. During the term of this Contract, AWM may, without obligation, provide the Owner with a listing of recommended Capital Improvements, identifying the Capital Improvements that are necessary to improve the performance or increase the capacity of the Facility, to address or anticipate the obsolescence of portions of the Facility, to reduce the cost to AWM of performing this Contract, to produce cost savings or efficiency innovations to the Facility, or are necessary to comply with existing or anticipated changes to Applicable Law (each a "Capital Improvement Project" and collectively, "Capital Improvement Projects"). The decision to proceed with construction and implementation of any such Capital Improvement Project shall be at the sole discretion and decision of the Owner. If the Owner decides not to proceed with construction and implementation of a Capital Improvement Project recommended by AWM that are necessary to address or anticipate the obsolescence of portions of the Facility or comply with existing or anticipated changes to Applicable Law, then that decision may be considered a Force Majeure Event as defined herein. If the Owner implements a Capital Improvement Project, whether recommended by AWM or not, such implementation may be considered a Force Majeure Event as defined herein.

13. Waiver. The failure on the part of either party to enforce its rights as to any provision of this Contract shall not be construed as a waiver of its rights to enforce such provision in the future.

14. Conflicts. To the extent there are any conflicts, inconsistencies or discrepancies between the terms and conditions contained in the main body of this Contract and the Schedules attached hereto, the terms and conditions of the main body of this Contract shall govern.

15. Notices. All notices or other communications required or permitted hereunder shall be given in writing and delivered personally or mailed, by certified or registered mail (postage prepaid and return receipt requested), or by a nationally recognized priority delivery service (such as Federal Express), addressed to the party or parties at the following address:

16. Termination for Convenience. Owner has the right to terminate this Contract for Convenience, subject to the following:

(a) Owner shall provide AWM with at least ninety (90) days written notice of its intent to terminate the Contract for convenience;

(b) Owner shall pay AWM all fees due under the terms of the Contract, for services provided by AWM to Owner up to and including the date of Termination

(c) Such fees due to AWM under Section 16(b) shall be received by AWM prior to the date of termination for convenience

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

To Owner:

East coast Oakwood Village LLC
77 Oakwood Village
Flanders NJ 07836

To AWM:

Ed Clerico
Chief Operating Officer
Applied Water Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Addresses may be changed or supplemented by written notice given as above provided. Any such notice sent by mail shall be deemed to have been received by the addressee on the third (3rd) business day after posting in the United States mail, or if by a priority service, on the first business day after transmittal, or, if delivered personally, on the date of such delivery.

SIGNATURE PAGE FOLLOWS

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

IN WITNESS WHEREOF the Owner and AWM have hereto executed this Contract under their respective corporate seals, and by the hands of their proper officers duly authorized as of the day and year first above written.

Agents

East coast Oakwood Village LLC

By: Cynthia McClare

Name: Cynthia Clare

Title: President

ATTEST: _____

APPLIED WATER MANAGEMENT, INC.

By: _____

Name: Edward R. Clerico

Title: Pres & COO

ATTEST: _____

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE A

FACILITY DESCRIPTION

Listed below is a description of the Facility.

- Pump Station (conveying flow from "Dara Estates" sub-division)
- Wastewater Treatment System:
  - 250,000 gallon Bioreactor, consisting of four (4) treatment compartments
  - Membrane tank and associated controls and equipment
  - 32 "Zeeweed" membrane modules
  - 2 Ultraviolet disinfection units consisting of 80 U.V. bulbs
  - Two effluent dosing pumps
  - Effluent spray fields and associated piping

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE B

BASIC SERVICES

- Provide a NJDEP certified licensed operator to operate the Facility and perform Maintenance at the Facility in accordance with the Facility's New Jersey Pollution Discharge Elimination System (NJPDES) Permit (Permit Number: NJ0090051)
- Provide management and compliance oversight as needed to ensure the Facility is operated and Maintained in accordance with the Facility's NJPDES Permit
- Prepare and submit NJDEP Monthly Discharge Monitoring Reports required by the NJPDES Permit, and prepare and submit routine correspondence to NJDEP relating to any issues or questions regarding NJPDES Permit compliance (EXCLUDING NJPDES Permit renewal services, as further defined in Schedule C)
- Provide routine operations, Maintenance and housekeeping
- Attend routine regulatory inspections with local and state officials as needed
- Collect and manage regulatory sampling, analyses and reporting
- Physical connection testing, reporting and Maintenance
- Purchase and maintain an appropriate stock of routine consumables required within the Facility - test kits, lubricants and belts
- Annual Facility Inspection and report to client
- Emergency response monitoring to alarms related to the facility (24 hours per day, 7 days per week, 365 days per year)

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE C

ADDITIONAL SERVICES/ ADDITIONAL SERVICES FEES AND COSTS

AWM shall provide the following Additional Services, for which Owner shall be solely responsible for payment of all fees and costs associated therewith, including those fees payable to AWM as set forth herein:

ADDITIONAL SERVICES

- Sludge scheduling and removal
- Greywater scheduling and removal
- Additional Labor associated with alarm response and repair
- Generator fuel, service and repairs
- Instrument and equipment calibrations
- Collection system services, including inspection and Maintenance
- Parts and materials required to maintain equipment.
- Facility Repairs
- Preparation and submittal of NJPDES Permit renewal application to NJDEP
- Purchase maintain inventory of routine chemicals – "Micro–G" and "Thioguard" - as required for ensuring treatment of wastewater to standards required by the Facility's NJPDES Permit

ADDITIONAL SERVICES FEES AND COSTS

All Additional Services will be billed at the following rates:

- Materials and Services costs will be billed at cost plus 20%
- AWM labor services will be billed at AWM Per Diem rates then in effect(see attached)

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE D

EXCLUDED SERVICES

Owner shall be solely responsible for arrangement, payment and implementation of all services and items not listed in Schedule B, including the following:

- Snow removal and landscaping
- Utilities: electric, gas, phone, cable, water
- Facility Replacements
- Building and structures Maintenance, Repair and Replacement

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE E

BASE MONTHLY FEE

Year 1 - $7,287.00 per month

Year 2 - $7,505.00 per month

Year 3 - $7,730.00 per month

NATURAL SYSTEMS UTILITIES

Applied Water Management

An NSU Company

SCHEDULE F

OWNER DISCLOSURES

[TO BE PROVIDED]

H

EXECUTION VERSION

PURCHASE AND SALE AGREEMENT

between

THE ENTITIES LISTED ON EXHIBIT A HERETO

COLLECTIVELY AS SELLER

and

AION REAL ESTATE II LLC

AS PURCHASER

Dated as of September 2, 2015

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PURCHASE AND SALE AGREEMENT

THIS **PURCHASE AND SALE AGREEMENT** (this "***Agreement***") is made as of September 2, 2015 (the "***Effective Date***"), by and between those entities listed on Exhibit A hereto (individually and collectively, "***Seller***"), and Aion Real Estate II LLC, a Delaware limited liability company (in such capacity, "***Purchaser***"). This Agreement is entered into contemporaneously and in conjunction with that certain Purchase and Sale Agreement, dated as of the date hereof, by and between East Coast Chateau Ridge Apartments LLC, EC Chelsea Village GP LLC, EC Chelsea Village LP LLC, East Coast Fox Ridge Apartments LLC, East Coast Joralemon Street Apartments LLC, East Coast Maplewood Apartments LLC, East Coast Prides Apartments LLC, EC The Brook At Colonial Park MM LLC, East Coast The Willows LLC, East Coast University Village LLC, East Coast Residential Holdings III LLC, East Coast Woodbury Arms LLC, and East Coast Woodlane Crossing LLC, each a Delaware limited liability company, as sellers (individually and collectively, the "***Remaining Sites Seller***"), and Aion Real Estate LLC, a Delaware limited liability company (in such capacity, the "***Remaining Sites Purchaser,***" and such agreement, the "***Remaining Sites PSA***"). An index of defined terms is included at Article 10 hereof.

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

ARTICLE 1

PURCHASE AND SALE

SECTION 1.1 Agreement of Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title and interest in and to:

(a) those certain parcels of land described in Exhibit B, attached hereto and made a part hereof, together with all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys, easements or rights-of-way (collectively, and/or any portion thereof, the "***Land***"), subject, however, to the Permitted Exceptions (as defined in Section 2.3);

(b) the buildings, structures, fixtures, support systems, surface parking lots, parking streets and garages and other improvements affixed to or located on the Land, excluding fixtures owned by tenants, utilities or other service providers and including, without limitation, the Facility (as hereinafter defined) and any and all fixtures owned and/or operated by Sewerage Associates (collectively, the "***Improvements***"), subject, however, to the Permitted Exceptions;

(c) all tangible personal property located upon the Land or within the Improvements or used exclusively in connection with operation of the Land or the Improvements, including, without limitation, any and all vehicles, appliances, furniture, art work, planters, canopies, carpeting, draperies and curtains, tools and supplies, inventories, equipment and other items of personal property (excluding cash and any software other than building management software, URL domain names and websites relating to the Land and

Improvements), excluding any of the foregoing owned by tenants, utilities or other service providers (collectively, the "***Personal Property***");

(d) [redacted] (the items in (a) through (d) of this Section 1.1 being collectively referred to herein as the "***Property***");

(e) any and all plans, surveys, environmental reports and, to the extent transferable, all licenses, certifications, permits, goodwill, marketing and/or other promotional materials, guaranties and warranties with respect to or relating to the Property (collectively, the "***Intangibles***");

(f) all third-party agreements with managers, brokers, maintenance providers or others regarding the service, maintenance or otherwise pertaining to the ownership or operation of the Property (including, without limitation, laundry leases, telecommunications, cable and/or satellite television agreements, exclusive marketing and similar agreements) listed on Exhibit C (the "***Operating Agreements***", and each, an "***Operating Agreement***") certain of which are to be assumed by Purchaser in accordance with Section 5.1(b);

(g) all of the membership interests (collectively, the "***Entity Interests***") in and to Oakwood Village Sewerage Associates, L.L.C. ("***Sewerage Associates***") except the zero percent (0%) membership interest held by Millbrook Estates at Flanders Homeowners Association, Inc.; and

(h) the Lessor's interest under the lease dated July 1, 2003 by Oakwood Apartments, L.L.C., as Lessor, and by Sewerage Associates, as Lessee, as to a sewer treatment plant (the "***Facility***"), which services the Oakwood Village Apartments complex and certain specified parts of Mt. Olive Township, which lease has been subject to an Assignment of Sewerage Treatment Plant Lease dated October 28, 2005 between Oakwood Apartments L.L.C. and Oakwood Garden Associates, L.L.C. and an Assignment of Facility Lease dated September 28, 2007 between Oakwood Garden Apartments, L.L.C. and East Coast Oakwood Village LLC.

SECTION 1.2 Purchase Price. Seller agrees to sell and Purchaser agrees to purchase the Property and Entity Interests for the amount of [redacted] (the "***Purchase Price***"). The Purchase Price is allocated in the manner set forth on Exhibit D attached hereto and made a part hereof.

SECTION 1.3 Payment of the Purchase Price. The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable in full

at the Closing as follows: application of the Deposit (as defined in Section 1.4 and as the same may be reduced or modified by Section 5.4(d)) to the Purchase Price and the balance of the Purchase Price in cash by wire transfer of immediately available funds to a bank account designated by the Escrow Agent (as hereinafter defined) in writing to Purchaser no later than 11:00 A.M., New York, New York time on the Confirmed Closing Date (as hereinafter defined). The Purchase Price shall be allocated as set forth on Exhibit D among the Property in accordance with and as provided by Section 1060 of the Internal Revenue Code of 1986, as amended (the "***Section 1060 Allocation***"). Any tax returns of Purchaser and Seller shall be prepared and filed consistently with the Section 1060 Allocation and, to the extent required, Purchaser and Seller will each properly prepare and timely file Form 8594 in accordance with the Section 1060 Allocation. The last two sentences of this Section 1.3 shall survive the Closing.

SECTION 1.4 Deposit of Deposits.

(a) [redacted]

(b) [redacted]

(c) The Escrow Agent shall hold the Deposit in an interest-bearing account, in accordance with the terms and conditions of this Agreement. All interest on such sum shall be deemed income of Purchaser until disbursement. The Deposit shall be distributed in accordance with the terms of this Agreement.

SECTION 1.5 Escrow Agent.

(a) Escrow Agent shall hold and dispose of the Deposit in accordance with the terms of this Agreement. Escrow Agent shall not be responsible for any interest on the Deposit except as is actually earned, or for the loss of any interest resulting from the withdrawal of the Deposit prior to the date interest is posted thereon. Escrow Agent shall hold the deliveries under Sections 4.2 and 4.3 and distribute such items after the Closing Date.

(b) It is understood and agreed that the Escrow Agent's sole duties hereunder are as provided herein and that the Escrow Agent in the performance of its duties hereunder is hereby released and exculpated from all liability except for willful malfeasance or gross negligence and shall not be liable or responsible for anything done or omitted to be done in good faith as herein provided. If either Seller or Purchaser (or its counsel) makes a written demand upon the Escrow Agent setting forth the basis for such demand, for payment of all or a portion of the Deposit, the Escrow Agent shall give at least ten (10) days' written notice to the other party of such demand and of its intention to pay over the amount demanded on a stated date (provided, however, that with respect to any such demand to release the Original Deposit received from Purchaser prior to the expiration of the Inspection Period, (i) Escrow Agent shall provide notice to Seller simultaneously with the payment of the amount demanded by Purchaser promptly after receipt of such demand, and (ii) Seller shall not be entitled to object to any such demand). If before the proposed payment date the Escrow Agent does not receive a written objection to the proposed payment setting forth the basis for such objection, the Escrow Agent is hereby authorized and directed to make such payment. If before the proposed payment date such other party (or its counsel) delivers to the Escrow Agent a written objection to such payment setting forth the basis for such objection, the Escrow Agent shall promptly deliver a copy of such objection to the party originally demanding payment, and shall continue to hold such amount until otherwise directed by the joint written instruction of Seller and Purchaser or by a final judgment of a court which is no longer subject to, or the subject of, an appeal. In the event that a dispute shall arise as to the disposition of all or any portion of the Deposit held by the Escrow Agent, the Escrow Agent shall, at its option, either (a) commence an action of interpleader and deposit the same with a court of competent jurisdiction, pending the decision of such court, and shall be entitled to rely upon the final judgment of any such court with respect to the disposition of all or any portion of the Deposit provided that such judgment is no longer subject to, or the subject of, an appeal or (b) hold the same pending receipt of joint instructions from Seller and Purchaser and shall be entitled to rely upon such joint instructions with respect to the disposition of all or any portion of the Deposit. The Escrow Agent shall be entitled to consult with counsel and be reimbursed for all reasonable expenses of such consultation with respect to its duties as Escrow Agent and shall be further entitled to be reimbursed for all reasonable out of pocket expenses incurred in connection with such activities. All such expenses shall be paid by the party whose position shall not be sustained. Notwithstanding anything herein to the contrary, if Purchaser terminates this Agreement pursuant to Section 3.4, the ten (10) day written notice period provided for above shall not apply and Escrow Agent shall promptly return the Original Deposit to Purchaser.

(c) The Escrow Agent may act or refrain from acting in respect of any matter referred to herein, in full reliance upon and by and with the advice of counsel which may be selected by the Escrow Agent and shall be fully protected in so acting or so refraining from

acting upon the advice of such counsel. The Escrow Agent shall have the right to rely upon the certificates, notices and instruments delivered to it pursuant hereto, and all the signatures thereto or to any other writing received by the Escrow Agent purporting to be signed by any party hereto, and upon the truth of the contents thereof. The Escrow Agent shall not be bound by any modification of this Agreement which affects the rights or duties of the Escrow Agent unless it shall have given its prior written consent thereto.

(d) Seller and Purchaser agree, severally, to indemnify and save the Escrow Agent harmless from any losses, claims, liabilities, judgments, reasonable attorneys' fees and other reasonable expenses of every kind and nature which may be incurred by the Escrow Agent by reason of its acceptance of, and its performance under, this Agreement, except for losses, claims, liabilities, judgments, reasonable attorneys' fees and other reasonable expenses of every kind and nature arising from Escrow Agent's willful malfeasance or gross negligence.

(e) The Escrow Agent may at any time resign hereunder by giving notice of its resignation to Seller and Purchaser at least fifteen (15) days prior to the date specified for such resignation to take effect and, upon the effective date of such resignation, the Deposit shall be delivered by the Escrow Agent to such person or entity as Seller and Purchaser may have jointly designated in writing or to such person or entity as may be designated as hereinafter provided as the successor Escrow Agent, whereupon all duties and obligations of the Escrow Agent named herein shall cease and terminate. If no such person or entity shall have been designated by both Seller and Purchaser by the date which is five (5) days prior to the date specified for such resignation to take effect then the Escrow Agent may designate a law firm or bank in New York City to act as escrow agent hereunder.

(f) Each party shall, upon request by the Escrow Agent, provide Escrow Agent with its respective federal taxpayer I.D. number. The party receiving any portion of the interest earned on the Deposit shall pay all taxes on and with respect to the same.

(g) Escrow Agent shall execute this Agreement solely for the purpose of being bound by the provisions of this Section 1.5 and Article 15.

ARTICLE 2

TITLE AND SURVEY

SECTION 2.1 Title Inspection Period. Purchaser acknowledges that it has received (a) current preliminary title reports or title insurance commitments (collectively, the "***Title Commitments***") on the Property, accompanied by copies of the documents referred to in the report and (b) the most recent surveys of the Property in Seller's possession prepared by a licensed surveyor or engineer (collectively, the "***Surveys***"). Purchaser may elect, at Purchaser's expense, to update or obtain substitute or different title insurance commitments for the Title Commitments (or any portion thereof) from EAM Land Services, Inc. (in such capacity, "***EAM***") and/or update or obtain substitute surveys for the Surveys (or any portion thereof). Purchaser shall purchase not less than fifty percent (50%) of its title insurance policy premium from Fidelity National Title Insurance Company ("***Fidelity***", and collectively with EAM, "***Title Company***"). If and to the extent that EAM refuses to omit (or insure against the collection

against the Property of) an exception to title, and Fidelity is willing to omit such exception (or insure against collection), then Purchaser shall purchase one hundred percent (100%) of its title insurance policy from Fidelity.

SECTION 2.2 Title Examination. Purchaser shall have until the date that is fifteen (15) days prior to the expiration of the Inspection Period to notify Seller in writing of any objections Purchaser may have to anything contained in the Title Commitments or the Surveys (the "***Title Objection Notice***"). After such time, Purchaser agrees that all matters shown on the Title Commitments and the Surveys for which a Title Objection Notice has not been sent shall constitute Permitted Exceptions (as defined in Section 2.3) for all purposes of this Agreement. After the expiration of the Inspection Period, Purchaser shall have five (5) Business Days after receipt of any update to any Title Commitment or Survey to notify Seller in writing of any objections with respect to any such update to any Title Commitment or Survey and such notification shall be deemed a Title Objection Notice for any matter first arising on such update. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO THE DEADLINES IN THIS PARAGRAPH.** If Purchaser shall so notify Seller of any such objections, Seller shall have the right, but not the obligation (except as to Monetary Objections (as defined below)), to attempt to Remove such objections. Within five (5) Business Days after receipt of the Title Objection Notice, Seller shall notify Purchaser in writing whether or not Seller elects to attempt to Remove such objections ("***Seller's Response***"). If Seller fails to timely deliver Seller's Response in accordance with the foregoing, then Seller shall be deemed to have elected not to Remove such objections. If Seller elects to attempt to Remove any such matters, the scheduled date of the Closing shall be extended by a reasonable additional time to effect such Removal as determined by Seller, but in no event shall the extension exceed sixty (60) days after the scheduled date of the Closing. If Seller's Response notifies Purchaser that Seller elects not to Remove any objections specified in the Title Objection Notice, or if Seller is unable to Remove such objections five (5) Business Days prior to the Closing (or the date to which the Closing has been adjourned), Purchaser shall, within three (3) Business Days of Purchaser's receipt of Seller's Response or notice from Seller that it is unable to Remove, as applicable, have the following options: (a) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by Purchaser which Seller is unwilling or unable to Remove, and without reduction of the Purchase Price; or (b) to terminate this Agreement by sending written notice thereof to Seller, and upon delivery of such notice of termination, this Agreement shall terminate. If Purchaser does not make an election within such time period, Purchaser shall be deemed to have elected (a) above, and the Closing shall proceed accordingly. Notwithstanding anything to the contrary in this Agreement, Seller shall be obligated on or prior to the Closing, at Seller's option, to Remove all Monetary Objections (for the avoidance of doubt, Seller may apply all or any portion of the proceeds from the Purchase Price toward resolution of Monetary Objections). For purposes of this Agreement, "***Monetary Objections***" shall mean (v) any mortgage, deed to secure debt, deed of trust, security interest or similar security instrument encumbering all or any part of the Property, (w) any mechanic's, materialman's or similar lien, which if disputed and not yet resolved may be bonded over by Seller or affirmatively insured against by the Title Company (but not including any such lien resulting from any act or omission of Purchaser or any of its agents, contractors, representatives or employees or any tenant of the Property), (x) the lien of ad valorem real or personal property taxes, assessments and governmental charges affecting all or any portion of the Property which are delinquent, (y) any judgment of record against Seller in the county or other applicable

jurisdiction in which the Property is located or (z) any lien or encumbrance intentionally placed on the Property by Seller subsequent to the Effective Date which is liquidated in amount and thus Removable by the payment of money.

SECTION 2.3 Permitted Exceptions. Subject to Purchaser's right to accept or reject title to the Property under Sections 2.1 and 2.2 above, the Property shall be conveyed subject to the following matters, which are hereinafter referred to as the "***Permitted Exceptions***":

(a) subject to Purchaser's rights set forth in Section 2.2 above, those matters identified in the Title Commitments and Surveys other than the Monetary Objections;

(b) those matters that either are not objected to in writing within the time periods provided in Section 2.2 hereof, or if objected to in writing by Purchaser, are those which Seller has elected not to Remove or has been unable to Remove, and subject to which Purchaser has elected or is deemed to have elected to accept the conveyance of the Property;

(c) the Leases (including any leases that were entered into as of or after the date hereof in accordance with this Agreement) that remain in effect as of the Closing and the rights of the Tenants under the Leases and any subtenants of such Tenants or other occupants claiming by, through or under such Tenants;

(d) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the Closing Date, subject to adjustment as herein provided;

(e) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;

(f) items shown on any updates or substitute surveys or title commitments which are not timely objected to by Purchaser or which are waived or deemed waived by Purchaser in accordance with Section 2.2 hereof;

(g) such state of facts as would be disclosed by a physical inspection of the Property as of the expiration of the Inspection Period;

(h) any encumbrances or exceptions to title insurance coverage caused by Purchaser or Purchaser's Representatives;

(i) mechanic's liens or materialmen's liens arising out of work by any Tenant on or in any of the Property, provided such Tenant remains in possession and is not in default under its Lease; and

(j) any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to install, use, maintain, repair and replace wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like, upon, under and across the Property or any portion thereof as of the expiration of the Inspection Period.

ARTICLE 3

REVIEW OF PROPERTY

SECTION 3.1 Deliveries. Seller has delivered for Purchaser's inspection, or shall provide Purchaser with access to documents via an electronic data room or make such information available at the Property, all of the information with respect to the Property and Entity Interests listed in Exhibit E attached hereto and made a part hereof, in each case to the extent within Seller's possession (the "***Deliveries***"). Within fifteen (15) days of the Effective Date, Seller shall provide copies of any and all permits issued by any federal, state, local or regional governmental entity held by the applicable property owner with respect to the operations conducted at the Property (excluding the Environmental Permits (as defined below), the "***Permits***"). Notwithstanding anything contained herein to the contrary, at and after the Closing, Purchaser shall be solely responsible for compliance with and transfer, assumption, assignment or termination of all Permits, with cost for such transfers being divided among Purchaser and Seller evenly. Seller shall reasonably cooperate with the transfer, assumption, assignment or termination of all Permits by Purchaser prior to, at and after the Closing. [redacted]

SECTION 3.2 Disclaimer. Except to the extent expressly set forth herein or in any document executed and delivered by Seller at the Closing, the Deliveries made available to Purchaser are made without any representation or warranty by, or recourse against Seller, AIG Global Real Estate Investment Corp., a Delaware corporation ("***AIGGRE***"), or any other Seller Related Party, it being agreed that Purchaser shall not rely on such documents and shall independently verify during the Inspection Period (which it may do with the surveyor, title agent or other persons responsible for preparing such Deliveries) the truth, accuracy and completeness of the information and/or items contained therein. Purchaser acknowledges that, except to the extent expressly set forth herein or in any document executed and delivered by Seller at the Closing, Seller has not made and does not make any warranty or representation regarding the truth, accuracy or completeness of the Deliveries or the source(s) thereof. Seller expressly disclaims any and all liability for representations or warranties, express or implied, statements of fact and other matters contained in such information, or for omissions from the Deliveries, or in any other written or oral communications transmitted or made available to Purchaser (except to the extent otherwise expressly set forth herein or in any document executed and delivered by Seller at the Closing). Except to the extent otherwise expressly set forth herein or in any document executed and delivered by Seller at the Closing, Purchaser shall rely solely upon Purchaser's own investigation with respect to the Property and Entity Interests, including the Property's physical, environmental or economic condition, compliance or lack of compliance with any law, ordinance, order, permit or regulation or any other attribute or matter related thereto. Except to the extent otherwise expressly set forth herein or in any document executed and delivered by Seller at the Closing, Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Deliveries and is providing the Deliveries solely as an accommodation to Purchaser.

SECTION 3.3 Right of Inspection.

(a) During the period commencing on the Effective Date until the Closing Date (as hereinafter defined), Purchaser and Purchaser's Representatives shall have the right, subject to the limitations set forth herein and at Purchaser's sole risk, cost and expense, to (1) enter upon the Land of the Property for the purpose of making non-invasive inspections and (2) make such reasonable examinations, evaluations, analyses, appraisals, inspections, reviews of files and documents, testing, studies and/or investigations as Purchaser may deem advisable. If Purchaser wishes to enter upon the Land to perform any such inspection or examination of same after the Effective Date and prior to the Closing Date, it shall give Seller one (1) Business Day prior written notice of such desire (each a "***Request for Entry***") specifying the actual timing and procedure of any such desired entry upon the Land and the study or examination of the Property to be conducted during such entry (each a "***Feasibility Study***"), the particular Purchaser's Representative engaged by Purchaser to perform such Feasibility Study, and the amount and terms of insurance coverage maintained respectively by Purchaser and such persons conducting the Feasibility Study that would be available for the benefit of Seller. Notwithstanding the terms of Section 11.4 hereof, such Request for Entry may be delivered to Seller by email notice delivered to Rflagler@kettler.com with copies to Ari.Benmosche@aig.com, Adam.Baff@aig.com and Moliver@hff.com. Seller may deny a Request for Entry in its reasonable discretion based on Seller's own rights to access to the Property. Purchaser agrees (i) to maintain and deliver to Seller, as a condition of any entry onto the Land by Purchaser or any of Purchaser's Representatives, evidence of comprehensive general liability (occurrence) and property damage insurance coverage in the amount of no less than [redacted] per occurrence and otherwise on terms reasonably satisfactory to Seller, with a contractual liability endorsement for Purchaser's indemnity obligations under this Section 3.3, and naming Seller, AIGGRE and each other Person designated by Seller, each as additional insureds, (ii) not to permit any lien to attach to any portion of the Property on account of the performance of any Feasibility Study or the entry onto the Land by Purchaser or any of Purchaser's Representatives, (iii) promptly and fully to restore to its prior condition any portion(s) of the Property damaged or disturbed by Purchaser or any of Purchaser's Representatives, which restoration shall be completed within twenty (20) days of written demand therefor by Seller, provided that Seller shall have the right, in its sole judgment, without prior notice to Purchaser and at the sole cost and expense of Purchaser, to repair or restore the Property to the extent deemed necessary by Seller to correct any emergency condition threatening or reasonably likely to lead to imminent danger or injury to person or property, and in any event to make any such restoration at the sole expense of Purchaser if Purchaser fails to do so within the twenty (20) day period provided above, and (iv) to indemnify, hold harmless and defend Seller and each Seller Related Party from and against any and all conditions, losses, liens, costs, expenses, damages, claims, liabilities, expenses, demands or obligations of any kind or nature whatsoever (including reasonable attorneys' fees and expenses) for any injury or damage to person or property proximately caused by or in connection with the conduct of any Feasibility Study, inspection or access by or on behalf of Purchaser or the entry of Purchaser (or any Purchaser's Representative) onto the Property prior to the Closing, or the breach or default by Purchaser of its obligations under this Section 3.3, and the obligations set forth in subclauses (ii), (iii) and (iv) above shall survive the Closing or any termination of this Agreement. By any act of entering upon the Land after the Effective Date and prior to the Closing by Purchaser or any of Purchaser's Representatives, Purchaser acknowledges its agreement to each of the aforementioned conditions to entry upon the Land, whether or not Seller's consent thereto has

been obtained. Purchaser shall not communicate directly with Tenants in writing or orally without the prior written consent of Seller, which may be withheld in Seller's sole discretion.

(b) Purchaser understands and agrees that any on-site inspections of the Property shall occur during normal business hours and shall be conducted so as not to interfere unreasonably with the use of the Property by Seller or its tenants or with the management of the Property by its respective property manager. Seller reserves the right to have a representative present during any such inspections. If Purchaser desires to do any invasive testing at the Property, including, without limitation, a Phase II environmental study, Purchaser shall do so only (i) if the Phase I recommends so doing and (ii) after notifying Seller and obtaining Seller's prior written consent thereto, not to be unreasonably withheld, delayed or conditioned, and which may be granted subject to reasonable terms and conditions imposed by Seller, including without limitation the prompt restoration of the Property to its condition prior to any such inspections or tests, at Purchaser's sole cost and expense. At Seller's request, Purchaser will furnish to Seller copies of any reports received by Purchaser relating to any inspections of the Property. The parties agree that the on-site inspections may be carried out by a consultant selected by Purchaser in its sole discretion, but in no event shall such consultant be, and no part of the on-site inspections may be performed by, any person who has applied for or received a temporary or permanent license pursuant to the New Jersey Licensed Site Remediation Professional program, as set forth in the New Jersey Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq. ("***LSRP***"). Notwithstanding, the foregoing, Purchaser shall have the right, but not the obligation, to retain an LSRP to perform a desktop review of environmental information available in connection with the Property including, without limitation, reports provided by Seller or information collected by Purchaser, and to issue reports or opinions for Purchaser's use. Notwithstanding the foregoing, Purchaser shall not permit Purchaser's LSRP to visit the Property or to review any Phase II environmental study relating to the Property.

SECTION 3.4 Right of Termination. If for any reason whatsoever Purchaser determines that the Property, the Entity Interests or any aspect thereof, is unsuitable for Purchaser's acquisition, Purchaser shall have the right to terminate this Agreement by giving written notice thereof (the "***Termination Notice***") to Seller prior to 5:00 P.M., New York, New York time on November 1, 2015 (such period being hereinafter referred to as the "***Inspection Period***"), and if Purchaser gives such Termination Notice prior to the expiration of the Inspection Period, this Agreement and the Remaining Sites PSA shall terminate. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S DELIVERY OF THE TERMINATION NOTICE PRIOR TO THE EXPIRATION OF THE INSPECTION PERIOD.** If this Agreement is terminated pursuant to the first sentence of this Section 3.4, regardless of whether any default by either party has occurred hereunder, then neither party shall have any further rights or obligations hereunder (except for provisions of this Agreement which expressly survive termination of this Agreement), the Original Deposit shall be returned to Purchaser [redacted] and each party shall bear its own costs incurred hereunder. If Purchaser fails to give Seller a Termination Notice prior to the expiration of the Inspection Period, Purchaser shall be deemed to have elected to proceed with the purchase of the Property pursuant to the terms hereof and pursuant to Section 1.4, the Deposit shall be deemed non-refundable to Purchaser except as otherwise expressly provided in this Agreement. [redacted]

[redacted]

ARTICLE 4

CLOSING

SECTION 4.1 Time and Place. The consummation of the transaction contemplated hereby (the "***Closing***") shall be held at 11:00 A.M., New York, New York time at the offices of Shearman & Sterling LLP in New York, New York on the later of (i) December 1, 2015, subject to Purchaser's option to extend such date by up to fifteen (15) days (subject to Section 12.1(b)) and Seller's extension rights hereunder and (ii) the date that is thirty (30) days following receipt of all necessary approvals for the transfer of the Facility (which approvals shall be obtained in no event later than May 16, 2016), subject to Purchaser's option to extend such date by up to fifteen (15) days if required by Purchaser's lender (and only in such instance), or such earlier date as the parties shall mutually agree (as the date may be extended from time to time in accordance with the terms of this Agreement, the "***Closing Date***"). At the Closing, Seller and Purchaser shall perform the obligations set forth in, respectively, Sections 4.2 and 4.3 hereof, the performance of which obligations shall be concurrent conditions; provided that the Deeds shall not be recorded until Seller receives the full amount of the Purchase Price, adjusted by prorations as set forth herein and subject to the provisions of Article 15. The Closing shall be consummated through an escrow-style closing administered by the Escrow Agent and the Purchase Price and all documents shall be deposited with the Escrow Agent as escrowee, unless otherwise set forth herein. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, TIME SHALL BE OF THE ESSENCE WITH RESPECT TO EACH AND EVERY OBLIGATION OF PURCHASER UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE PURCHASER TO CONSUMMATE THE CLOSING ON THE CLOSING DATE.**

SECTION 4.2 Seller's Obligations.

(a) Prior to the Preclosing Call (as hereinafter defined), each Seller shall:

(i) Deeds and Assignments of Entity Interests.

(A) Deeds. deliver to Escrow Agent a duly executed deed for the Property (the "***Deed***") substantially in one of the forms attached hereto as Exhibit F-2 , as applicable, conveying the Land and Improvements, subject only to the Permitted Exceptions.

(B) Assignment of Entity Interests. deliver to Escrow Agent a duly executed Assignment and Assumption Agreement for Sewerage Associates assigning to Purchaser the Seller's ownership interest in Sewerage Associates (the "***Assignment of Entity Interests***") in a form to be reasonably agreed among the applicable parties prior to the expiration of the Inspection Period.

(ii) Bill of Sale. deliver to Escrow Agent a duly executed bill of sale (the "***Bill of Sale***") for the Property conveying the Personal Property substantially in the form attached hereto as Exhibit G;

(iii) [redacted]

(iv) Assignment of Contracts. deliver to Escrow Agent a duly executed Assignment of Contracts and Intangibles assigning the applicable Seller's interest in the Intangibles and those Operating Agreements to be assigned in accordance with Section 5.1(b), relating to the Property which have not been terminated as of the Closing Date (or which have been terminated by notice to the service provider, but such termination is not yet effective) (the "***Assignment of Contracts***") in the form attached hereto as Exhibit I;

(v) [redacted]

(vi) Seller's Certificate. deliver to Escrow Agent a duly executed certificate certifying that all of the representations or warranties of Seller and Sewerage Associates set forth in Section 5.1 are true and correct in all material respects as of the Closing Date, subject to immaterial changes after such delivery and prior to the Closing, or to the extent any such representations or warranties of Seller need to be modified due to changes since the Effective Date, identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the Closing Date and (ii) is expressly permitted under the terms of this Agreement, or (iii) results from events beyond the reasonable control of Seller to prevent; provided, however, that the occurrence of a change which has a material adverse effect on Purchaser, shall constitute the non-fulfillment of the condition set forth in Section 4.6(c) hereof; if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations

and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(vii) Evidence of Authority. deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(viii) FIRPTA Certificate. deliver to Escrow Agent a certificate in the form attached hereto as Exhibit K duly executed by Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980;

(ix) Title Deliveries. deliver to Title Company:

(A) a title affidavit for the Property substantially in the form attached hereto as Exhibit L;

(B) a non-imputation affidavit in a form reasonably satisfactory to Seller and Title Company for Sewerage Associates; and

(C) a gap affidavit or indemnity as reasonably required by Title Company in order to issue a standard title insurance policy;

(x) [redacted]

(xi) Lead Paint Disclosure. deliver to Escrow Agent a Lead Based Paint Disclosure Statement (the "***Lead Based Paint Disclosure Statement***") in the form required by applicable law;

(xii) Transfer Tax Returns. deliver to Title Company transfer tax returns in connection with the consummation of the transactions contemplated hereby, duly executed by Seller;

(xiii) Sewerage Lease Assignment. deliver to Escrow Agent an Assignment and Assumption of Facility Lease in the form attached hereto as Exhibit O, as may be modified in compliance with an order of the NJPBU, or the recommendation of NJBPU staff, during or at the conclusion of the proceedings initiated in accordance with Section 14.1 (the "***Assignment of Sewerage Lease***");

(xiv) Radon Sampling Results. deliver to Purchaser the results of any Radon sampling conducted at the Property (the "***Radon Sampling Results***") as required by applicable law;

(xv) [Intentionally Omitted]

(xvi) Access and Files. make available to Purchaser all keys, access cards, access codes and combinations to all locks and other security devices located on the Property, and all plans, specifications, mechanical, electrical and plumbing layouts, operating manuals, purchase orders, brochures, marketing materials, advertisements, tenant lease files, the Leases, and other files and records utilized in connection with the operation and maintenance of the Property (including the Operating Agreements), to the extent any of the foregoing are in the possession and control of Seller or the property manager (for the avoidance of doubt, such access shall be simultaneous with the Closing, notwithstanding the foregoing Preclosing Call reference);

(xvii) Leases and Operating Agreements. make available to Purchaser, to the extent in Seller's possession and not already provided, the Leases and the Operating Agreements, together with such leasing and property files and records located in the property manager's office at the Property which relate to the continued operation, leasing and maintenance of the Property (for the avoidance of doubt, such access shall be simultaneous with the Closing, notwithstanding the foregoing Preclosing Call reference);

(xviii) Possession. deliver to Purchaser possession of the Property, subject to the Permitted Exceptions (for the avoidance of doubt, such delivery shall be simultaneous with the Closing, notwithstanding the foregoing Preclosing Call reference);

(xix) Closing Statement. execute the Closing Statement;

(xx) Management Termination. deliver to Escrow Agent documentation evidencing termination of all property management agreements affecting the Property;

(xxi) [Intentionally Omitted];

(xxii) [redacted]

(xxiii) Operating Agreements. deliver to Escrow Agent updated lists of the Operating Agreements expected to be in effect on the Closing Date, certified to Purchaser as true and correct as of the scheduled Closing Date, subject to immaterial changes after such delivery and prior to the Closing; and

(xxiv) Additional Documents. deliver to Escrow Agent or Title Company such additional documents as shall be reasonably required to consummate the transaction contemplated in this Agreement.

SECTION 4.3 Purchaser's Obligations.

(a) Payment of Purchase Price. Through a deposit with Escrow Agent, Purchaser shall pay to Seller the full amount of the Purchase Price (less the Deposit released by the Escrow Agent and to be applied toward the Purchase Price) subject to prorations and

adjustments as herein provided, in immediately available wire transferred funds pursuant to Section 1.3 hereof.

(b) Prior to the Preclosing Call, Purchaser shall:

(i) Execution of Contracts. deliver to Escrow Agent a duly executed Assignment of Leases, Assignment of Contracts, Tenant Notice, and Assignment of Entity Interests;

(ii) Purchaser's Certificate. deliver to Escrow Agent a duly executed certificate certifying that all representations or warranties of Purchaser set forth in Section 5.5 are true and correct in all material respects as of the Closing Date (unless updated in accordance with the explicit terms of Section 5.5);

(iii) Evidence of Authority. deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(iv) Title Affidavits. deliver to Title Company such affidavits as may be customarily and reasonably required by the Title Company;

(v) Transfer Tax Returns. deliver to Title Company transfer tax returns including, without limitation, Declaration of Acquisition forms with respect to the Entity Interests, in connection with the consummation of the transactions contemplated hereby, duly executed by Purchaser;

(vi) Escrow Agent Authorization. cause the Escrow Agent to deliver to Seller a letter confirming its authorization to act as escrow agent on behalf of First American Title Insurance Company, addressed to AIGGRE and dated as of the Closing Date;

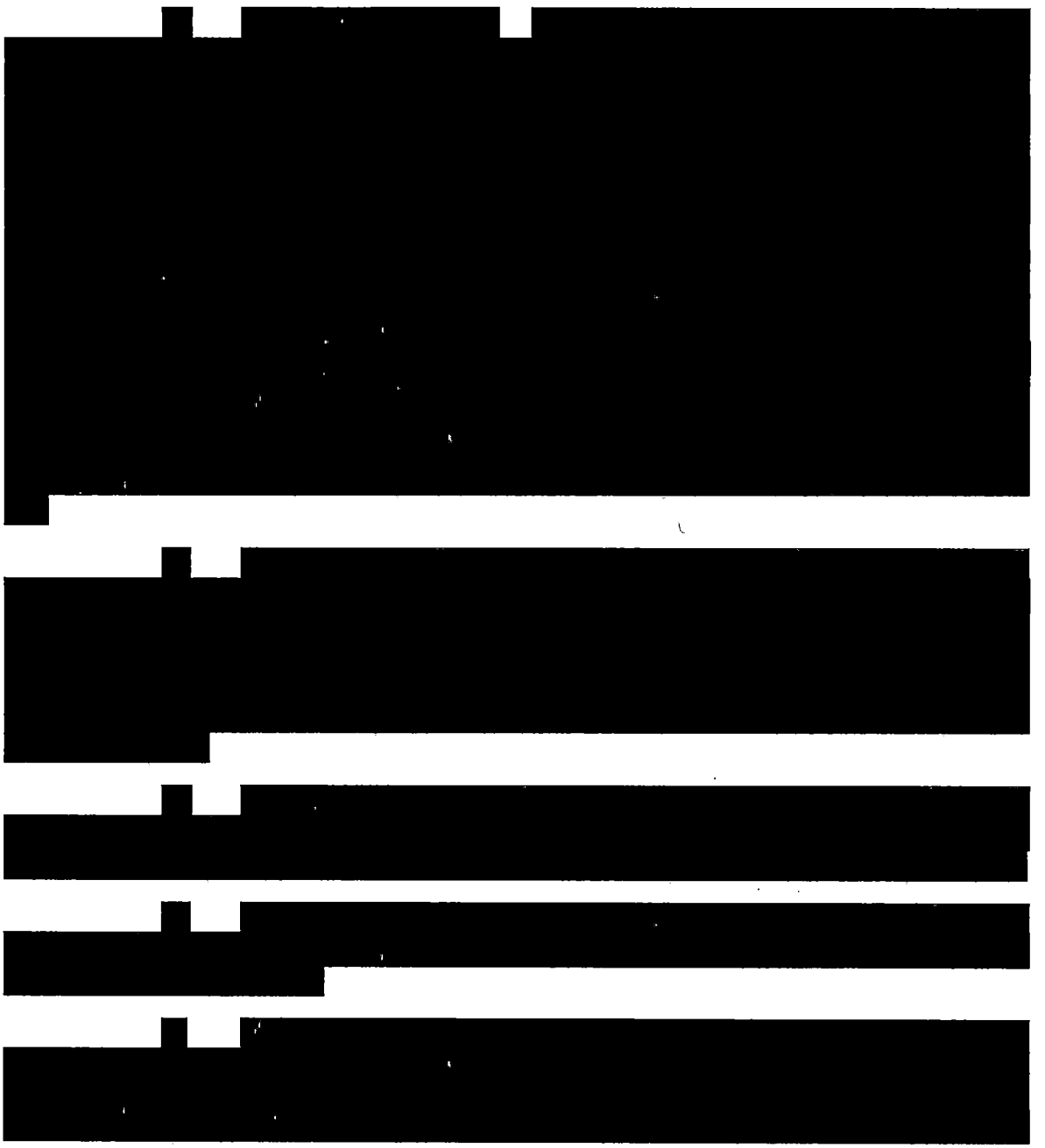
(vii) Closing Statement. execute the Closing Statement; and

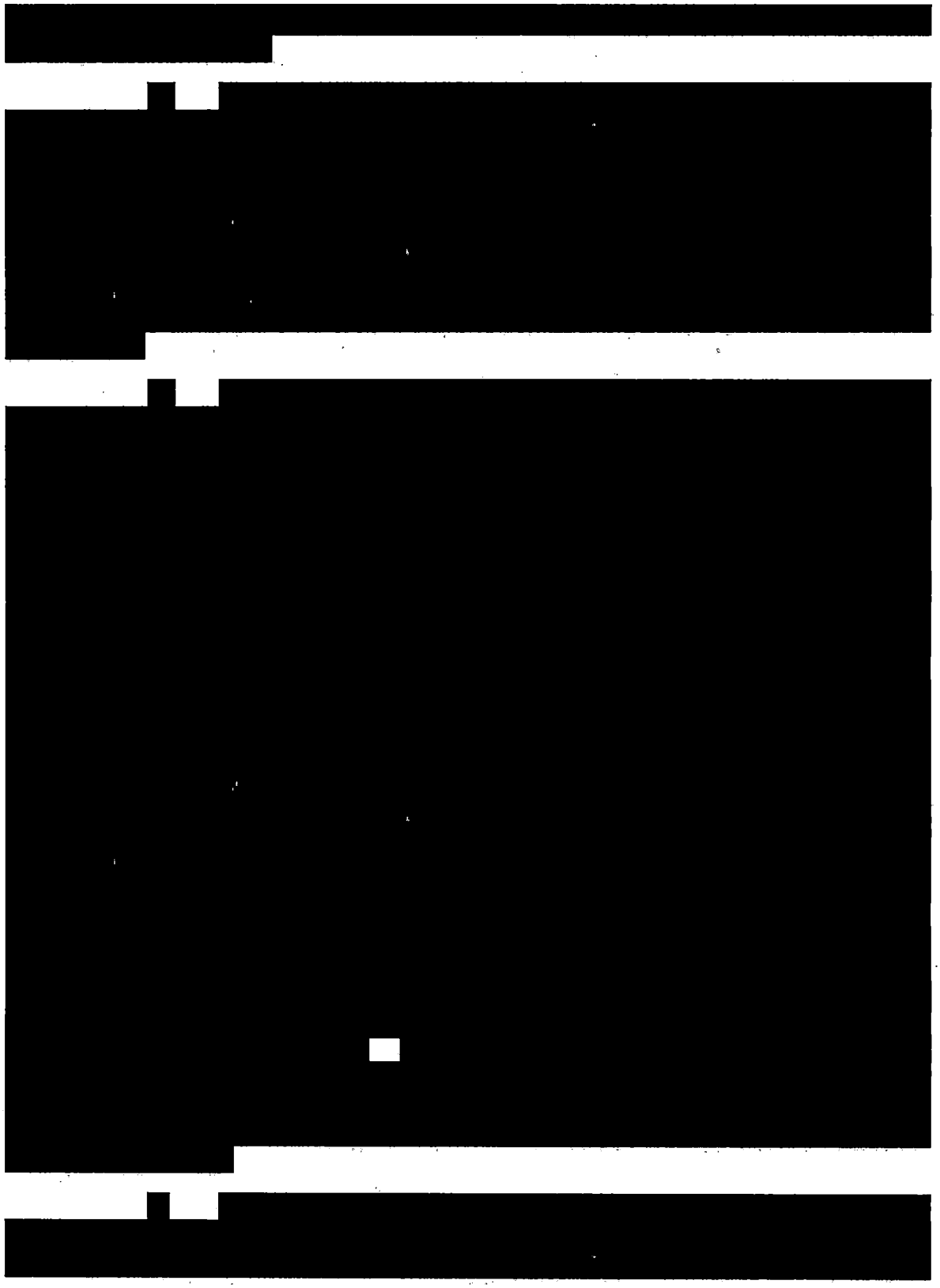
(viii) Additional Documents. deliver to Escrow Agent or Title Company such additional documents as shall be reasonably required to consummate the transaction contemplated in this Agreement.

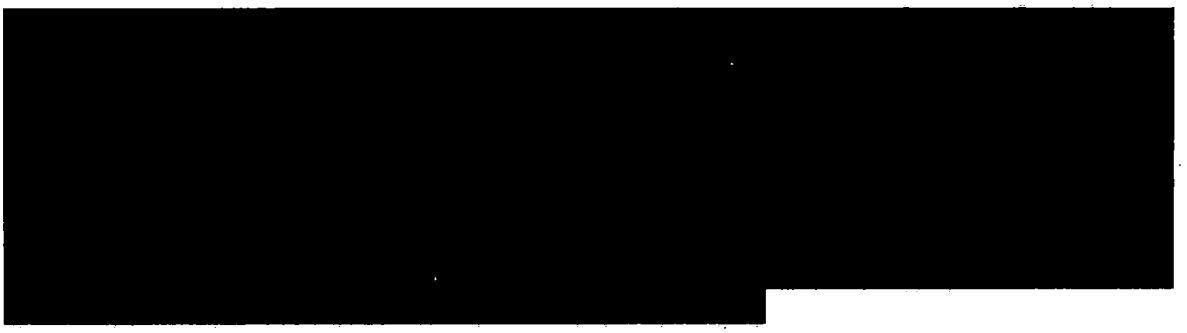
SECTION 4.4 Credits and Prorations.

(a) Generally. Subject to the terms of this Section 4.4, the following items, without duplication, are to be apportioned between Seller and Purchaser with respect to the Property as of 11:59 P.M., New York, New York time, on the date immediately prior to the Closing Date, and the net amount thereof shall either be (x) added to the Purchase Price that is due to Seller at the Closing, or (y) credited by Seller against the Purchase Price, in either case at the Closing: (i) real property taxes and assessments, on the basis of the fiscal year in which payable; (ii) water rates and charges; (iii) sewer taxes and rents; (iv) prepaid license and permit fees to the extent such licenses and permits are being transferred to Purchaser hereunder; (v) rents and charges to the extent collected under the Leases in effect on the Closing Date;

(vi) amounts payable or receivable by Seller and/or its affiliates under any Operating Agreements in effect on the Closing Date in accordance with Section 5.1(b); and (vii) all other items that reasonably require apportionment in accordance with local custom and practice to effectuate the transactions contemplated hereby. Seller shall provide Purchaser, prior to the Closing Date a draft apportionment and credit statement, and Seller and Purchaser shall thereafter endeavor in good faith to arrive at their best estimate of the correct apportionments and credits so as to finalize such statement (the "***Closing Statement***") by the Closing Date.







(j) Survival. Seller and Purchaser shall adjust any apportionments made under this Section 4.4 after the Closing to account for errors or incorrect estimates made as of the Closing Date (it being agreed that the parties' aforesaid agreement to make such adjustments (other than adjustments pursuant to Section 4.4(h)) shall survive the Closing for a period of twelve (12) months). Within nine (9) months following the Closing Date, Purchaser or its agent will prepare, and Seller shall review and approve (which approval shall not be unreasonably withheld and which shall be deemed to have been given unless Seller gives its specific objections thereto in writing within ten (10) Business Days after receipt thereof) a final closing statement (the "***Final Closing Statement***") setting forth the final determination which will show the net amount due either to Seller or to Purchaser as the result of the adjustments and prorations provided for herein, and such net due amount will be due to Seller or Purchaser, if any. The net amount due Seller or Purchaser, if any, by reason of any adjustments as shown in the Final Closing Statement (including any open items), shall be paid in cash by the party obligated therefor within ten (10) Business Days following that party's receipt of the approved Final Closing Statement. Seller and its representatives shall be given reasonable access to the books and records of the Property which are relevant to the preparation of the Final Closing Statement. The provisions of this Section 4.4(j) shall survive the Closing.

SECTION 4.5 Transaction Taxes and Closing Costs.

(a) Seller and Purchaser shall execute such returns, questionnaires and other documents as shall be required with regard to all applicable real property transaction taxes imposed by applicable federal, state or local law or ordinance.

(b) Seller shall pay the fees of any counsel representing Seller in connection with this transaction. Seller shall also pay the following costs and expenses:

(i) one-half (1/2) of the escrow fee, if any, which may be charged by the Escrow Agent;

(ii) [Intentionally Omitted];

(iii) any transfer tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of any of the Property or the Entity Interests from Seller to Purchaser (but excluding those imposed by N.J.S.A. 46:15-7.2, et seq.); and

(iv) any fees payable to Holliday Fenoglio Fowler ("***Seller's Broker***").

(c) Purchaser shall pay the fees of any counsel representing Purchaser in connection with this transaction. Purchaser shall also pay the following costs and expenses:

(i) one-half (1/2) of the escrow fee and any other charges or expenses associated with escrow, if any, which may be charged by the Escrow Agent or Title Company;

(ii) the cost of any update to the Title Commitment and the premium for any title insurance policy to be issued to Purchaser at the Closing, including all endorsements thereto;

(iii) the cost of any updates to any of the Surveys;

(iv) [Intentionally Omitted];

(v) any mansion or similar tax (including, without limitation, those imposed by N.J.S.A. 46:15-7.2, et seq.) which becomes payable by reason of the transfer of the Property or the Entity Interests from Seller to Purchaser;

(vi) any mortgage tax, documentary stamp tax, intangibles tax or similar tax which becomes payable by reason of any security instrument caused by Purchaser to be recorded on the Property; and

(vii) recording fees for documents to be recorded other than the Deeds.

(d) All costs and expenses incident to this transaction and the closing thereof, and not specifically described above, shall be paid by the party incurring same.

(e) The provisions of this Section 4.5 shall survive the Closing.

SECTION 4.6 Conditions Precedent to the Obligations of the Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Preclosing Call (except as expressly provided otherwise in this Agreement) of all of the following conditions, any or all of which may be waived in writing by Purchaser in its sole discretion:

(a) Escrow Agent shall have received authorization to release the Deed for recordation, simultaneously with Purchaser's unconditional instructions to disburse the Purchase Price and the Deposit on the Confirmed Closing Date in accordance with the agreed upon settlement statement all pursuant to and payable in the manner provided for in this Agreement;

(b) Seller shall have delivered to Purchaser, Escrow Agent or Title Company, as applicable, all of the items required to be delivered by Seller pursuant to the terms of this Agreement, including but not limited to, the items provided for in Section 4.2 hereof;

(c) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Confirmed Closing Date (with appropriate modifications permitted under this Agreement);

(d) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Confirmed Closing Date, as applicable;

(e) The Property shall be in substantially the same condition as of the expiration of the Inspection Period, reasonable use and wear excepted;

(f) 

(g) The issuance of an order by the NJBPU granting the Sewerage Transfer Consents (as hereinafter defined);

(h) Seller shall have obtained all Certificates of Occupancy (as hereinafter defined) required pursuant to Section 5.4(d) hereof and satisfied all Transfer Requirements (as hereinafter defined);

(i) Purchaser shall have obtained any other consents or approvals, governmental or otherwise, necessary or required to consummate the transactions contemplated hereby; and

(j) The Title Company shall have committed to issue a standard owner's policy for the Property in the amount of the Purchase Price allocated to the Property as set forth in Exhibit D and with no exceptions other than Permitted Exceptions.

SECTION 4.7 Conditions Precedent to the Obligations of the Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Preclosing Call (except as expressly provided otherwise in this Agreement) of all of the following conditions, any or all of which may be waived in writing by Seller in its sole discretion:

(a) Escrow Agent shall have received the Purchase Price (less the Deposit released by the Escrow Agent and to be applied toward the Purchase Price), subject to prorations and adjustments as provided herein no later than 11:00 A.M., New York, New York time on the Confirmed Closing Date;

(b) Escrow Agent shall have received unconditional instructions to disburse the Purchase Price and the Deposit on the Confirmed Closing Date in accordance with the

agreed-upon settlement statement simultaneously with Seller's authorization to release the Deed for recordation, all pursuant to and payable in the manner provided for in this Agreement;

(c) Purchaser shall have delivered to Seller, Escrow Agent or Title Company, as applicable, all of the items required to be delivered by Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3 hereof;

(d) The NJBPU shall have issued an order granting the Sewerage Transfer Consents (as hereinafter defined);

(e) Millbrook Estates at Flanders Homeowners Association, Inc., successor to Dara Estates Homeowners Association, Inc., shall have consented in writing to the assignment by Sewerage Associates Owner, successor to Oakwood Apartments, L.L.C., to Purchaser of its interest in that certain Operating Agreement for Oakwood Village Sewerage Associates, L.L.C., by Oakwood Apartments, L.L.C. and Dara Estates Homeowners Association, Inc., dated as of July 1, 2003;

(f) Applied Water Management, Inc. shall have consented in writing to the assignment by East Coast Oakwood Village LLC to Purchaser of its interest in that certain Operations and Maintenance Contract between Applied Water Management, Inc. and East Coast Oakwood Village LLC, dated as of February 1, 2013;

(g) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Confirmed Closing Date (with appropriate modifications permitted under this Agreement); and

(h) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Confirmed Closing Date.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 5.1 Representations and Warranties of Seller. Seller (and Sewerage Associates, as explicitly stated below) hereby makes the following representations, warranties and covenants to Purchaser as of the Effective Date, which representations, warranties and covenants shall be deemed to have been made again as of the Closing unless otherwise indicated, subject to Section 4.2:

(a) Organization and Authority. Each Seller has been duly organized, is validly existing and is in good standing under the laws of the State of Delaware. East Coast Oakwood Village LLC has the right to own its Property and to carry on its business in New Jersey. Each Seller has the full right and authority to enter into and perform its obligations pursuant to this Agreement and to consummate or cause to be consummated the transaction contemplated by this Agreement. The execution and performance of this Agreement has been duly authorized by all necessary corporate action and will not violate any term of any Seller's limited partnership agreement, operating agreement, by-laws, or any other agreement, judicial

decree, statute or regulation to which any Seller or Sewerage Associates is a party or by which any Seller, Sewerage Associates, the Property or the Entity Interests may be bound or affected. No Seller has been registered under, been known by, or conducted business under any name other than the name of such Seller as same appears in Exhibit A to this Agreement. The person signing this Agreement on behalf of each Seller is authorized to do so.

(b) Operating Agreements. The Operating Agreements listed on Exhibit C are all of the material agreements and any non-terminable agreements (whether or not material) concerning the operation and maintenance of the Property entered into or assumed by Seller or Sewerage Associates and affecting the Property, and Seller has delivered to Purchaser a true, correct and complete copy of each Operating Agreement in the possession or control of Seller or Sewerage Associates. Each of the Operating Agreements is valid and in full force and effect and to Seller's knowledge and Sewerage Associates' knowledge, no party thereto is in default thereunder. To Seller's knowledge and Sewerage Associates' knowledge, neither Seller nor Sewerage Associates has received written notice of any default under any Operating Agreement which has not been remedied and no event to Seller's knowledge or the Sewerage Associates' knowledge has occurred which with the giving of notice, the passage of time or both would constitute a default under any Operating Agreement which has not been remedied. Neither Seller nor Sewerage Associates has sent or received any notice of default under any Operating Agreement which has not been remedied. Except as indicated on Exhibit C, each of the Operating Agreements is terminable on thirty (30) or fewer days' prior written notice. At least thirty (30) days prior to the Closing, Seller or Sewerage Associates, as applicable, shall give notice to each relevant service provider terminating all Operating Agreements that are terminable upon no more than thirty (30) days prior written notice. At the Closing, Purchaser shall assume all Operating Agreements currently in effect at the Property that are non-terminable or which require more than thirty (30) days prior written notice to terminate.

(c) Condemnation. Except as set forth on Exhibit P, neither Seller nor Sewerage Associates has received written notice or has knowledge of any pending or threatened condemnation or similar proceedings relating to the Property or pending public improvements in or adjoining the Property which will, in any manner, have an impact on the Property. The update of this representation is subject to Article 7.

(d) Violations. Except as set forth on Exhibit Q attached hereto, Seller and Sewerage Associates have not received written notice of any uncured violation which remains outstanding of any federal, state or local law relating to the use or operation of the Property or any written notice which remains outstanding from any insurance company or inspection or rating bureau setting forth any requirements as a condition to the continuation to any insurance coverage on or with respect to the Property or the continuation thereof at the existing premium rates. To Seller's knowledge and Sewerage Associates' knowledge, except as set forth on Exhibit Q attached hereto, the Property is in compliance with all applicable laws and permits pertaining thereto.

(e) [redacted]

(f) Hazardous Substances. The following representations and warranties regarding Hazardous Substances are true, complete and correct:

(i) To Seller's knowledge and Sewerage Associates' knowledge, Seller has delivered to Purchaser true, correct and complete copies of all material reports in the possession of Seller or its current property manager that are related to Hazardous Substances on the Property or the ongoing remediation at the Property (the "***Environmental Reports***");

(ii) To Seller's knowledge and Sewerage Associates' knowledge and except as set forth in the Environmental Reports, Seller and Sewerage Associates have not received written notice that any governmental authority or employee or agent thereof is investigating, has determined or threatens to determine the presence of, release or threat of release or placement on, in or from the Property, or the generation, transportation, storage, treatment or disposal at the Property, of any Hazardous Substance; and

(iii) To Seller's knowledge and Sewerage Associates' knowledge, and except as set forth in the Environmental Reports, Seller and Sewerage Associates have not received written notice of any suits, claims proceedings, demands, orders, or actions arising under Environmental Laws with, issued or asserted by any governmental authority or agency (federal, state or local) or any person or private entity relating in any way to the remediation, presence, release, threat of release or placement on, in or from the Property, or the generation, transportation, storage, treatment or disposal at the Property, of any Hazardous Substance.

(g) Litigation. Except as set forth on Exhibit P, there is not now pending nor to Seller's knowledge or Sewerage Associates' knowledge has there been threatened, any action, suit or proceeding against or affecting Seller, Sewerage Associates or the Property or any portion thereof before or by any federal or state court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, wherein an unfavorable ruling, decision or finding, upon consummation of the sale contemplated hereby to Purchaser, may reasonably be expected to have a material adverse effect on the existence of Sewerage Associates or the Property or any portion thereof, or would materially interfere with or prevent Seller from consummating the transaction which is the subject of this Agreement.

(h) Tax Appeal Proceedings. Attached hereto as Exhibit S is a true, correct and complete list of all currently pending tax certiorari or other tax appeal proceedings, if any (the "***Tax Proceedings***"), currently pending with respect to the Land and the Improvements.

(i) Employees. Seller and Sewerage Associates have no employees and there are no employment agreements or arrangements executed by Seller or Sewerage Associates that will be binding on Purchaser or Sewerage Associates after the Closing.

(j) OFAC. Each of Seller and Sewerage Associates is not now nor shall it be at any time on or before the Closing, a Person with whom a U.S. Person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise. Neither Seller, Sewerage Associates nor any Person who owns a direct interest in Seller is now, nor shall be at any time until the Closing, a Person with whom a U.S. Person, including a Financial Institution, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) (as hereinafter defined) or otherwise.

(k) Personal Property. The Schedule of Personal Property attached hereto as Exhibit BB contains a correct and complete list of all Personal Property and fixtures owned by Seller and Sewerage Associates and located at or used exclusively in connection with the operation of the Property. All Personal Property is, and as of the Closing will be, owned by Seller or Sewerage Associates free from encumbrances or liens.

(l) Green Cards. Exhibit T provides the current status of the so-called "green card" for the Property as of the date therein.

(m) ISRA. The New Jersey Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq., "**ISRA**") is not applicable to this transaction or to the Property. Within fifteen (15) days after the date of this Agreement, Seller shall, at its sole cost and expense, provide Purchaser with a completed and duly executed affidavit in the form attached hereto as Exhibit DD, together with all appropriate supporting materials (collectively, the "***ISRA Affidavit***"). Seller shall be required to provide the information and supporting materials associated with the ISRA Affidavit only to the extent such information and materials are in the possession of Seller. Subject to the foregoing sentence and to Seller's knowledge, Seller shall certify that the ISRA Affidavit is true, accurate, and complete.

(n) Sewerage Associates. The following representations and warranties regarding Sewerage Associates are true, complete and correct:

(i) The organizational chart attached hereto as Exhibit HH truly, correctly and completely depicts the ownership of Sewerage Associates by East Coast Oakwood Apartments Sewage LLC, a Delaware limited liability company ("***Sewerage Associates Owner***"). The only asset of Sewerage Associates is its interest in the Facility

and any ancillary or incidental assets arising out of or pertaining to the ownership, operation and/or development of the Facility. Sewerage Associates' taxpayer identification number is 13-3454957.

(ii) Sewerage Associates is duly formed and validly existing under the laws of the State of New Jersey and has the right to own its Property.

(iii) There are no outstanding warrants, options, rights, agreements, calls or other commitments to which Sewerage Associates or Sewerage Associates Owner are a party relating to or providing for the sale, conveyance, transfer, gift, pledge, mortgage or other disposition, encumbrance or granting of, or permitting any person or other entity to acquire any interest in Sewerage Associates or Sewerage Associates' Property, with the exception of any interests that may have been pledged in connection with the Defeasance Debt (as defined in Section 12.1) listed on Exhibit U attached hereto, which pledge in connection with the Defeasance Debt shall be released at the Closing.

(iv) Sewerage Associates Owner has not sold, conveyed, transferred, given, pledged, mortgaged or otherwise disposed of, encumbered or granted in any manner its interest in Sewerage Associates, nor has Sewerage Associates consented to any such sale, conveyance, transfer, gift, pledge, mortgage or other disposal of, encumbrance or grant of any such interest in Sewerage Associates, with the exception in both cases of any interests that may have been pledged in connection with the Defeasance Debt listed on Exhibit U attached hereto, which pledge in connection with the Defeasance Debt shall be released at the Closing. The interests being transferred constitute all of the outstanding equity interests in Sewerage Associates.

(v) Sewerage Associates has not engaged nor is it engaging currently in any business unrelated to the ownership and operation of the Facility. Sewerage Associates Owner has not engaged in nor is it engaging currently in any business unrelated to the ownership of Sewerage Associates.

(vi) The operating agreement of Sewerage Associates provided to Purchaser and identified on Exhibit AA is a true, complete and correct copy, is in full force and effect and has not been modified, amended, amended and restated or supplemented in any manner since its execution, except as provided to Purchaser. In addition to the NJBPU-approved tariff, the document identified on Exhibit AA is the only agreement currently governing the operation of Sewerage Associates.

(vii) The membership interests in Sewerage Associates to be transferred pursuant to this Agreement are free and clear of any liens or security interests, except any relating to the Defeasance. No Seller has granted to any person or entity any options or other agreements of any kind, whereby any person or entity other than Purchaser will have acquired or will have any right to acquire title to all or any portion of the Entity Interests.

(viii) Upon release of the Defeasance Debt on the Closing Date, there will be no existing material defaults or surviving obligations of Sewerage Associates under any debt document for which Purchaser or Sewerage Associates shall be liable.

(ix) There is no bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, pending or to Seller's knowledge threatened in writing against Seller or Sewerage Associates.

(x) Sewerage Associates has no liability (and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against it giving rise to any liability), except for trade payables and obligations under contracts entered into in the ordinary course of business consistent with past practice and the liabilities (whether known or unknown, foreseen or unforeseen, contingent or otherwise) disclosed in the financial statements, diligence materials, operating agreements or other information presented to Purchaser, or as otherwise expressly permitted hereunder. Notwithstanding the foregoing, Sewerage Associates has no material liabilities that have not been disclosed to Purchaser.

(xi) To the extent applicable, Sewerage Associates (as to itself and the Property) has filed all tax returns that it was required to file for all years preceding 2014. All such tax returns were prepared in substantial compliance with applicable rules and instructions. Sewerage Associates is not currently the beneficiary of an extension of time within which to file any tax return. No claim has ever been made by an authority in a jurisdiction where Sewerage Associates does not file tax returns that it is or may be subject to taxation by that jurisdiction. Sewerage Associates has not waived any statute of limitations in respect of taxes or agreed to any extension of time with respect to a tax assessment or deficiency.

(xii) All material taxes, governmental fees or other like assessments or charges of any kind whatsoever (including, but not limited to, withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority (a "***Taxing Authority***") responsible for the imposition of any such tax (domestic or foreign), and any liability for any of the foregoing as transferee or successor ("***Taxes***") payable by Sewerage Associates due or payable with respect to the Facility or its operations have been timely and properly paid in full, except as being contested in good faith. Sewerage Associates has not received any written notice that it is currently delinquent in the payment of any taxes (including, without limitation, any Tax). No deficiency for any amount of Tax (including, without limitation, any Property Tax) has been asserted or assessed by a taxing authority in writing relating to the business, operations and assets of Sewerage Associates or the Facility and neither Seller nor Sewerage Associates has any knowledge that any such assessment or assertion of tax liability is threatened.

(xiii) No audits or investigations by any Taxing Authority with respect to the business, operations and assets of Sewerage Associates or with respect to the Property owned by Sewerage Associates are currently pending or, to Seller's knowledge or Sewerage Associates' knowledge, threatened.

(xiv) Sewerage Associates is not liable under Treasury Regulations Section 1.1502-6 or any similar provision of local, state or foreign tax law for any taxes by reason of Sewerage Associates being included at any time before the Closing Date in any consolidated, affiliated, combined or unitary tax group with any Person that is not Sewerage Associates. Sewerage Associates is a disregarded entity for tax purposes.

(xv) Sewerage Associates is neither a party to nor bound by any material tax allocation or tax sharing agreement, and does not have any contractual obligation to indemnify any other person with respect to material taxes, except in each case any agreements or arrangements entered into in the ordinary course of business as arm's length commercial agreements or arrangements that do not relate primarily to taxes, such as loan or leasing agreements.

(xvi) Sewerage Associates has no liability for material taxes, if any, required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor, independent contractor or other third party of or with respect to such Sewerage Associates other than amounts adjusted for in the financial statements.

(o) Neither Seller nor Sewerage Associates has conveyed or granted to any other party any purchase option, right of first offer or refusal to purchase or other right to purchase or acquire the Property or any part thereof, and to Seller's knowledge and Sewerage Associates' knowledge, no other party has any such option or right to purchase or acquire the Property or any part thereof.

(p) [redacted]

(q) No employee engaged in the operation or maintenance of the Property is covered by any union contract. Neither Seller nor Sewerage Associates maintains, administers, contributes, or has any other present or future obligations or liabilities that would become an obligation of Purchaser after the Closing with respect to any employee benefit plan (as such term is defined in the Employment Retirement Income and Security Act of 1974, as amended), or labor or employment agreement or any other similar arrangement.

(r) Consents and Approvals. Except as otherwise provided for in this Agreement and including, but not limited to, the Sewerage Transfer Consents, there are no consents or approvals of any third persons, or any federal, state or local governmental authorities, including, without limitation, any internal board of directors or other approval

process, that are required in connection with the performance by any Seller of its obligations under this Agreement, other than such of the foregoing as have been obtained or will be obtained by the Closing Date.

(s) Insurance Policies. Seller has furnished to Purchaser a true and complete schedule of all insurance policies now affecting the Property, a copy of which is included in Exhibit FF attached hereto and made a part hereof. The insurance policies set forth on Exhibit FF are currently in full force and effect and no claims have been made thereunder except as set forth on Exhibit FF.

(t) Covenants, Conditions and Restrictions. Neither Seller nor Sewerage Associates has received notice of any uncured violation of any covenants, conditions or restrictions, if any, affecting the Property or is aware of any circumstance that would, after the passage of time, result in a default thereunder. To the knowledge of Seller and Sewerage Associates, there have been no modifications to covenants, conditions or restrictions affecting the Property except as set forth in the land records of the applicable jurisdiction.

(u) Operating Statements. The operating statements with which Seller has provided Purchaser are true and correct in all material respects.

SECTION 5.2 Knowledge Defined. References to the "knowledge" of Seller and of Sewerage Associates shall refer only to the current actual knowledge of either of the Designated Representatives (as defined below) after due inquiry of the property manager for the Property, and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller, Sewerage Associates or any affiliate of Seller or Sewerage Associates, to any property manager, or to any other officer, agent, manager, representative or employee of Seller or Sewerage Associates or any affiliate thereof or to impose upon such Designated Representative any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. As used herein, the term "***Designated Representatives***" shall refer to Ari Benmosche and Adam Baff. Purchaser agrees that neither of the Designated Representatives shall not have any personal liability hereunder by reason of his designation as Designated Representative.

SECTION 5.3 Survival of Seller's Representations and Warranties. The representations and warranties of Seller and Sewerage Associates set forth in Sections 5.1 and 5.2 hereof as updated as of the Closing in accordance with the terms of this Agreement, shall survive the Closing for a period expiring six (6) months after the Closing Date (the "***Survival Period***"). No claim asserted after the Closing for a breach of any representation or warranty of Seller shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to Purchaser prior to the Closing. Seller shall have no liability to Purchaser for a breach of any representation or warranty (a) unless the valid claims for all such breaches collectively aggregate more than [redacted], in which event the full amount of such valid claims shall be actionable, up to the Cap (as defined below), and (b) unless written notice containing a description of the specific nature of such breach shall have been given by Purchaser to Seller prior to the expiration of the Survival Period and an action shall have been commenced by submission of a claim to mediation as set forth in Section 15.3 by Purchaser against Seller within thirty (30) days of the expiration of the Survival Period. **TIME SHALL**

BE OF THE ESSENCE WITH RESPECT TO SUCH DEADLINE. As used herein, the term "***Cap***" shall mean the total aggregate amount of [redacted]).

SECTION 5.4 Covenants of Seller. Each of Seller and Sewerage Associates hereby covenants with Purchaser as follows:

(a) Maintenance. Subject to Sections 5.4(b) and (c) hereof, Seller and Sewerage Associates, during the period commencing on the date hereof and ending on the Closing Date or any earlier termination of this Agreement (the "***Contract Period***"), (i) shall keep and maintain the Land and Improvements in approximately the manner presently maintained and operated by Seller (excepting only ordinary wear and tear and any damage by casualty or condemnation) during the one (1) year period preceding the date of this Agreement, (ii) operate the Property in substantially the same manner as the Property has been operated prior to the Effective Date, and (iii) keep the Property insured in accordance with Seller's or Sewerage Associates' existing insurance program.

[redacted]

(c) Third Party Contracts. Seller, Sewerage Associates or their respective agents, during the Contract Period, may enter into or modify Operating Agreements to the extent reasonably necessary for the operation of the Property during the Contract Period, provided that each such Operating Agreement is terminable by Seller or Sewerage Associates (or their respective agents) without penalty or premium on not more than thirty (30) days' prior notice to the counterparty thereunder (it being understood, however, that Seller, Sewerage Associates or their respective agents, during the Contract Period, may enter into contracts for the restoration of the Property after a casualty or a condemnation without such contracts being terminable on thirty (30) days' prior notice). Notwithstanding the foregoing or anything to the contrary contained herein, Seller or Sewerage Associates shall, on or prior to the Closing Date at Seller's or Sewerage Associates' sole cost and expense, terminate any Operating Agreements which Purchaser, by written notice to Seller at least thirty (30) days prior to the Closing Date, has elected not to assume pursuant to the terms of this Agreement.

(d) Certificates of Occupancy. In the event the state or municipality in which the Property is located requires the issuance of a certificate of occupancy or certificate of continued occupancy (a "***Certificate of Occupancy***") or license, or requires that the Property be inspected, or imposes any similar requirement upon the transfer of the Property (any such requirement, including with respect to a Certificate of Occupancy, a "***Transfer Requirement***"), the Seller shall apply for same promptly following the Effective Date, and the Seller shall be responsible, at its sole cost and expense, for any application fees as well as compliance with any conditions imposed by the municipality in order to obtain such Transfer Requirement or other approval for the transfer of the Property. The parties agree to cooperate in the efforts to obtain the Transfer Requirement, and shall provide each other with copies of any documents received in that regard, and shall keep each other advised of the status of their progress. Seller will use commercially reasonable efforts to advise Purchaser in advance of any inspections scheduled in connection with the pursuit of a Transfer Requirement, such that a representative of Purchaser may choose to be present. In the event that (a) a Certificate of Occupancy or other Transfer Requirement is not issued for the Property on or prior to two (2) Business Days before the Closing Date, and (b) the municipality does not allow the closing of title to occur for a property without a Certificate of Occupancy or other Transfer Requirement, Seller may elect via notice in writing to Purchaser no less than two (2) Business Days prior to the then scheduled Closing Date to exercise a right to extend the Closing Date by sixty (60) days in order to enable the Seller to obtain the necessary Certificate of Occupancy or other Transfer Requirement. Notwithstanding anything to the contrary, if the necessary Certificate of Occupancy or other Transfer Requirement has not been obtained at the end of the sixty (60) day extension period, Seller shall have the right to extend the Closing Date by up to an additional sixty (60) days. If the Certificate of Occupancy or other Transfer Requirement has not been obtained after such sixty (60) or one hundred twenty (120) day period, as applicable, either party hereto may terminate this Agreement upon written notice to the other. If such notice described in the preceding sentence is not delivered by either party prior to the date on which the Certificate of Occupancy or other Transfer Requirement is obtained, Seller and Purchaser shall be bound to close within thirty (30) days of receipt of the necessary Certificate of Occupancy or other Transfer Requirement, subject to an extension of no more than fifteen (15) days if required by Purchaser's lender (and only in such instance), and the terms of this Agreement, including, without limitation, treatment of the Deposit, shall remain in effect (subject to survival expressly provided for herein). For the avoidance of doubt, Purchaser may waive in writing the satisfaction of any Transfer Requirement (including a Certificate of Occupancy) in writing and close if the transfer would not violate applicable law or subject Seller to any liability without fulfillment of such Transfer Requirement.

(e) Violations.

(i) Between the Effective Date and the Closing, Seller or Sewerage Associates shall have the obligation to cure any notice of violation of law, municipal ordinances, orders or requirements which exists on the date hereof or which is issued between the date hereof and the Closing, the cost of which does not exceed [redacted] in the aggregate (the "***Violations Maximum***").

(ii) For the avoidance of doubt, Seller and Sewerage Associates shall not be required to cure any violation if the total cost of curing all violations which would

exceed the Violations Maximum or to cure any other violation once the Violations Maximum has been reached. In the case of either scenario in the preceding sentence, Seller or Sewerage Associates may in its sole discretion determine to (A) not cure any such violation or condition, (or (B) fully cure all such violations.

(iii) If Seller or Sewerage Associates elects option (A) above, Purchaser may terminate this Agreement or may waive the obligation to cure such violations and proceed to the Closing, in which event Purchaser shall receive at the Closing a credit against the Purchase Price equal to the unused portion of the Violations Maximum. If Seller or Sewerage Associates elects option (B) above, Purchaser shall be required to proceed to the Closing. Seller, Sewerage Associates and Purchaser shall reasonably cooperate to determine the costs of any such cures.

(iv) Notwithstanding the foregoing, if any non-material violation is issued within thirty (30) days of the then scheduled the Closing and the Violations Maximum has not yet been reached (and would not be exceeded by curing such violation or condition), Seller may elect to increase the Holdback at the Closing by the cost reasonably estimated by Seller for Purchaser to complete such work to cure post-closing. Seller's post-closing liability under this Section 5.4(e) shall be limited to the amount of, and recoverable only out of, the Holdback.

(f) Special Assessments; Change in Valuation. In the event that Seller or Sewerage Associates becomes aware that the state or municipality in which the Property is located (i) will impose or is threatening to impose any assessments (whether special assessments or otherwise) on the Property or (ii) is proposing to increase or otherwise reassess the valuation of the Property (for tax assessment purposes or otherwise), Seller or Sewerage Associates shall provide written notice thereof to Purchaser within five (5) days of becoming aware of any of the foregoing matters set forth in this Section 5.4(f).

(g) Sewerage Associates.

(i) Between the Effective Date and the expiration of the Inspection Period, Seller and Sewerage Associates, as applicable, shall not, without the prior consent of Purchaser, not to be unreasonably withheld, conditioned or delayed:

(A) Enter into any agreement or amend an existing agreement, which in either case is not terminable upon not more than sixty (60) days' notice without premium or penalty, that results in a new individual liability with respect to Sewerage Associates in excess of [redacted] provided, however, that Seller and Sewerage Associates may (x) enter into standard snow removal contracts in excess of such threshold, (y) continue all pre-existing relationships in the ordinary course and (z) act to minimize harm in the case of an emergency, in each case without Purchaser consent;

(B) Amend or modify the organizational documents of Sewerage Associates;

(C) Sell, mortgage, pledge or otherwise transfer all or part of the Entity Interests; or

(D) Take any action with respect to the taxes of any of the Sewerage Associates that could reasonably be expected to adversely affect Purchaser or Sewerage Associates after the Closing.

(ii) Between the expiration of the Inspection Period and the Closing, Seller and Sewerage Associates, as applicable, shall not, without the prior consent of Purchaser, which may be granted or withheld in Purchaser's sole discretion:

(A) Enter into any agreement or amend an existing agreement, which in either case is not terminable upon not more than sixty (60) days' notice without premium or penalty, that results in a new individual liability with respect to Sewerage Associates in excess of [redacted] provided, however, that Seller and Sewerage Associates may (x) enter into standard snow removal contracts in excess of such threshold, (y) continue all pre-existing relationships in the ordinary course and (z) act to minimize harm in the case of an emergency, in each case without Purchaser consent;

(B) Amend or modify the organizational documents of Sewerage Associates;

(C) Sell, mortgage, pledge or otherwise transfer all or part of the Entity Interests; or

(D) Take any action with respect to the taxes of Sewerage Associates that could reasonably be expected to adversely affect Purchaser or Sewerage Associates after the Closing.

(iii) SELLER AND EACH SELLER RELATED PARTY, UPON THE CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SEWERAGE ASSOCIATES (AND SEWERAGE ASSOCIATES' OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, WHICH SELLER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SEWERAGE ASSOCIATES (OR EACH SEWERAGE ASSOCIATES' OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY PRECLOSING FACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS WHICH ARE KNOWN TO SELLER BUT UNDISCLOSED TO PURCHASER.

(iv) Seller and Sewerage Associates shall use commercially reasonable efforts to procure a release of Sewerage Associates at the Closing from the existing lender and the existing property manager of the Property for any and all claims, demands, causes of action (including causes of action in tort), losses, liabilities, costs, damages and expenses (including reasonable attorneys' fees) in connection with any undisclosed preclosing facts, omissions, events, circumstances or matters. Seller and Sewerage Associates shall procure a release of Sewerage Associates at the Closing from Seller's Broker and the existing property manager of the Property for any and all claims, demands, causes of action (including causes of action in tort), losses, liabilities, costs, damages and expenses (including reasonable attorneys' fees) in connection with any undisclosed preclosing facts, omissions, events, circumstances or matters.

(v) During the Survival Period, Seller shall protect, indemnify, defend and hold Sewerage Associates free and harmless from and against for any and all claims, demands, causes of action (including causes of action in tort), losses, liabilities, costs, damages and expenses (including reasonable attorneys' fees) in connection with any preclosing facts, omissions, events, circumstances or matters known to Seller or Sewerage Associates but undisclosed to Purchaser, provided, however, that Seller's liability under this Section 5.4(g)(v) shall be limited to the amount of, and recoverable only out of, the Holdback.

(h) Taxes. Except as otherwise explicitly set forth in this Agreement, Seller shall pay any and all New Jersey tax liabilities, deficiencies, assessments and amounts due in connection with the failure to timely file tax returns of Seller and Sewerage Associates for the period prior to the Closing Date or arising as a result of this transaction for which Purchaser could be liable under N.J.S.A. 54:50-38. Seller shall reasonably cooperate with Purchaser with respect to any tax filings to be filed at and after the Closing. The provisions of this Section 5.4(h) shall survive the Closing.

(i) Continued Operation of the Sewer Treatment Plant. During the period commencing on the date hereof and ending on the Closing Date, Sewerage Associates Owner and Sewerage Associates shall continue to cause the Facility to be operated and maintained as required pursuant to the NJBPU-approved tariff and all applicable laws and regulations, including but not limited to New Jersey law and regulations.

SECTION 5.5 Representations, Warranties and Covenants of Purchaser. Purchaser hereby makes the following representations and warranties to Seller as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing Date except as otherwise provided in Section 4.3:

(a) Organization and Authority. Purchaser has been duly organized and is validly existing under the laws of the State of Delaware. Purchaser has the full right, power and authority to conduct its business enter into this Agreement and to consummate or cause to be consummated the transaction contemplated by this Agreement. The person signing this Agreement on behalf of Purchaser is authorized to do so. Purchaser's taxpayer identification number is 47-4940716. For the avoidance of doubt, Purchaser may update the jurisdiction or organization and taxpayer identification number in the certificate to be delivered at the Closing

as necessary to account for any assignment of Purchaser's rights and obligations under this Agreement in accordance with the terms hereof.

(b) Pending Actions. To Purchaser's knowledge, there is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(c) ERISA. Purchaser is not (i) an "employee benefit plan" (within the meaning of ERISA), (ii) a "plan" (within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended), or (iii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in such entity.

(d) OFAC; Anti-Money Laundering Laws.

(i) Purchaser is not now, nor shall it be at any time on or before the Closing, an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a "***Person***") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "***U.S. Person***"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("***OFAC***") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC "***Specially Designated Nationals and Blocked Persons***") or otherwise.

(ii) Neither Purchaser nor any Person who owns a direct interest in Purchaser (collectively, the "***Purchaser Parties***") is now, nor shall be at any time until the Closing, a Person with whom a U.S. Person, including a United States Financial Institution as defined in 31 U.S.C. 5312, as periodically amended ("***Financial Institution***"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

(iii) Purchaser has taken, and shall continue to take until the Closing, such measures as are required by law to assure that the funds used to pay to Seller the Purchase Price are derived (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United

States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated.

(iv) To the best of Purchaser's knowledge after making due inquiry, neither Purchaser nor any of the Purchaser Parties, nor any Person providing funds to Purchaser (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws (as defined herein); or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this Section 5.5(d)(iv), the term "***Anti-Money Laundering Laws***" means laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the "***Patriot Act***"), the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

(v) Purchaser represents and warrants that it is in compliance with any and all applicable provisions of the Patriot Act. Purchaser covenants that the foregoing representation shall be true and correct as of the Closing Date. The terms of this Section 5.5 shall survive the Closing or the earlier termination of this Agreement.

(e) Taxes. Purchaser shall reasonably cooperate with Seller with respect to any tax filings to be filed at and after the Closing. The provisions of this Section 5.5(e) shall survive the Closing and/or any termination of this Agreement.

SECTION 5.6 Survival of Purchaser's Representations and Warranties. The representations and warranties of Purchaser set forth in Section 5.5 hereof as updated as of the Closing in accordance with the terms of this Agreement, shall survive the Closing until the expiration of the Survival Period.

ARTICLE 6

DEFAULT

SECTION 6.1 Default by Purchaser.

(a) Cross-Default. Prior to the end of the Inspection Period hereunder and under the Remaining Sites PSA (as such term is defined in each respective agreement), the Remaining Sites PSA and this Agreement shall be cross-defaulted such that any default by Remaining Sites Purchaser under the Remaining Sites PSA shall be deemed a default by Purchaser hereunder, and any default by Purchaser hereunder shall be deemed a default by Remaining Sites Purchaser under the Remaining Sites PSA. The Remaining Sites PSA and this Agreement shall no longer be deemed cross-defaulted upon receipt by Seller (as such term is defined in each respective agreement) of the Second Deposit (as such term is defined in each respective agreement) under this Agreement and the Remaining Sites PSA. Notwithstanding anything to the contrary contained herein, if this Agreement is terminated pursuant to the first sentence of Section 3.4, regardless of whether any default by either party has occurred hereunder or any default by Remaining Sites Purchaser or the other parties to the Remaining Sites PSA has occurred thereunder, then neither party shall have any further rights or obligations hereunder (except for provisions of this Agreement which expressly survive termination of this Agreement), the Original Deposit shall be returned to Purchaser and the Original Deposit (as such term is defined in the Remaining Sites PSA) shall be returned to the Remaining Sites Purchaser, and each party shall bear its own costs incurred hereunder.

(b) Default Generally. In the event that the transactions contemplated hereby are not consummated on the Confirmed Closing Date due to Purchaser's default in the performance by Purchaser of its obligations in respect of the Closing or because the condition set forth in Section 4.7(h) has not been fulfilled by Purchaser, and Seller is not in default under this Agreement, Seller shall be entitled, as its sole remedy, to terminate this Agreement and receive the Deposit as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Deposit is a reasonable estimate thereof, provided, however, that Seller and Purchaser agree that notwithstanding anything contained herein to the contrary, the other party shall also be liable to the prevailing party for reasonable attorneys' fees in the event that Purchaser has either filed a lis pendens against the Property or the Property otherwise renders Seller's title to an Individual Property uninsurable for any period of time by reason of informing a title company or another prospective purchaser that Purchaser continues to believe it has the right to purchase the Property under this Agreement. In the event that Seller terminates this Agreement due to Purchaser's default hereunder, and Purchaser disputes Seller's right to receive the Deposit as liquidated damages for the breach of this Agreement, Purchaser shall be liable to Seller for Seller's reasonable attorneys' fees in connection with such dispute, if such dispute is resolved in Seller's favor.

SECTION 6.2 Default by Seller. In the event the sale of the Property as contemplated hereunder is not consummated on the Confirmed Closing Date due to Seller's default hereunder, and Purchaser is not in default under this Agreement, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Deposit, which shall operate to terminate this Agreement and release Seller from any and all liability hereunder except that Seller shall reimburse Purchaser for its out-of-pocket expenses incurred in connection with the Agreement and the transactions contemplated hereby not to exceed [redacted], or (b) to enforce specific performance of Seller's obligation to convey title to the Property in accordance with this Agreement, it being understood and agreed that the remedy of specific performance shall not be available to enforce

any other obligation of Seller hereunder. Except as provided in this Section 6.2, Purchaser expressly waives its rights to seek damages in the event of Seller's default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Deposit as provided above if Purchaser fails to file suit against Seller in a court having jurisdiction in the county and state in which the Property is located, on or before thirty (30) days following the date upon which the Closing was to have occurred. If Purchaser elects to seek specific performance hereunder, Purchaser agrees that notwithstanding anything contained herein to the contrary, Purchaser shall be liable to Seller for reasonable attorneys' fees sustained by Seller in the event that Purchaser is unsuccessful in such suit and Purchaser has either filed a lis pendens against an Individual Property or the Property in connection with Purchaser's suit for specific performance or otherwise renders Seller's title to such Property uninsurable for any period of time by reason of informing a title company or another prospective purchaser that Purchaser continues to believe it has the right to purchase the Property under this Agreement.

SECTION 6.3 Recoverable Damages. Notwithstanding Sections 6.1 and 6.2 hereof, in no event shall the provisions of Sections 6.1 and 6.2 limit the damages recoverable by either party against the other party due to the other party's obligation to indemnify such party in accordance with this Agreement.

SECTION 6.4 Limitation on Personal Liability. Each Seller shall be jointly and severally liable for the obligations of Seller under this Agreement. Purchaser agrees that it shall look solely to the Property, and not to (x) any other assets of Seller or any Seller Related Party or (y) Seller's directors, officers, employees, shareholders, members, managers, beneficial owners, partners, affiliates, agents, representative or advisors or any of their assets, to enforce Purchaser's rights hereunder, and that none of the directors, officers, employees, shareholders, members, managers, beneficial owners, partners, affiliates, agents, representatives or advisors of Seller or any Seller Related Party shall have any personal obligation or liability hereunder, and that Purchaser shall not seek to assert any claim or enforce any of Purchaser's rights hereunder against any directors, officers, employees, shareholders, members, managers, beneficial owners, partners, affiliates, agents, representatives or advisors of Seller or any Seller Related Party or against any other Person, as principal of Seller or any Seller Related Party, whether disclosed or undisclosed.

No present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, affiliate or agent of Purchaser shall have any personal liability, directly or indirectly, and recourse shall not be had against any such officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor or agent, under or in connection with this Agreement or any other document or instrument heretofore or hereafter executed in connection with this Agreement either before or after the Closing. Seller hereby waives and releases any and all such personal liability and recourse.

The provisions of this Section 6.4 shall survive the Closing and/or any termination of this Agreement.

ARTICLE 7

RISK OF LOSS

SECTION 7.1 Minor Damage. In the event of loss or damage to or any condemnation of the Property, or any portion thereof, which is not "Major" (as hereinafter defined), this Agreement shall remain in full force and effect provided that Seller or Sewerage Associates shall assign to Purchaser all of its right, title and interest in and to any claims and proceeds Seller or Sewerage Associates may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question and the Purchase Price shall be reduced by an amount equal to the lesser of the deductible amount under Seller's or Sewerage Associates' insurance policy or the cost of such repairs as determined in accordance with Section 7.3 hereof. Upon the Closing, full risk of loss with respect to the Property shall pass to Purchaser.

SECTION 7.2 Major Damage. In the event of a "Major" loss or damage, Purchaser may, in its sole discretion, terminate this Agreement. If Purchaser does not elect to terminate this Agreement or within ten (10) Business Days after Seller sends Purchaser written notice of the occurrence of such Major loss or damage (which notice shall state the cost of repair or restoration thereof as opined by an architect in accordance with Section 7.3 hereof), then Purchaser shall be deemed to have elected to proceed with the purchase and sale of the Property, in which event Seller or Sewerage Associates shall assign to Purchaser all of its right, title and interest in and to any claims and proceeds Seller or Sewerage Associates may have with respect to any casualty insurance policies or condemnation awards relating to the Property and the Purchase Price shall be reduced by an amount equal to the lesser of the deductible amount under Seller's or Sewerage Associates' insurance policy or the cost of such repairs as determined in accordance with Section 7.3 hereof.

SECTION 7.3 Definition of "Major" Loss or Damage. For purposes of Sections 7.1 and 7.2, "***Major***" loss or damage refers to the following: (a) insured (other than standard deductible) loss or damage to any Property hereof such that the cost of repairing or restoring the premises in question to substantially the same condition which existed prior to the event of damage would be, in the opinion of an architect selected by Seller and reasonably approved by Purchaser, equal to or greater than five percent (5%) of the Purchase Price, (b) any uninsured loss or damage (other than standard deductible), and (c) any loss due to a condemnation which permanently and materially impairs the current use of or access to the affected Property. If Purchaser does not give written notice to Seller of Purchaser's reasons for disapproving an architect within five (5) Business Days after receipt of notice of the proposed architect, Purchaser shall be deemed to have approved the architect selected by Seller.

ARTICLE 8

COMMISSIONS

SECTION 8.1 Brokerage Commissions. Seller acknowledges that Seller's Broker has been engaged by Seller to assist with this transaction and Seller shall be fully responsible for any compensation owed Seller's Broker in connection with this transaction. Each

of Purchaser and Seller represent and warrant to the other that it has not dealt with any broker or agent in the negotiation of this transaction other than Seller's Broker. Purchaser agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Purchaser, and such claim is made by, through or on account of any acts or alleged acts of Purchaser or its representatives, Purchaser will protect, indemnify, defend and hold Seller and any Seller Related Party free and harmless from and against any and all loss, liability, cost, damage and expense (including reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive the Closing or any termination of this Agreement.

ARTICLE 9

DISCLAIMERS AND WAIVERS

SECTION 9.1 NO RELIANCE ON DOCUMENTS. EXCEPT AS EXPRESSLY STATED HEREIN, SELLER MAKES NO REPRESENTATION OR WARRANTY AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF ANY DELIVERIES, MATERIALS, DATA OR INFORMATION (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL REPORTS) DELIVERED BY SELLER OR ITS BROKERS OR AGENTS TO PURCHASER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY. PURCHASER ACKNOWLEDGES AND AGREES THAT ALL DELIVERIES, MATERIALS, DATA AND INFORMATION DELIVERED BY SELLER OR A SELLER RELATED PARTY TO PURCHASER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY ARE PROVIDED TO PURCHASER AS A CONVENIENCE ONLY AND THAT ANY RELIANCE ON OR USE OF SUCH DELIVERIES, MATERIALS, DATA OR INFORMATION BY PURCHASER SHALL BE AT THE SOLE RISK OF PURCHASER, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN OR IN ANY OTHER DOCUMENT EXECUTED BY SELLER AND DELIVERED TO PURCHASER AT THE CLOSING. NEITHER SELLER, NOR ANY AFFILIATE OF SELLER OR ANY SELLER RELATED PARTY, SHALL HAVE ANY LIABILITY TO PURCHASER EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN FOR ANY INACCURACY IN OR OMISSION FROM ANY SUCH ITEMS.

SECTION 9.2 AS-IS SALE; DISCLAIMERS. **EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY SELLER AND DELIVERED TO PURCHASER AT THE CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO A PARTICULAR PURPOSE AND AS TO THE ENVIRONMENTAL CONDITION. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON THE CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS", EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY SELLER AND DELIVERED TO PURCHASER AT THE CLOSING. PURCHASER HAS NOT RELIED**

AND WILL NOT RELY ON, AND NEITHER SELLER NOR ANY SELLER RELATED PARTY IS LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, OFFERING PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGERS OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY SELLER AND DELIVERED TO PURCHASER AT THE CLOSING. PURCHASER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS-IS."

PURCHASER ACKNOWLEDGES THAT PURCHASER HAS BEEN GIVEN THE OPPORTUNITY TO CONDUCT PRIOR TO THE CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS SUBSTANCES IN, ON, ABOVE, AND UNDER, OR COMING FROM OR TO THE PROPERTY, AND WILL RELY SOLELY UPON SAME PROVIDED THE FOREGOING SHALL NOT DIMINISH ANY OF PURCHASER'S RIGHTS WITH RESPECT TO ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES OR ANY SELLER RELATED PARTY WITH RESPECT THERETO SOLELY IN THE REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY SELLER AND DELIVERED TO PURCHASER PRIOR TO OR AT THE CLOSING. UPON THE CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND EXCEPT WITH RESPECT TO (1) MATTERS WHICH BY THE EXPRESS TERMS OF THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SELLER PURSUANT HERETO SURVIVE THE CLOSING, (2) A BREACH OF ANY SELLER'S REPRESENTATIONS, WARRANTIES OR COVENANTS SET FORTH IN THIS CONTRACT, SUBJECT TO SECTION 5.3(A), OR (3) ANY CLAIMS OR LIABILITIES ARISING OUT OF THE FRAUDULENT ACTIONS OF SELLER, PURCHASER UPON THE CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S OFFICERS,

DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL AND ENVIRONMENTAL CONDITIONS, VIOLATIONS OR ANY APPLICABLE LAWS AND ANY AND ALL OTHER FACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY.

SECTION 9.3 SURVIVAL OF DISCLAIMERS. THE PROVISIONS OF THIS ARTICLE IX SHALL SURVIVE THE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

ARTICLE 10

DEFINITIONS

SECTION 10.1 Defined Terms. The capitalized terms used herein will have the following meanings.

"***AAA***" shall have the meaning assigned thereto in Section 15.3(b).

"***Agreement***" shall mean this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified.

"***AIGGRE***" shall have the meaning assigned thereto in Section 3.2.

"***Anti-Money Laundering Laws***" shall have the meaning assigned thereto in Section 5.6(d)(iv).

"***Assignment of Contracts***" shall have the meaning assigned thereto in Section 4.2(a)(i)(B).

"***Assignment of Entity Interests***" shall have the meaning assigned thereto in Section 4.2(a)(i)(B).

"***Assignment of Leases***" shall have the meaning assigned thereto in Section 4.2(a)(iii).

"***Assignment of Sewerage Lease***" shall have the meaning assigned thereto in Section 4.2(a)(xiii).

"***Bill of Sale***" shall have the meaning assigned thereto in Section 4.2(a)(ii).

"***Business Day***" shall mean any day other than a Saturday, Sunday, or any Federal or New York State holiday.

"***Cap***" shall have the meaning assigned thereto in Section 5.3.

"***Certificate of Occupancy***" shall have the meaning assigned thereto in Section 5.4(d).

"***Closing***" shall have the meaning assigned thereto in Section 4.1.

"***Closing Date***" shall have the meaning assigned thereto in Section 4.1.

"***Closing Statement***" shall have the meaning assigned thereto in Section 4.4(a).

"***Confirmation***" shall have the meaning assigned thereto in Section 12.1(b).

"***Confirmed Closing Date***" shall have the meaning assigned thereto in Section 12.1(b).

"***Contract Period***" shall have the meaning assigned thereto in Section 5.4(a).

"***Deed***" shall have the meaning assigned thereto in Section 4.2(a)(i).

"***Defeasance***" shall have the meaning assigned thereto in Section 12.1(a).

"***Defeasance Debt***" shall have the meaning assigned thereto in Section 12.1(a).

"***Deliveries***" shall have the meaning assigned thereto in Section 3.1.

"***Deposit***" shall have the meaning assigned thereto in Section 1.4(b).

"***Designated Representative***" shall have the meaning assigned thereto in Section 5.2.

"***EAM***" shall have the meaning assigned thereto in Section 2.1.

"***Effective Date***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Entity Interests***" shall have the meaning assigned thereto in Section 1.1(g).

"***Environmental Laws***" (and, individually, "***Environmental Law***") shall mean applicable federal, state, county or municipal statutes, ordinances, rules, regulations, orders, codes, directives, requirements or common law, relating to regulation of human health and safety and/or environmental protection, pollution, and/or the identification, transportation, handling, discharge, emission, treatment, storage, or disposal of any Hazardous Substances. Without limiting the generality of the foregoing, Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act, ("***CERCLA***"), 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, ("***RCRA***"), 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Insecticide, Fungicide and Rodenticide

Act, 7 U.S.C. § 136 et seq.; the New Jersey Industrial Site Recovery Act, ("***ISRA***"), N.J.S.A. 13:1k-6 et seq.; the New Jersey Site Remediation Reform Act, ("***SRRA***"), N.J.S.A. 58:10C-1 et seq.; the New Jersey Spill Compensation and Control Act, (the "***Spill Act***"), N.J.S.A. 58:10-23.11 et seq.; the New Jersey Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq.; the New Jersey Air Pollution Control Act, N.J.S.A. 26:2C-1 et seq.; the New Jersey Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq.; the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq.; and the New Jersey Brownfield and Contaminated Site Remediation Act, N.J.S.A. 58:10B-1.1 et seq., each as amended, together with the regulations promulgated thereunder.

"***Environmental Permits***" shall have the meaning assigned thereto in Section 11.17(a).

"***Environmental Permit Forms***" shall have the meaning assigned thereto in Section 11.17(a)(i).

"***Environmental Reports***" shall have the meaning assigned thereto in Section 5.1(f)(i).

"***ERISA***" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"***Escrow Agent***" shall have the meaning assigned thereto in Section 1.4(a).

"***Facility***" shall have the meaning assigned thereto in Section 1.1(h).

"***Feasibility Study***" shall have the meaning assigned thereto in Section 3.3(a).

"***Fidelity***" shall have the meaning assigned thereto in Section 2.1.

"***Final Closing Statement***" shall have the meaning assigned thereto in Section 4.4(j).

"***Financial Institution***" shall have the meaning assigned thereto in Section 5.5(d)(ii).

"***Hazardous Substance***" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, mold, asbestos, in friable or non-friable form, petroleum or petroleum by-products or breakdown product, pollutant or contaminant defined or referred to in Environmental Laws.

"***Holdback***" shall have the meaning assigned thereto in Section 15.1.

"***Holdback Escrow Agreement***" shall have the meaning assigned thereto in Section 15.1.

"***Improvements***" shall have the meaning assigned thereto in Section 1.1(b).

"***Inspection Period***" shall have the meaning assigned thereto in Section 3.4.

"***Intangibles***" shall have the meaning ascribed thereto in Section 1.1(e).

"***ISRA Affidavit***" shall have the meaning assigned thereto in Section 5.1(m).

"***Land***" shall have the meaning assigned thereto in Section 1.1(a).

"***Lead Based Paint Disclosure Statement***" shall have the meaning assigned thereto in Section 4.2(a)(xi).

"***Leases***" (and individually, "***Lease***") shall have the meaning assigned thereto in Section 1.1(d).

"***Lender***" shall have the meaning assigned thereto in Section 12.1(c).

"***Licensed Site Remediation Professional***" *or* "***LSRP***" shall have the meaning as set forth in the SRRA and regulations promulgated thereunder.

"***Monetary Objections***" shall have the meaning assigned thereto in Section 2.2.

"***NJBPU***" shall mean the New Jersey Board of Public Utilities or any successor of the New Jersey Board of Public Utilities.

"***NJDEP***" shall mean the New Jersey Department of Environmental Protection or any successor of the New Jersey Department of Environmental Protection.

"***NJPDES***" shall have the meaning assigned thereto in Section 11.17(a).

"***Oakwood Seller***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***OFAC***" shall have the meaning assigned thereto in Section 5.5(d)(i).

"***Operating Agreements***" (and individually, "***Operating Agreement***") shall have the meaning assigned thereto in Section 1.1(f).

"***Original Deposit***" shall have the meaning assigned thereto in Section 1.4(a).

"***Patriot Act***" shall have the meaning assigned thereto in Section 5.5(d)(iv).

"***Permits***" shall have the meaning assigned thereto in Section 3.1.

"***Permitted Exceptions***" shall have the meaning assigned thereto in Section 2.3.

"***Person***" shall have the meaning assigned thereto in Section 5.5(d)(i).

"***Personal Property***" shall have the meaning assigned thereto in Section 1.1(c).

"***Preclosing Call***" shall have the meaning assigned thereto in Section 12.1(b).

"***Property***" shall have the meaning assigned thereto in Section 1.1(d).

"***Purchase Price***" shall have the meaning assigned thereto in Section 1.2.

"***Purchaser***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Purchaser Parties***" shall have the meaning assigned thereto in Section 5.5(d)(ii).

"***Purchaser's Environmental Permit Obligation***" shall have the meaning assigned thereto in Section 11.17(a)(iv).

"***Purchaser's Representatives***" means any, actual or prospective, direct or indirect, owner of any beneficial interest in Purchaser, and any of Purchaser's or such owner's affiliates, partners, shareholders, members, trustees, officers, employees, agents, counsel, advisors, directors, contractors, inspectors, engineers, consultants, advisers, lenders and representatives.

"***Radon Sampling Results***" shall have the meaning assigned thereto in Section 4.1(a)(xiv).

"***Remaining Sites PSA***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Remaining Sites Purchaser***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Remaining Sites Purchaser***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Rate Counsel***" shall have the meaning assigned thereto in Section 14.1.

"***Release***" with respect to any Hazardous Substance shall mean any release, deposition, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

"***Remediate***," "***Remediating***" or "***Remediation***" shall mean any corrective action, investigation, monitoring, testing, boring, excavation, removal, disposal, treatment, containment, risk assessment, remedial action, remedial action permit, institutional control, engineering control, deed notice, biennial remedial action protectiveness certification, forms, financial assurances or fees, or other method or any combination thereof in such a manner as to address the presence of Hazardous Substances in, on, at or under or from the soil, sediments, groundwater, air, building materials, or other medium at, on, under, or migrating from real property.

"***Remove***" shall mean with respect to any exception to title, that Seller causes Title Company to remove or, if approved in Purchaser's reasonable discretion, affirmatively insure the same as an exception to the title insurance policy to be issued pursuant to the Title Commitment for the benefit of Purchaser, without any additional cost to Purchaser, whether such removal or insurance is made available in consideration of payment, bonding, indemnity of Seller or otherwise. The forgoing definition shall also apply accordingly to the use of the terms "***Removal***" or "***Removable***".

"***Rent Roll***" shall have the meaning assigned thereto in Section 3.1.

"***Request for Entry***" shall have the meaning assigned thereto in Section 3.3(a).

"***Second Deposit***" shall have the meaning assigned thereto in Section 1.4(b).

"***Section 1060 Allocation***" shall have the meaning assigned thereto in Section 1.3.

"***Security Deposits***" shall have the meaning assigned thereto in Section 1.1(d).

"***Seller***" shall have the meaning assigned thereto in the Preamble to this Agreement.

"***Seller Related Parties***" shall mean, collectively, (i) Seller, (ii) Seller's counsel, (iii) Seller's Broker, (iv) Seller's property manager, (v) AIGGRE, (vi) any contractor, consultant, vendor or supplier of Seller or property manager, (vii) any direct or indirect owner of any beneficial interest in Seller, (viii) any officer, director, employee, or agent of Seller, AIGGRE, Seller's counsel, Seller's Broker, Seller's property manager or any direct or indirect owner of any beneficial interest in Seller and (ix) any other Person affiliated or related in any way to any of the foregoing; the term "***Seller Related Party***" means any of the Seller Related Parties.

"***Seller's Broker***" shall have the meaning assigned thereto in Section 4.5(b)(iv).

"***Seller's Response***" shall have the meaning assigned thereto in Section 2.2.

"***Sewerage Associates***" shall have the meaning assigned thereto in Section 1.1(g).

"***Sewerage Associates Owner***" shall have the meaning assigned thereto in Section 5.1(n)(i).

"***Sewerage Interest Transfer***" shall have the meaning assigned thereto in Section 14.1.

"***Sewerage Transfer Consents***" shall have the meaning assigned thereto in Section 14.1.

"***Specially Designated Nationals and Blocked Persons***" shall have the meaning assigned thereto in Section 5.5(d)(i).

"***Surveys***" shall have the meaning assigned thereto in Section 2.1.

"***Survival Period***" shall have the meaning assigned thereto in Section 5.3.

"***Taxes***" shall have the meaning assigned thereto in Section 5.1(n)(xii).

"***Taxing Authority***" shall have the meaning assigned thereto in Section 5.1(n)(xii).

"***Tax Proceedings***" shall have the meaning assigned thereto in Section 5.1(h).

"***Tenants***" shall have the meaning assigned thereto in Section 1.1(d).

"***Tenant Notice***" shall have the meaning assigned thereto in Section 4.2(a)(v).

"***Termination Notice***" shall have the meaning assigned thereto in Section 3.4.

"***Title Commitments***" shall have the meaning assigned thereto in Section 2.1.

"***Title Company***" shall have the meaning assigned thereto in Section 2.1.

"***Title Objection Notice***" shall have the meaning assigned thereto in Section 2.2.

"***Transfer Requirement***" shall have the meaning assigned thereto in Section 5.4(d).

"***U.S. Person***" shall have the meaning assigned thereto in Section 5.5(d)(i).

"***Violations Maximum***" shall have the meaning assigned thereto in Section 5.4(e).

ARTICLE 11

MISCELLANEOUS

SECTION 11.1 Confidentiality. Except as required by law, Purchaser and its representatives shall hold in strictest confidence all data and information obtained with respect to Seller or its business, whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that it is understood and agreed that Purchaser may disclose such data and information to the employees, investors, lenders, consultants, accountants and attorneys of Purchaser provided that Purchaser instructs such persons to treat such data and information confidentially. Notwithstanding the foregoing, Purchaser shall have no obligation to maintain the confidentiality of any information which is available to the public or which has been obtained from sources not subject to the provisions hereof. In the event this Agreement is terminated or Purchaser fails to perform hereunder, Purchaser shall promptly return to Seller or destroy any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by Purchaser or its agents or representatives of this Section 11.1, Seller shall be entitled to an injunction restraining Purchaser or its agents or representatives from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting Seller from pursuing

any other available remedy at law or in equity for such breach or threatened breach. The provisions of this Section 11.1 shall survive the Closing or any termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, nothing in this Agreement shall prohibit Purchaser (and/or any affiliate of Purchaser or any direct or indirect member or owner of Purchaser, including, without limitation, any direct or indirect member or owner of any affiliate of any member of Purchaser or its affiliates) from complying with applicable legal or regulatory requirements (including the requirements of the United States Securities and Exchange Commission, the United States Internal Revenue Service, or any stock exchange) and making any required disclosures in connection with any filings in respect thereof.

SECTION 11.2 Public Disclosure. Except as required by law, any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form reasonably approved by Purchaser and Seller. The provisions of this Section 11.2 shall survive the Closing or any termination of this Agreement.

SECTION 11.3 Assignment. Subject to the provisions of this Section 11.3, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto. Purchaser may not assign its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion; provided, however, that Purchaser may, without obtaining Seller's written approval but upon at least ten (10) Business Days prior written notice, direct Seller at the Closing to deliver each Deed to an Individual Property (and related documents) and the Assignment of Entity Interests to a separate designated entity owned directly or indirectly through one or more tiers by Purchaser, Michael Betancourt and/or China Orient Asset Management, so long as Michael A. Betancourt retains an economic interest in and control of the managing member of Purchaser (or its successors or assigns, directly or indirectly). Notwithstanding the foregoing, under no circumstances shall Purchaser have the right to assign this Agreement to any person or entity owned or controlled by an employee benefit plan if Seller's sale of the Property to such person or entity would, in the reasonable opinion of Seller's ERISA advisor, create or otherwise cause a "prohibited transaction" under ERISA. Any transfer, directly or indirectly, of any stock, partnership interest or other ownership interest in Purchaser shall constitute an assignment of this Agreement. The provisions of this Section 11.3 shall survive the Closing or any termination of this Agreement and shall not be merged into the Deeds.

SECTION 11.4 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, or (c) an attachment to an email in .pdf, or similar electronic format, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of email transmission, as of the date of the email transmission provided that the confirmation of such transmission was received prior to 6:00 P.M., New York, New York time and a courtesy copy is also sent to the intended addressee by means described in clauses (a) or (b) above. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller: AIG Global Real Estate Investment Corp.

32 Old Slip, 28th Floor
New York, New York 10005
Attention: Ari Benmosche and Ryan Mahoney
Email: ari.benmosche@aig.com
Email: ryan.mahoney@aig.com

And a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Attention: Chris M. Smith
Email: csmith@shearman.com

If to Purchaser:

Aion Real Estate II LLC
c/o AION Partners
11 East 44th Street, Suite 1000
New York, New York 10017
Attention: Michael Betancourt, Victor Cole and Sean Belfi
Email: m.betancourt@aionpartners.com
Email: v.cole@aionpartners.com
Email: s.belfi@aionpartners.com

with a copy to:

Goulston & Storrs PC
885 Third Avenue, 18th Floor
New York, New York 10022
Attention: Bruce P. Meyerson, Esq.
Email: bmeyerson@goulstonstorrs.com

SECTION 11.5 Modifications. This Agreement cannot be changed orally, and no executory Agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory Agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

SECTION 11.6 Entire Agreement. This Agreement, including the exhibits and schedules hereto, contains the entire Agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

SECTION 11.7 Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing, as may be reasonably requested by the other party to consummate the transaction contemplated by this Agreement. The provisions of this Section 11.7 shall survive the Closing or earlier termination of this Agreement.

SECTION 11.8 Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same Agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. In order to expedite the transaction contemplated herein, delivery of an

executed counterpart signature page to this agreement by facsimile, .pdf, or similar electronic format shall be effective as a manually executed counterpart for all purposes. Seller and Purchaser intend to be bound by such signatures, are aware that the other party will rely on the signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

SECTION 11.9 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any party hereunder.

SECTION 11.10 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Purchaser and Seller agree that the provisions of this Section 11.10 shall survive the Closing or any termination of this Agreement.

SECTION 11.11 No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at the Closing are and will be for the benefit of Seller, each Seller Related Party and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at the Closing.

SECTION 11.12 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

SECTION 11.13 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

SECTION 11.14 Recordation. This Agreement may not be recorded by any party hereto without the prior written consent of the other party hereto. The provisions of this Section 11.14 shall survive the Closing or any termination of this Agreement.

SECTION 11.15 Attorneys' Fees. If either party commences legal proceedings for any relief against the other party arising out of this Agreement or any documents, agreements, exhibits or certificates contemplated hereby, the losing party shall pay the prevailing party's reasonable attorneys' fees upon final settlement, judgment or appeal thereof.

SECTION 11.16 Computation of Time Periods. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies Business Days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a day that is not a Business Day, such act or notice may be timely performed or given on the next succeeding Business Day.

SECTION 11.17 Environmental Matters.

(a) Environmental Permits. Within fifteen (15) days of the Effective Date, Seller shall provide copies of any and all permits issued by any federal, state, local or regional governmental entity with respect to environmental matters at the Property and the operations conducted at the Property, including but not limited to NJ Pollution Discharge Elimination System ("***NJPDES***") permits, Ground Water Discharge NJPDES permits, Treatment Works Approval permits, and Air Pollution Control permits (the "***Environmental Permits***"). Notwithstanding anything contained herein to the contrary, at and after the Closing, Purchaser shall be solely responsible at its cost and expense for compliance with and transfer, assumption, assignment or termination of all Environmental Permits. Seller shall reasonably cooperate with the transfer, assumption, assignment or termination of all Environmental Permits by Purchaser, at its sole expense prior to, at and after the Closing. In furtherance thereof, Purchaser and Seller hereby agree:

(i) Within the later of (1) thirty (30) days after Purchaser's receipt of the Environmental Permits from Seller or (2) sixty (60) days prior to the Closing Date, Purchaser shall prepare and provide to Seller applications to amend all such Environmental Permits in substantially the form attached hereto as Exhibit W (collectively, the "***Environmental Permit Forms***") in accordance with the instructions published by the issuing governmental entities, where available attached hereto as Exhibit X. Seller shall cooperate with Purchaser in the preparation of the Environmental Permit Forms.

(ii) Within fifteen (15) days of receipt, Seller shall reasonably comment on or approve the Environmental Permit Forms. Seller's approval shall not be unreasonably withheld or conditioned. If Seller does not approve the revised Environmental Permit Forms, then Purchaser and Seller shall continue to cooperate in the preparation of the Environmental Permit Forms until they are mutually acceptable.

(iii) Within the earlier of (1) five (5) days of Seller's approval of the Environmental Permit Forms (as the same may have been revised) or (2) thirty (30) days prior to the Closing Date, Purchaser shall cause the filing of the Environmental Permit Forms with the appropriate governmental entities in accordance with the instructions published by the issuing governmental entities, where available attached hereto as Exhibit X. Upon receipt from the governmental entity, Purchaser shall promptly provide Seller with documentation that each Environmental Permit has been transferred, assigned, assumed or terminated.

(iv) In the event that any governmental entity requires any other documents, forms, or actions in connection with the transfer, assumption, assignment or termination of the Environmental Permits ("***Purchaser's Environmental Permit Obligation***"), Purchaser and Seller shall cooperate promptly to complete Purchaser's Environmental Permit Obligation. Seller shall have the right and power to reasonably comment on and approve of any documents, forms, or actions required to complete Purchaser's Environmental Permit Obligation. Seller's approval shall not be unreasonably withheld or conditioned.

(b) [Intentionally omitted.]

(c) Survival. The provisions of Section 11.17 shall survive the Closing.

ARTICLE 12

DEFEASANCE DEBT

SECTION 12.1 Defeasance Debt.

(a) Seller shall defease the debt indicated on Exhibit U (the "***Defeasance Debt***") at or prior to the Closing (the "***Defeasance***"). Purchaser shall use best efforts to cooperate, at no cost to Purchaser, with all aspects of the Defeasance, including but not limited to any steps reasonably necessary to "pre-clear" all entities to be involved in the Defeasance process so as to avoid any delays by reason of "AML" or OFAC clearance by an existing or new lender. Purchaser shall use commercially reasonable efforts to cause its Lender (as defined below) to cooperate in all respects with respect to the Defeasance including, without limitation, participation in such all-hands calls or other communication as necessary to facilitate the Closing on the Closing Date.

(b) Purchaser, its Lender and Seller shall participate in a preclosing call beginning no later than 11:00 A.M., New York, New York time on the Business Day prior to the Closing Date (the "***Preclosing Call***"). Upon confirmation on such call of all parties' preparedness and willingness to proceed with the Closing (the "***Confirmation***") on the following Business Day (the "***Confirmed Closing Date***"), any rights of any party to extend the Closing granted hereunder shall be terminated, notwithstanding anything to the contrary contained herein, and any failure to close on the Confirmed Closing Date shall be deemed a default hereunder, unless (i) the parties hereto otherwise agree in writing subsequent to such confirmation based on knowledge of a material change which occurs between the Preclosing Call and the Closing, or (ii) a "Major" loss or damage is suffered subsequent to the Preclosing Call but before the Closing, in which case, the Confirmed Closing Date shall be extended to permit compliance with Section 7.2. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT FOLLOWING THE CONFIRMATION.**

(c) If, as of the Preclosing Call, any applicable lender or any servicer (collectively and each individually, the "***Lender***") is not prepared and able to close the Defeasance, and this is not due to the default by Seller or Purchaser under this Agreement, then the Confirmed Closing Date shall automatically be adjourned to the earliest date as Lender may permit for the Defeasance but in no event shall the adjournment be for more than two (2) Business Days. If after the Confirmation, the transactions contemplated under this Agreement, including but not limited to the Defeasance, do not close on the Confirmed Closing Date due to the default by Purchaser under this Agreement or Purchaser's failure to deliver the Purchase Price in a timely manner in breach of this Agreement as would permit the closing of the Defeasance on the Confirmed Closing Date (except as set forth in clauses (i) and (ii) of Section 12.1(b), and should the Closing occur thereafter, in addition to, and not in limitation of, any rights of the parties pursuant to Article 6 hereof, Purchaser shall be responsible for any and all liabilities, costs and expenses, including, without limitation, all cancellation, extension,

rebuilding and breakage costs incurred by Seller (including, but not limited to, brokerage fees and reasonable attorneys' fees).

(d) Seller and Purchaser shall mutually cooperate to effectuate any other release or discharge of the Defeasance Debt, such as payment of a yield maintenance premium or similar payment, at Seller's option and cost, if the Lender shall agree to the same and the same shall not delay the scheduled Closing Date.

(e) Seller may use any portion of the Purchase Price contemporaneously with the Closing to effect the release of the Properties in accordance with this Article 12.

ARTICLE 13

INTENTIONALLY OMITTED

ARTICLE 14

TRANSFER OF SEWAGE PLANT

SECTION 14.1 Transfer of Sewage Plant at Closing. Promptly following the Effective Date, Purchaser and Sewerage Associates shall jointly file a petition with the NJBPU in which (i) Purchaser and Sewerage Associates seek approval for Purchaser or Purchaser's designated entity to acquire control of Sewerage Associates as the result of the transfer of the limited liability company interests in Sewerage Associates from Sewerage Associates Owner to Purchaser or Purchaser's designated entity (the "***Sewerage Interest Transfer***") pursuant to the Assignment of Entity Interests and the assignment of that certain lease described more particularly in and pursuant to the Assignment of Sewerage Lease, (ii) Purchaser and Sewerage Associates seek approval for Purchaser or Purchaser's designated entity to encumber, pledge or hypothecate any portion of the Property utilized for the provision of sewer service or any direct or indirect ownership interest in the Property utilized for sewer service or the direct or indirect ownership interest in Sewerage Associates, (iii) Purchaser and Sewerage Associates seek approval of the revised tariff for sewer service; and (iv) Sewerage Associates seeks approval to reflect on its books the Sewerage Interest Transfer, all as heretofore agreed by counsel to the parties (items (i), (ii), (iii) and (iv) collectively, the "***Sewerage Transfer Consents***"). Such action may include pre-filing meetings between representatives of Purchaser, Seller, Sewerage Associates, and NJBPU staff and/or the staff of the NJ Division of Rate Counsel ("***Rate Counsel***"). Information, guidance, and/or direction provided by the NJBPU staff and Rate Counsel may be used to modify the petition as reasonably agreed by Seller and Purchaser. Provided Purchaser has received the Sewerage Transfer Consents, at the Closing, Sewerage Associates Owner shall effect the Sewerage Interest Transfer pursuant to the Assignment of Entity Interests, and assign its interests in the agreements set forth on Exhibit AA pursuant to the form of assignment attached hereto as Exhibit I. Purchaser shall accept the Sewerage Interest Transfer assignment and shall assume the obligations of Sewerage Associates Owner, including those obligations under that certain lease, as more particularly described in the Assignment of Sewerage Lease.

ARTICLE 15

HOLDBACK

SECTION 15.1 Holdback Agreement. At or prior to the Closing, Purchaser, Seller and Escrow Agent shall enter into a Holdback Escrow Agreement in the form attached hereto as Exhibit EE (the "***Holdback Escrow Agreement***"), pursuant to which Seller shall cause to be retained in an interest-bearing escrow account with Escrow Agent, out of the proceeds from the Purchase Price to be paid by Purchaser at the Closing, an amount equal to [redacted] until the final resolution of any action commenced by submission of a claim to mediation as set forth in Section 15.3 by Purchaser against Seller within thirty (30) days of the expiration of the Survival Period (the "***Holdback***"). The Holdback shall be held and disbursed in accordance with this Agreement and the Holdback Escrow Agreement. The provisions of this Article 15 shall survive the Closing until final disposition of all of the Holdback.

SECTION 15.2 Holdback Reimbursement. The Holdback shall be available to pay or reimburse Purchaser for, and Purchaser shall be entitled to withdraw from the escrow of the Holdback, amounts equal to any losses, damages, costs, and expenses incurred by Purchaser (including, without limitation, reasonable attorneys' fees) as a result of the breach of any representation or warranty made by Seller pursuant to Section 5.1 and to fulfill Seller's obligations under Sections 5.4(e) and 5.4(g)(v), and the first sentence of Section 5.4(h), in each case subject to the provisions of Section 5.3. Notwithstanding anything herein to the contrary, with respect to Section 5.4(h) only, Seller shall be responsible for any amounts due pursuant thereto without regard to the [redacted] figure set forth in Section 5.3.

SECTION 15.3 Holdback Arbitration. If Purchaser and Seller dispute whether Purchaser is entitled to be paid any portion of the Holdback in accordance with the Holdback Escrow Agreement, then the dispute shall be determined as follows:

(a) The parties shall submit the dispute to mediation under the then-applicable Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association in New York, New York. The parties shall share equally in the mediator's fees and any administrative fee, but shall otherwise bear their own expenses.

(b) If the parties are unable to resolve their dispute through mediation, an arbitrator shall be selected and paid for jointly by Purchaser and Seller. If Purchaser and Seller are unable to agree upon the arbitrator, then an arbitrator shall be designated by the American Arbitration Association ("***AAA***"), under its then-current commercial arbitration rules. The arbitrator selected by the parties or by the AAA, as the case may be, shall have at least ten (10) years' experience in retail and commercial office properties in the New York, New York metropolitan area.

(c) Purchaser and Seller, respectively, shall each submit to the arbitrator and to the others its position with respect to the applicable claim and the arbitrator shall select between Purchaser's and Seller's positions within thirty (30) days. The determination of the

arbitrator shall be binding upon Purchaser and Seller, and a judgment upon such determination shall be enforceable in any court having jurisdiction.

[*SIGNATURES COMMENCE ON FOLLOWING PAGE*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLERS:

EAST COAST OAKWOOD VILLAGE LLC, a Delaware limited liability company

By: _____
Name: John Mallinson
Title: Vice President

EAST COAST OAKWOOD APARTMENTS SEWAGE LLC, a Delaware limited liability company

By: _____
Name: John Mallinson
Title: Vice President

[*signatures continue on following page*]

PURCHASER:

AION REAL ESTATE II LLC, a Delaware limited liability company

By: _____

Name: MICHAEL BETANCOURT
Title: AUTHORIZED SIGNATORY

JOINDER BY ESCROW AGENT

Escrow Agent executes this Agreement below solely for the purpose of agreeing to be bound by the provisions of Section 1.5 and Article 15.

[Signature appears on following page.]

ESCROW AGENT:

By: _____

Name: Brian Maruscheli

Title: Vice President

JOINDER BY SEWERAGE ASSOCIATES

Sewerage Associates executes this Agreement below solely for the purpose of agreeing to be bound by the provisions of Articles 5 and 7.

[Signatures appear on following page.]

OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C., a New Jersey limited liability company

By: _____

Name: John Hallinson

Title: Vice President

JOINDER BY AION INVESTMENTS LLC

Aion Investments LLC, a New York limited liability company, for good and valuable consideration, the receipt of which is hereby confirmed, hereby guarantees the obligations of Purchaser under Section 3.3 of this Agreement.

[Signature appears on following page.]

AION INVESTMENTS LLC, a New York limited liability company

By: _____

Name: MICHAEL BETANCOURT
Title: AUTHORIZED SIGNATORY

EXHIBIT A

SELLERS

1.	East Coast Oakwood Apartments Sewage LLC, a Delaware limited liability company
2.	East Coast Oakwood Village LLC, a Delaware limited liability company

EXHIBIT B

Legal Description for Oakwood (Route 206 South, Mt. Olive, New Jersey)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWNSHIP OF MOUNT OLIVE COUNTY OF MORRIS, AND STATE OF NEW JERSEY, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 (FORMERLY ROUTE 31), 80.00 FEET WIDE, AND A POINT OF TANGENCY THEREON AT CENTERLINE STATION 180+19.84, SAID CENTERLINE STATION BEING AS SHOWN ON A MAP (THE "MAP") PREPARED BY THE NEW JERSEY STATE HIGHWAY DEPARTMENT ENTITLED, "GENERAL PROPERTY KEY MAP", DATED JANUARY 1928 AND FILED IN THE MORRIS COUNTY CLERK'S OFFICE IN CASE "D" NO. 869-865; THENCE

1) NORTH 06 DEGREES 17 MINUTES 00 SECONDS WEST, 115.27 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 TO A POINT ON THE SOUTHWESTERLY LINE OF LANDS NOW OR FORMERLY OF L. ADER; THENCE

2) NORTH 83 DEGREES 43 MINUTES 00 SECONDS EAST, 150.17 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF L. ADER TO A POINT; THENCE

3) NORTH 06 DEGREES 17 MINUTES 00 SECONDS WEST, 211.03 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF L. ADER TO A POINT; THENCE

4) SOUTH 83 DEGREES 43 MINUTES 00 SECOND WEST, 113.84 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF L. ADER TO A POINT; THENCE

5) NORTH 05 DEGREES 54 MINUTES 40 SECONDS EAST, 1,013.60 FEET ALONG OF LANDS NOW OR FORMERLY OF L. ADER TO POINT; THENCE

6) NORTH 63 DEGREES 46 MINUTES 00 SECONDS WEST, 153.47 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF L. ADER TO A POINT ON A CURVE IN THE AFOREMENTIONED EASTERLY RIGHT OF WAY LINE OF SAID NEW JERSEY STATE HIGHWAY ROUTE 206; THENCE

7) NORTHEASTERLY ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID NEW JERSEY STATE HIGHWAY ROUTE 206 ON A CURVE TO THE RIGHT HAVING A RADIUS OF 915.37 FEET AND AN ARC DISTANCE OF 43.47 (43.48 SURVEY) FEET TO A POINT OF TANGENCY AT CENTERLINE STATION 165+32.22 AS SHOWN ON THE MAP; THENCE

8) NORTH 26 DEGREES 14 MINUTES 00 SECONDS EAST, 1,270.95 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 TO THE SOUTHERLY LINE OF LANDS NOW OR FORMERLY OF S. MOCCIO; THENCE

9) SOUTH 63 DEGREES 99 MINUTES 50 SECONDS EAST, 114.50 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF S. MOCCIO TO A POINT; THENCE

10) SOUTH 38 DEGREES 36 MINUTES 50 SECONDS EAST, 50.54 FEET TO A POINT IN A LINE LANDS NOW OR FORMERLY OF A. FRAYSEE; THENCE

11) SOUTH 39 DEGREES 33 MINUTES 40 SECONDS EAST, 771.60 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

12) NORTH 30 DEGREES 55 MINUTES 30 SECONDS EAST, 238.71 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

13) NORTH 64 DEGREES 59 MINUTES 30 SECONDS EAST, 693.43 FEET TO A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

14) NORTH 39 DEGREES 35 MINUTES 30 SECONDS EAST, 992.20 FEET TO A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL, CO.; THENCE

15) SOUTH 12 DEGREES 59 MINUTES 30 SECONDS EAST, 498.76 FEET ALONG SAID MUNICIPAL BOUNDARY LINE TO A POINT IN LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

16) SOUTH 36 DEGREES 23 MINUTES 20 SECONDS WEST, 67.63 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF AMERICAN TEL, & TEL. CO.; THENCE

17) SOUTH 29 DEGREES 39 MINUTES 20 SECONDS EAST, 492.16 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

18) SOUTH 67 DEGREES 46 MINUTES 30 SECONDS WEST, 251.97 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

19) SOUTH 09 DEGREES 36 MINUTES 20 SECONDS EAST, 493.48 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO. TO A POINT;THENCE

20) SOUTH 50 DEGREES 43 MINUTES 50 SECONDS WEST, 1325.65 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO. TO A POINT; THENCE

21) SOUTH 05 DEGREES 35 MINUTES 00 SECONDS EAST, 346.52 FEET TO A POINT; THENCE

22) NORTH 61 DEGREES 45 MINUTES 47 SECONDS EAST, 897.12 FEET TO A POINT; THENCE

23) SOUTH 33 DEGREES 44 MINUTES 13 SECONDS EAST, 1213.79 FEET TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN; THENCE

24) SOUTH 60 DEGREES 32 MINUTES 17 SECONDS WEST, 461.73 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

25) SOUTH 69 DEGREES 33 MINUTES 39 SECONDS WEST, 978.70 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

26) NORTH 17 DEGREES 22 MINUTES 03 SECONDS WEST, 158.76 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

27) SOUTH 72 DEGREES 16 MINUTES 50 SECONDS WEST, 631.85 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD; THENCE

28) NORTH 26 DEGREES 44 MINUTES 30 SECONDS WEST, 316.05 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT; THENCE

29) SOUTH 72 DEGREES 15 MINUTES 30 SECONDS WEST, 134.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT; THENCE

30) SOUTH 72 DEGREES 55 MINUTES 00 SECONDS WEST, 124.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS; THENCE

31) NORTH 22 DEGREES 13 MINUTES 50 SECONDS EAST, 183.30 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS TO A POINT; THENCE

32) SOUTH 88 DEGREES 42 MINUTES 40 SECONDS WEST, 310.07 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS TO A POINT; THENCE

33) SOUTH 84 DEGREES 53 MINUTES 00 SECONDS WEST, 375.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF MOUNT OLIVE TOWNSHIP TO A POINT; THENCE

34) NORTH 56 DEGREES 23 MINUTES 00 SECONDS WEST, 131.75 FEET TO A POINT ON THE AFOREMENTIONED EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206; THENCE

35) NORTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 ON A CURVE TO THE RIGHT HAVING A RADIUS OF 5,689.65 FEET AND AN ARC DISTANCE OF 404.77 FEET THE POINT AND PLACE OF BEGINNING.

EXPECTING THEREFROM, HOWEVER, THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT A POINT IN THE EASTERLY LINE OF THE HEREINAFTER DESCRIBED TRACT, SAID BEGINNING POINT BEING THE FOLLOWING COURSES AND DISTANCES FROM A POINT REFERRED TO IN THE NINETEENTH (19TH) COURSE OF THE 186.698 ACRE PARCEL OF WHICH THIS PARCEL IS A PART:

I. SOUTH 50 DEGREES 43 MINUTES 50 SECONDS WEST 444.89 FEET ALONG THE TWENTIETH (20TH) COURSE OF SAID 186.698 ACRE PARCEL TO A POINT; THENCE

II. NORTH 74 DEGREES 32 MINUTES 40 SECONDS WEST, 381.30 FEET TO THE POINT OR PLACE OF BEGINNING; AND RUNNING THENCE

1) NORTH 37 DEGREES 59 MINUTES 00 SECONDS EAST, 32.76 FEET TO A POINT; THENCE

2) NORTH 53 DEGREES 08 MINUTES 00 SECONDS WEST, 116.56 FEET TO A POINT; THENCE

3) SOUTH 59 DEGREES 01 MINUTES 00 SECONDS WEST, 98.95 FEET TO A POINT; THENCE

4) SOUTH 10 DEGREES 15 MINUTES 00 SECONDS WEST, 86.94 FEET (DEED; 86.95 PER SURVEY) TO A

POINT; THENCE

5) SOUTH 49 DEGREES 56 MINUTES 00 SECONDS EAST, 83.00 FEET TO A POINT; THENCE

6) NORTH 58 DEGREES 26 MINUTES 00 SECONDS EAST, 82.00 FEET TO A POINT; THENCE

7) NORTH 37 DEGREES 59 MINUTES 00 SECONDS EAST, 65.00 FEET TO THE POINT OR PLACE OF BEGINNING.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

Block 4600, Lot 11 on the official tax map of the TOWNSHIP OF MOUNT OLIVE, County of Morris, State of New Jersey

Block 4600, Lot 33 on the official tax map of the TOWNSHIP OF MOUNT OLIVE, County of Morris, State of New Jersey

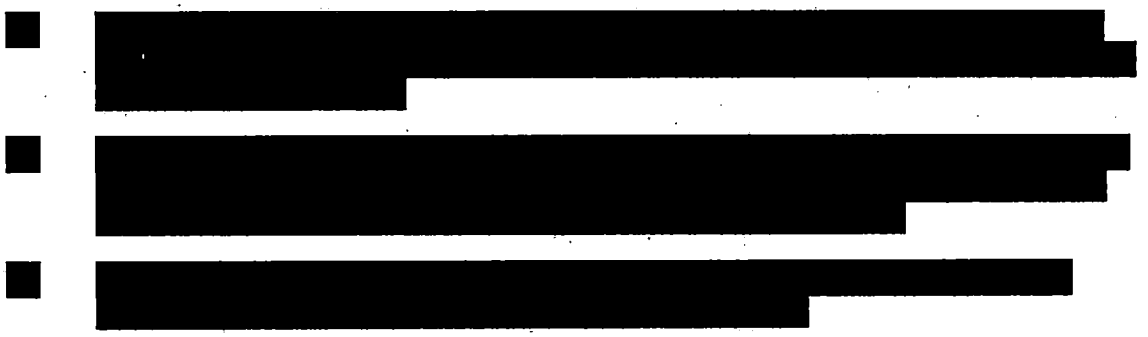
EXHIBIT C

LIST OF OPERATING AGREEMENTS – EAST COAST OAKWOOD VILLAGE

1. Management Agreement, dated as of February 1, 2013, between East Coast Oakwood Village LLC and Kettler Management Inc.

2. Operations and Maintenance Contract, dated as of February 1, 2013, between Applied Water Management, Inc. and East Coast Oakwood Village(**)

3. Operating Agreement for Oakwood Village Sewerage Associates, L.L.C. dated as of July 1, 2003, currently between Millbrook Estates Flanders Homeowners Association, Inc. and Sewerage Associates Owner



(*) Contract applies to multiple Sellers and is listed on the schedules for each Seller to which is it applicable
(**) Contract requires more than 30 days' prior written notice to terminate.
(***) No early termination permitted.

EXHIBIT D

ALLOCATION OF PURCHASE PRICE

Oakwood Village	[redacted]

EXHIBIT E

LIST OF DELIVERIES

REDACTED

EXHIBIT F-1

INTENTIONALLY OMITTED

EXHIBIT F-2

FORM OF DEED - NEW JERSEY

DEED

[_____]

Grantor,

TO

[_____]

Grantee.

Dated: [_____]

Record and return to:
[_____]
[_____]
[_____]

DEED

Prepared by:

[Type name only; signature no longer required]

This Deed is made on [_____]

BETWEEN

[_____], **a** [_____]
whose address is: [_____]

referred to as the Grantor,

AND

[_____],
whose address is: [_____]

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants, conveys and transfers ownership of the property described below to the Grantee. This transfer is made for the sum of [_____]. The Grantor hereby acknowledges receipt of this money.

Tax Map Reference. (NJSA 46A:26-3) Municipality of the [_____] of [_____], Block No. [_____], Lot No. [___].

___ No property tax identification is available on the date of this Deed. (Check box if applicable).

Property. The properly consists of land and all the buildings, improvements and structures on the land in the Borough of [_____], County of [_____] and the State of New Jersey. The legal description is:

SEE SCHEDULE A ATTACHED HERETO AND MADE A PART HEREOF

BEING the same premises conveyed to [_____], by deed from [_____], a [_____], dated [_____], and recorded [_____], in the [_____] County Clerk's Office in Deed Book [___], Page [___].

SUBJECT to restrictions, easements, covenants, agreements of record or municipal zoning ordinances, if any, and such state of facts as an accurate survey might disclose.

Signatures. The Grantor signs this Deed as of the date at the top of the first page.

Witnessed by: [_____] a [_____]

By: _____

_____

[_____] [_____]

STATE OF [_____]

COUNTY OF [_____] SS:

I CERTIFY that on [_____], [_____], [_____] of [_____], a [_____] personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

(a) is named in and personally signed this Deed as [_____];
(b) was authorized and did execute this instrument as [_____];
(c) signed, sealed and delivered this Deed as his or her act and deed as [_____] of [_____] and;
(d) made this Deed for [_____] as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5)

_____

[_____]

SCHEDULE A

LEGAL DESCRIPTION

EXHIBIT G

FORM OF BILL OF SALE

This Bill of Sale (this "Bill of Sale"), is made as of [_____], 2015 by [_____], a Delaware limited liability company ("Seller") in favor of [_____], a [_____] ("Purchaser").

Recitals

A. Seller, as seller, and Purchaser, as buyer, are parties to a Purchase and Sale Agreement (as the same may have been amended or modified from time to time, the "Sale Agreement") dated as of [_____], 2015, which provides for the sale of certain personal property located at real property commonly known as [_____] (the "Property"), as more fully described in the Sale Agreement.

B. The Sale Agreement provides, *inter alia*, that Seller shall grant, convey, sell, transfer, set-over and deliver to Purchaser all of Seller's right, title and interest in and to the Personal Property.

C. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Sale Agreement.

Now, therefore, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby grant, assign, quitclaim, convey, sell, transfer, set-over and deliver to Purchaser all of Seller's right, title and interest (if any) in and to all the Personal Property, to have and to hold the Personal Property unto Purchaser forever.

EXCEPT AS SET FORTH BELOW, IN THE SALE AGREEMENT OR ANY OTHER CLOSING DOCUMENTS, SELLER HEREBY EXPRESSLY DISCLAIMS ANY WARRANTIES AS TO MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER WARRANTIES OR REPRESENTATIONS AS TO THE PERSONAL PROPERTY (INCLUDING, ANY WARRANTIES OR REPRESENTATIONS REGARDING THE PHYSICAL CONDITION OF THE PERSONAL PROPERTY). BY ITS ACCEPTANCE OF THIS BILL OF SALE, PURCHASER ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE PERSONAL PROPERTY AND ACCEPTS SAME IN ITS PRESENT CONDITION, "AS IS", "WHERE IS" AND "WITH ALL FAULTS". Seller represents and warrants that it owns the Personal Property free and clear of liens and encumbrances of any persons claiming by, through or under Seller. Seller represents and warrants that the Personal Property has not been encumbered by Seller other than financing being released or defeased in connection with this transaction. Seller does hereby agree to warrant and defend title to said personal property unto Purchaser, its successors and assigns.

In order to expedite the transaction contemplated herein, delivery of an executed counterpart signature page to this Bill of Sale by facsimile, .pdf, or similar electronic format shall be effective as a manually executed counterpart for all purposes. Seller intends to be bound

by such signature, is aware that the other party will rely on the signatures, and hereby waives any defenses to the enforcement of the terms of this Bill of Sale based on the form of signature.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the _____ day of _____, 2015.

SELLER:

[_____]

By: _____
Name:
Title:

EXHIBIT H

FORM OF ASSIGNMENT OF LEASES

REDACTED

EXHIBIT I

FORM OF ASSIGNMENT OF CONTRACTS AND INTANGIBLES

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND INTANGIBLES (the "Assignment") is made as of the _____ day of _____, 2015 between [_____], a [_____] ("Assignor") and [_____], a [_____] ("Assignee")

Recitals

A. Seller, as seller, and Purchaser, as buyer, are parties to a Purchase and Sale Agreement (as the same may have been amended or modified from time to time, the "Sale Agreement") dated as of [_____ __], 2015, which provides for the assignment of certain contracts related to the Property, as more fully described in the Sale Agreement.

B. The Sale Agreement provides, *inter alia*, that Seller shall grant, convey, sell, transfer, set-over and deliver to Purchaser all of Seller's right, title and interest in and to the Contracts (defined below).

C. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Sale Agreement.

Now, therefore, in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration to it in hand paid by Assignee to Assignor and the mutual covenants herein contained, the receipt and sufficiency of the foregoing consideration being hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Assignor hereby assigns, transfers, sets over and conveys to Assignee all of Assignor's right, title and interest, to the extent assignable, in, to and under any and all of the following, to wit:

(a) the contracts and agreements listed and described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Contracts"),

(b) all existing warranties and guaranties (express or implied) issued to Assignor in connection with the improvements or the personal property being conveyed to Assignee by Bill of Sale on the date hereof, and

(c) all existing permits, licenses, approvals and authorizations issued by any governmental authority in connection with the Property.

All items described in (b) and (c) above are hereinafter collectively referred to as "Intangible Property".

2. Assignee does hereby assume and agree to perform all of Assignor's obligations under the Contracts accruing from and after the date hereof. Assignee agrees to indemnify, protect, defend and hold Assignor harmless from and against any and all liabilities, losses, costs,

damages and expenses (including reasonable attorneys' fees) directly or indirectly arising out of or related to any breach or default in Assignee's obligations hereunder. Assignor shall remain liable for and shall perform all of Assignor's obligations under the Contracts accruing prior to the date hereof. Assignor agrees to indemnify, protect, defend and hold Assignee harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees) directly or indirectly arising out of or related to any breach or default in Assignor's obligations hereunder.

3. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

4. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In order to expedite the transaction contemplated herein, delivery of an executed counterpart signature page to this Assignment by facsimile, .pdf, or similar electronic format shall be effective as a manually executed counterpart for all purposes. Assignor and Assignee intend to be bound by such signatures, are aware that the other party will rely on the signatures, and hereby waive any defenses to the enforcement of the terms of this Assignment based on the form of signature.

IN WITNESS WHEREOF, Assignor and Assignee have each executed this Assignment as of the date first written above.

ASSIGNOR:

[_____]
By: _____
Name: _____
Title: _____

ASSIGNEE:

[_____]
By: _____
Name: _____
Title: _____

EXHIBIT A

TO EXHIBIT I
CONTRACTS
[To be attached]

EXHIBIT J

FORM OF TENANT NOTICE

REDACTED

EXHIBIT K

FIRPTA AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by [_____Seller_____], a Delaware limited liability company, the undersigned hereby certifies the following on behalf of [_____Seller_____]:

(a) [_____Seller_____] is a disregarded entity as defined in §1.1445-2(b)(2)(iii) of the Internal Revenue Code.

(b) AIG Global Real Estate Investment Corp., a Delaware corporation ("AIGGREIC"), is the indirect sole member of [_____Seller_____], a Delaware limited liability company.

(c) AIGGREIC is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and

(d) AIGGREIC's U.S. employer tax identification number is 13-3454957; and

(e) AIGGREIC's address is 32 Old Slip, 28th Floor, New York, NY 10005, Attention: President.

AIGGREIC understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

The undersigned authorized signatory of AIGGREIC declares that he has examined this certification and to the best of his knowledge and belief it is true, correct and complete, and he further declares that he has authority to sign this document on behalf of AIGGREIC.

Dated: As of [_____], 2015.

AIG GLOBAL REAL ESTATE INVESTMENT CORP., a Delaware corporation

By: _____
Name:
Title:

EXHIBIT L

FORM OF TITLE AFFIDAVIT

[redacted]

EXHIBIT O

FORM OF ASSIGNMENT OF SEWERAGE LEASE

This ASSIGNMENT AND ASSUMPTION OF FACILITY LEASE (this "Assignment") is made as of _____, 2015, between East Coast Oakwood Village LLC, a Delaware limited liability company ("Assignor"), as assignor and [Purchaser], a [Delaware limited liability company] ("Assignee"), as assignee.

RECITALS

A. In accordance with the terms of that certain Purchase and Sale Agreement dated as of _____, 2015 (the "Sale Agreement"), among Assignor and other sellers named therein and [_____] ("Purchaser"), certain real property, and the improvements located thereon as more particularly described in the Sale Agreement.

B. In accordance with the terms of the Sale Agreement, Assignor agreed to assign to Purchaser its interests in that certain Lease, dated July 1, 2003, by and between Oakwood Apartments, L.L.C., as lessor, and Oakwood Village Sewerage Associates, L.L.C., as lessee, as assigned to Oakwood Garden Associates, L.L.C. (as lessor) pursuant to that Assignment of Sewerage Treatment Plant Lease dated as of October 28, 2005, as assigned to Assignor, as lessor, pursuant to that Assignment of Facility Lease, dated September 28, 2007 (as amended and assigned, the "Lease"). A copy of the Lease is attached hereto as Exhibit A.

Now, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth in this Agreement.

1. Assignment and Assumption. Without recourse, representation or warranty (except as otherwise expressly set forth herein or in the Sale Agreement), Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Lease and Assignee hereby accepts the foregoing assignment. Assignor hereby agrees to indemnify, defend, and hold harmless Assignee from all liabilities, obligations, losses, costs, claims, liabilities, expenses or demands of whatever nature of Assignee under the Lease which arise or accrue prior to the date hereof. Assignee agrees to indemnify, defend, and hold harmless Assignor from any loss, cost, claim, liability, expense or demand of whatever nature under the Lease arising or accruing on or after the date hereof.

2. Miscellaneous. This Assignment and the obligations of the parties hereunder shall survive the closing of the transaction referred to in the Sale Agreement and shall not be merged therein, shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns, shall be governed by and construed in accordance with the laws of the

State of New Jersey and may not be modified or amended in any manner other than by a written agreement signed by each of the parties hereto.

3. Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. In order to expedite the transaction contemplated herein, delivery of an executed counterpart signature page to this Assignment by facsimile, .pdf, or similar electronic format shall be effective as a manually executed counterpart for all purposes. Assignor and Assignee intend to be bound by such signatures, are aware that the other party will rely on the signatures, and hereby waive any defenses to the enforcement of the terms of this Assignment based on the form of signature.

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

ASSIGNOR:

[_____]
By: _____
Name: _____
Title: _____

ASSIGNEE:

[_____]
By: _____
Name: _____
Title: _____

;

Exhibit P

LIST OF PENDING LITIGATION AND CONDEMNATION PROCEEDINGS

REDACTED

EXHIBIT Q

LIST OF VIOLATION NOTICES

REDACTED

EXHIBIT R-1

SCHEDULE OF RENT ROLLS

REDACTED

EXHIBIT R-2

CONCESSION MATRIX

REDACTED

EXHIBIT S

LIST OF TAX APPEAL PROCEEDINGS

REDACTED

EXHIBIT T

GREEN CARDS

Property	Valid Green Card?	Green Card Notes
Oakwood Village	Yes	Copy attached. 5/2017.

KHR-022 (rev. 01/07)-Forms

Inspection Date: 7/30/2010

Registration Number: 1427-14277-C

Issuance Date: 5/22/2012

This certificate must be posted in a conspicuous location at the registered premises.

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF CODES AND STANDARDS
BUREAU OF HOUSING INSPECTION

CERTIFICATE OF INSPECTION

This property has been inspected by the State of New Jersey Bureau of Housing Inspection Pursuant to N.J.S.A. 55:13A-1 et seq., and has been found to be in compliance with the Hotel and Multiple Dwelling Law and "Regulations for the Maintenance of Hotels and Multiple Dwellings.

The law requires that each multiple dwelling and each hotel shall be inspected at least once in every five years.

Property Name and Address:
OAKWOOD VILLAGE BLDG 92
92 OAKWOOD VIL
MOUNT OLIVE NJ

E COAST OAKWOOD VILLAGE LLC
160 CLUBHOUSE RD
KING OF PRUSSIA, PA 19406

MUNICIPAL CODE - 1427
NUMBER OF BUILDINGS 107
NUMBER OF UNITS - 1220
MULTIPLE DWELLING

For the COMMISSIONER [illegible], Bureau Chief, Bureau of Housing Inspection.

EXHIBIT U

DEFEASANCE DEBT

REDACTED

EXHIBIT W

ENVIRONMENTAL PERMIT FORMS

See attached.

EXHIBIT X

INSTRUCTIONS FOR FILLING OUT ENVIRONMENTAL PERMIT FORMS

See attached.

EXHIBIT AA

OPERATING AGREEMENT OF SEWERAGE ASSOCIATES OWNER

1. Operating Agreement, dated as of July 1, 2003, by and between Oakwood Apartments, L.L.C. and Dara Estates Homeowners Association, Inc.

EXHIBIT BB

Inventory of Personal Property: Oakwood Village

REDACTED

EXHIBIT CC

LEASING REQUIREMENTS AND CRITERIA

REDACTED

EXHIBIT DD

FORM OF ISRA AFFIDAVIT

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF RISK MANAGEMENT, INITIAL NOTICE & CASE ASSIGNMENT- ISRA SECTION
P.O.BOX 432, TRENTON, NJ 08625-0432

INDUSTRIAL SITE RECOVERY ACT APPLICABILITY/NONAPPLICABILITY AFFIDAVIT

Please note that the filing of this affidavit is a voluntary act and is not required by statute or regulation. The processing of these affidavits is a service provided by the Department of Environmental Protection (Department) to assist the citizens of the State in understanding the requirements of ISRA. Further, written applicability determinations issued as a result of this filing simply answers the question does the Industrial Site Recovery Act apply to my site. In addition, ISRA applicability determinations make no representation as to the environmental condition of the site and are not a substitute for the appropriate inquiry into a site prior to acquisition for the purposes of an innocent purchaser defense pursuant to the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11g).

The Industrial Site Recovery Act, (ISRA) N.J.S.A. 13:1K-6 et seq., applies **only** to **Industrial Establishments,** which are specific classifications of business operations as detailed below and at N.J.A.C 7:26B-1.4. ISRA applies to an Industrial Establishment **only** when specific transactions occur as defined at N.J.A.C. 7:26B-1.4, i.e. **"Change of ownership," "Closing operations" or "Transferring ownership or operations."**

A place of business is an **Industrial Establishment** if it meets **all** of the following criteria:

1. The place of business must have a North American Industrial Classification System (NAICS) Number listed at N.J.A.C. 7:26B, Appendix C *(* See ISRA Resources Next Page.) and;*
2. The place of business must have been engaged in operations on or after December 31, 1983; and;
3. The place of business must involve the generation, manufacture, refining, transportation, treatment, storage, handling or disposal of hazardous substances or hazardous wastes as defined at N.J.A.C. 7:1E. Hazardous Substances are defined as all petroleum and petroleum products, pesticides and solvents and all substances listed in Appendix A of N.J.A.C. 7:1E. *(* See ISRA Resources Next Page.)*

If the business in operation at the site does not meet all three criteria, then it is not an Industrial Establishment and, therefore, ISRA does not apply. For the full definition of "Industrial Establishment," see N.J.A.C. 7:26B-1.4.

Common transactions which require an industrial establishment to comply with ISRA include, but are not limited to, sale of property; sale of business; cessation of operations and other transactions involving the transfer of stock, partnership interest, membership interest or assets. If an Industrial Establishment is not engaged in a transaction defined at N.J.A.C. 7:26B-1.4 as a "Change of ownership," "Closing operations" or "Transferring ownership or operations," then ISRA does not apply. See also N.J.A.C. 7:26B-2.

As stated above, the filing of this affidavit is a voluntary act and is not required by statute or regulation. With that in mind, affidavits should not be submitted for operations or transactions that are clearly not subject to the Act. This includes, but is not limited to, the refinance of a mortgage obtaining a second mortgage or obtaining a construction loan (regardless of the use of the property), and any transaction involving the following: (a) Residential properties, including single family dwellings, multifamily apartment buildings and nursing homes; (b) Undeveloped lands not contiguous to and owned by an Industrial Establishment; (c) Agricultural land, including Farms; (d) Restaurants, Bars and Liquor Stores; (e) Medical Offices,

Hospitals, and Veterinary Offices; (f) Professional Offices of Attorneys, Accountants, Engineers, Architects, Consultants and Banks; (g) Retail Gasoline Stations, (h) Automobile Repair Shops, Auto-Body Shops or Car Dealerships; (i) Dry Cleaning Operations and Laundromats;(j) Garden/Home Improvement Centers, Lumber Yards, Hardware Stores; (k) Hair or Beauty Salons; (l) Motels/Hotels or Boarding Houses; (m) Retail Stores, **EXCLUDING** Print Shops.

This affidavit can be used to determine if a specific operation is an industrial establishment or to determine if a specific business transaction is a ***"Change of ownership", "Closing operations" or "Transferring ownership or operations."*** The attached affidavit should be completed by the owner or operator of the property or business for which a written applicability determination is requested. The Department will not accept an affidavit completed by a prospective purchaser.

Once completed, each affidavit must be signed by the owner or operator, notarized in accordance with N.J.A.C. 7:26B-1.6, and submitted to the following address:

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF RISK MANAGEMENT, INITIAL NOTICE & CASE ASSIGNMENT

ARTICLE 1 *ISRA APPLICABILITY SECTION*

P.O. Box 432
Trenton, New Jersey 08625-0432

If applications are being sent via express mail (FedEx, UPS, etc.), the proper address is as follows:

BUREAU OF RISK MANAGEMENT, INITIAL NOTICE & CASE ASSIGNMENT
ISRA Applicability Section

ARTICLE 2 *401 EAST STATE STREET, 5TH FLOOR*

Trenton, New Jersey 08625-0432

Pursuant to N.J.A.C. 7:26B-8, a certified check, attorney check, money order or personal check for $200.00 (**non-refundable**), payable to "TREASURER, STATE OF NEW JERSEY", must be submitted with each written request for an applicability determination. If requests by tenants are submitted under separate cover, a $200.00 fee for each tenant must be submitted. However, only one $200.00 fee is required if the affidavits are submitted as a single package. If properties are geographically separated (noncontiguous), separate applications and fees are required. If you have general questions concerning the preparation of the application, please call 609-984-3081 or 609-633-1464.

SECTION 2.1 ISRA Resources

For copies of N.J.A.C. 7:26B Appendix C which includes a complete list of ISRA applicable NAICS numbers see, http://www.nj.gov/dep/srp/regs/isra/naics.htm

To determine your NAICS number please refer to the "Official NAICS Page" at www.census.gov/epcd/naics02 *or contact the NJ Department of Labor at 609-292-2633*

For Appendix A of the New Jersey Spill Compensation and Control Act (N.J.A.C.7:1E), please refer to www.nj.gov/dep/rpp/download/appenda.pdf

For copies of the North American Industry Classification System Manual contact the National Technical Information Service at 1-800-553-6847 or (703) 605-6000

NOTE: Please read the entire introduction before completing this application. It contains important information about this form and the ISRA process. All sections of this application shall be completed or it will be returned unprocessed.

PLEASE TYPE OR PRINT	Date:	

A. Determination of Applicability/Nonapplicability should be mailed to the following:

Name (Mr./Mrs./Ms.)					
Company					
Address					
City or Town					
State		Zip Code		Tele. No.	

B. Property Location for which request is being submitted:

Street Address			
Tax Block(s)		Tax Lot(s)	
Municipality		County	

C. Transaction for which the Applicability/Nonapplicability Determination is requested: (Check appropriate transaction). * Please attach a detailed description of these transactions.

1. _____	Sale of Property	7. _____	Corporate Merger*
2. _____	Sale of Business	8. _____	Partnership Situation Change*
3. _____	Business Ceasing Operations	9. _____	Intra Family
4. _____	Sale of Stock in a Corporation*	10. _____	Corporate Reorganization
5. _____	Condemnation	11. _____	Sale of Assets
6. _____	Bankruptcy		
_____	Other: (Explain) _____		

If a sale is pending, provide the date of the Planned Transaction:	

D. Current Owner of the Property for which an Applicability/Nonapplicability Determination is requested:

Name			
Street Address			
Municipality		State	

Zip Code _____ Tele. No. _____

E. Purchaser: (not required if the transaction is only a cessation of operations)

Name					
Address					
Municipality		State		Zip Code	

F. Please provide the name of each Business/Industrial Establishment that operated at the address listed in Question B on or after December 31, 1983. Include the dates of operations and the applicable NAICS number. Note, if the applicant is a tenant and the transaction affects only its operation (i.e., a cessation of operations or sale of business), it is acceptable to only list the tenant's business and seek a determination regarding the applicability of ISRA to the operation of the current business. Please read the summarized definition of Industrial Establishment on the first page of this application before going any further. (Attach additional sheets if necessary.)

Name of Business/Industrial Establishment	Dates of Operation		NAICS # 6 Digits
	From MM/YY	To MM/YY	

G. Operations:

1.) The property owner and/or operator must completely describe in detail the operations and processes conducted at the site for each business listed in F above occupying any part of the property since December 31, 1983. The description should include the nature of each operator's business and, specifically, how the site is used in connection with such business. If the application only pertains to a tenant's transaction, simply describe the tenant's operations. (Attach additional sheets, if necessary.)

2.) If the property described above is vacant land, does the owner described in D above own contiguous property? __ Yes __ No (If yes, please describe onsite operations at the contiguous property.)

H. History:

1. Provide the name and address of all previous Owners and dates of ownership since December 31, 1983. (Attach additional sheets, if necessary.)

Name	**Address**	**Date**

2. Is this site currently or has the site previously been the subject of any other ECRA or ISRA

review? ___Yes ___ No. If yes, please provide the case or application number _____.

I. Hazardous Substances or Wastes: Answer this question only if the facility or business has a subject NAICS number as listed in Appendix C of the ISRA rule and the applicant is seeking a determination of ISRA non applicability based on the absence of any hazardous substances or wastes being generated, manufactured, used or stored at the listed site. Be advised that heating oil is a hazardous substance. *. Check here ___ if this question does not apply and go to section **J**.

*Note: Heating oil, formerly contained in historic above or below ground tanks, is not a hazardous substance for the purpose of this section, if the tanks were removed with the Department's no further action approval. Applicants who closed tanks without Departmental oversight are subject to ISRA and should file a General Information Notice within 5 days of a triggering event. Was the building(s) ever heated by oil?

Yes		No		. If yes, please provide a copy of the no further action determination to support your request.

By signing the certification at section **N** of this application, I certify that no hazardous substances or wastes, as defined at N.J.A.C. 7:1E, were **ever** used during the ownership or operations of the business(s) listed in Question F above. The Signatory on the certification shall initial here _____.

Sections **J-L** below are for the use of applicants who seek a determination as to whether a specific transaction is a ***"Change of ownership," "Closing operations" or "Transferring ownership or operations."*** Should the applicants' NAICS number not be among those listed at N.J.A.C. 7:26B, Appendix C, as subject to ISRA, then these sections should be disregarded. Please proceed to section **M**.

J. If the applicant is seeking a determination for a transfer of ownership or operations involving an evaluation of whether the indirect owner's assets would have been available for remediation please provide the following information as an attachment to this application:

1. Identify each direct owner and each indirect owner of the industrial establishment;

2. Identify whether the indirect owner has exerted fiscal control over the direct owner or industrial establishment including, but not limited to, imposing any restriction upon the financing, borrowing, budgeting, dividends and cash management of the direct owner or industrial establishment;

3. List all persons that are officers and directors for both the direct owner and the indirect owner of the industrial establishment to establish whether the officers, directors and employees of the indirect owner constitute a majority of the directors of the direct owner or the industrial establishment or such smaller number of directors as is sufficient to effectively direct the management and policies of the direct owner or the industrial establishment;

4. Identify whether the officers, directors and employees of the indirect owner are involved in the day-to-day operations of the direct owner or the industrial establishment and whether the day-to-day operations of the direct owner or the industrial establishment are relevant to the generation, manufacture, handling, storage or disposal of hazardous substances or hazardous wastes;

5. Identify whether the indirect owner has the ability to control the activities, policies or decisions of the direct owner or the industrial establishment and whether these activities, policies or decisions are relevant to the generation, handling, storage or disposal of hazardous substances or hazardous wastes; and

6. The applicant shall provide any additional information which may be relevant to this determination.

K. If the applicant is seeking a determination for a transfer of ownership or operations involving an evaluation of whether the subject transaction is a corporate reorganization not substantially affecting the ownership of the industrial establishment, please provide the following information as an attachment to this application:

1. Identify each direct owner of the industrial establishment, indirect owner of the industrial establishment and the organizational structure of the person, prior to, and after the proposed transaction;

2. Identify whether the transaction involves the transfer of stock and/or assets, solely among persons under common ownership or control and/or shareholders or owners of such persons. A transaction between related corporations that prepare financial statements or tax returns on a consolidated basis will be presumed to be among corporations under common ownership or control;

3. Identify:

i. Whether the transaction will result in an aggregate diminution of more than 10 percent in the net worth of the industrial establishment or of the person directly owning or operating the industrial establishment. The applicant must include all transactions occurring within the five-year period preceding the date of the proposed transaction in the calculation of "aggregate diminution"; or

ii. Whether there is an equal or greater amount in assets that is available for the remediation of the industrial establishment before and after the transaction(s);

4. Identify whether the transferee has a registered agent in New Jersey who is authorized to accept service on behalf of the transferee. If so, the applicant shall provide the name and address of the registered agent;

5. Identify whether the assets of an indirect owner transferring any direct or indirect interest in the stock or assets of the industrial establishment would have been available for the remediation of the industrial establishment based upon the criteria set forth in (b) above; and

6. Provide any additional information which may be relevant to this determination.

L. If the applicant is seeking a determination for a transfer of ownership or operations involving an evaluation of whether the subject transaction is a transfer of a controlling interest in the industrial establishment, please provide the following information as an attachment to this application.

1. Identify whether the transferor is transferring more than 50 percent of the voting or ownership interest in the direct owner or operator or indirect owner of an industrial establishment. There is a rebuttable presumption that any person who has more than 50 percent of the voting or ownership interest holds a controlling interest in that direct owner or operator or indirect owner; or

2. Identify whether the transferor is transferring 50 percent or less of a voting or ownership interest in the direct owner or operator or indirect owner of an industrial establishment and:

i. Identify whether the transferor possess(es), directly or indirectly, the power to direct or cause the direction of the management and policies of the entity; and

ii. Identify whether a voting trust, shareholder's agreement, proxy or similar agreement exists which would enable the transferor to elect a majority of the board of directors or a smaller number of directors sufficient to effectively direct or cause the direction of the management and policies of the entity; and

3. Provide any additional information which may be relevant to this determination.

M. Right of Entry: *Pursuant to the Industrial Site Recovery Act rules (N.J.A.C. 7:26B-1.9), by the submission and certification of this document, I give my consent to the Department and or its authorized representatives to enter the Industrial Establishment, upon the presentation of credentials, to inspect the site to verify the accuracy of this application.* _____ **(The signatory on the certification shall initial here)**

CERTIFICATION:

The following certification shall be signed by a duly authorized person pursuant to the requirements of N.J.A.C. 7:26B-1.6(e) as follows.

a. For a corporation, by a principal executive officer of at least the level of vice president;
b. For a partnership or sole proprietorship, by a general partner or the proprietor, respectively; or
c. For a municipality, State, Federal or other public agency, by either a principal executive officer or ranking elected official.

N. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, to the best of my knowledge, the submitted information is true, accurate and complete. I am aware that there are significant civil penalties for knowingly submitting false, inaccurate or incomplete information and that I am committing a crime of the fourth degree if I make a written false statement which I do not believe to be true. I am also aware that if I knowingly direct or authorize the violation of N.J.S.A. 13:1K-6, et seq., I am personally liable for the penalties set forth at N.J.S.A. 13:1K-13.

Typed/Printed Name		Title	
Signature		Date	
Sworn to and Subscribed Before Me			
On this			
Date of		20	
Notary			

Have you enclosed a check or money order for $200?		**Yes**		**No**			
Check Number							
Have you included the original signature of the owner or operator?			**Yes**		**No**		
Has the certification been properly notarized?		**Yes**		**No**			

EXHIBIT EE

FORM OF HOLDBACK ESCROW AGREEMENT

REDACTED

EXHIBIT FF

LIST OF INSURANCE POLICIES AND LOSS RUNS

REDACTED

EXHIBIT HH

ORGANIZATIONAL CHART (ENTITY INTERESTS)

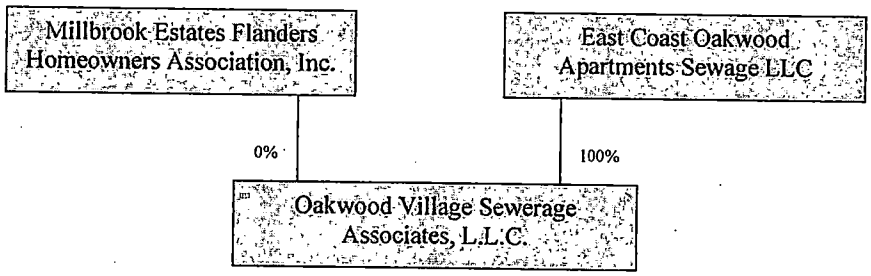


EXHIBIT I

[NOTE: Legal descriptions to conformed and modified to latest title commitments.]

Legal Description for Property on Rte 206 S., Mt. Olive Township, Morris County, New Jersey

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWNSHIP OF MOUNT OLIVE , COUNTY OF MORRIS, AND STATE OF NEW JERSEY, AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 (FORMERLY ROUTE 31), 80.00 FEET WIDE, AND A POINT OF TANGENCY THEREON AT CENTERLINE STATION 180+19.84, SAID CENTERLINE STATION BEING AS SHOWN ON A MAP (THE "MAP") PREPARED BY THE NEW JERSEY STATE HIGHWAY DEPARTMENT ENTITLED, "GENERAL PROPERTY KEY MAP," DATED JANUARY 1928 AND FILED IN THE MORRIS COUNTY CLERK'S OFFICE IN CASE "D" NO. 869-865; THENCE

1) NORTH 06 DEGREES 17 MINUTES 00 SECONDS WEST, 115.27 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 TO A POINT ON THE SOUTHWESTERLY LINE OF LANDS NOW OR FORMERLY OF L. ADER; THENCE

2) NORTH 83 DEGREES 43 MINUTES 00 SECONDS EAST, 150.17 FEET ALONG A LIME OF SAID LANDS NOW OR FORMERLY OF L. ADER. TO A POINT; THENCE

3) NORTH 06 DEGREES 17 MINUTES 00 SECONDS WEST, 211.03 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF L. ADER TO A POINT; THENCE

4) SOUTH 83 DEGREES 43 MINUTES 00 SECOND WEST, 113.84 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF L. ADER TO A POINT; THENCE

5) NORTH 05 DEGREES 54 MINUTES 40 SECONDS EAST, 1,013.60 FEET ALONG OF LANDS NOW OR FORMERLY OF L. ADER TO POINT; THENCE

6) NORTH 63 DEGREES 46 MINUTES 00 SECONDS WEST 153.47 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF L. ADER TO A POINT ON A CURVE IN THE AFOREMENTIONED EASTERLY RIGHT OF WAY LINE OF SAID NEW JERSEY STATE HIGHWAY ROUTE 206; THENCE

7) NORTHEASTERLY ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID NEW JERSEY STATE HIGHWAY ROUTE 206 ON A CURVE TO THE RIGHT HAVING A RADIUS OF 915.37 FEET AND AN ARC DISTANCE OF 43.47 (43.48 SURVEY) FEET TO A POINT OF TANGENCY AT CENTERLINE STATION 165+32.22 AS SHOWN ON THE MAP; THENCE

8) NORTH 26 DEGREES 14 MINUTES 00 SECONDS EAST, 1.270.95 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 TO THE SOUTHERLY LINE OF LANDS NOW OR FORMERLY OF S. MOCCIO; THENCE

9) SOUTH 63 DEGREES 99 MINUTES 50 SECONDS EAST, 114.50 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF S. MOCCIO TO A POINT; THENCE

10) SOUTH 38 DEGREES 36 MINUTES 50 SECONDS EAST, 50.54 FEET TO A POINT IN A LINE LANDS NOW OR FORMERLY OF A. FRAYSEE; THENCE

11) SOUTH 39 DEGREES 33 MINUTES 40 SECONDS EAST, 771.60 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

12) NORTH 30 DEGREES 55 MINUTES 30 SECONDS EAST, 238.71 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

13) NORTH 64 DEGREES 59 MINUTES 30 SECONDS EAST, 693.43 FEET TO A LINE OF SAID LANDS NOW OR FORMERLY OF A. FRAYSEE TO A POINT; THENCE

14) NORTH 39 DEGREES 35 MINUTES 30 SECONDS EAST, 992.20 FEET TO A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

15) SOUTH 12 DEGREES 59 MINUTES 30 SECONDS EAST, 498.76 FEET ALONG SAID MUNICIPAL BOUNDARY LINE TO A POINT IN LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

16) SOUTH 36 DEGREES 23 MINUTES 20 SECONDS WEST, 67.63 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

17) SOUTH 29 DEGREES 39 MINUTES 20 SECONDS EAST, 492.16 FEET ALONG A LINE OF SAID LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

18) SOUTH 67 DEGREES 46 MINUTES 30 SECONDS WEST, 251.97 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO.; THENCE

19) SOUTH 09 DEGREES 36 MINUTES 20 SECONDS EAST, 493.48 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO. TO A POINT; THENCE

20) SOUTH 50 DEGREES 43 MINUTES 50 SECONDS WEST, 1325.65 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF AMERICAN TEL. & TEL. CO. TO A POINT; THENCE

21) SOUTH 05 DEGREES 35 MINUTES 00 SECONDS EAST, 346.52 FEET TO A POINT; THENCE

22) NORTH 61 DEGREES 45 MINUTES 47 SECONDS EAST, 897.12 FEET TO A POINT; THENCE

23) SOUTH 33 DEGREES 44 MINUTES 13 SECONDS EAST, 1213.79 FEET TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN; THENCE

24) SOUTH 60 DEGREES 32 MINUTES 17 SECONDS WEST, 461.73 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

25) SOUTH 69 DEGREES 33 MINUTES 39 SECONDS WEST, 978.70 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

26) NORTH 17 DEGREES 22 MINUTES 03 SECONDS WEST, 158.76 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT; THENCE

27) SOUTH 72 DEGREES 16 MINUTES 50 SECONDS WEST, 631.85 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF J & J MAGIN TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD; THENCE

28) NORTH 26 DEGREES 44 MINUTES 30 SECONDS WEST, 316.05 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT; THENCE

29) SOUTH 72 DEGREES 15 MINUTES 30 SECONDS WEST, 134.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT; THENCE

30) SOUTH 72 DEGREES 55 MINUTES 00 SECONDS WEST, 124.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF N. SHIELD TO A POINT IN A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS; THENCE

31) NORTH 22 DEGREES 13 MINUTES 50 SECONDS EAST, 183.30 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS TO A POINT; THENCE

32) SOUTH 88 DEGREES 42 MINUTES 40 SECONDS WEST, 310.07 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF LYMAN NICHOLAS TO A POINT; THENCE

33) SOUTH 84 DEGREES 53 MINUTES 00 SECONDS WEST, 375.00 FEET ALONG A LINE OF LANDS NOW OR FORMERLY OF MOUNT OLIVE TOWNSHIP TO A POINT; THENCE

34) NORTH 56 DEGREES 23 MINUTES 00 SECONDS WEST, 131.75 FEET TO A POINT ON THE AFOREMENTIONED EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206; THENCE

35) NORTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 206 ON A CURVE TO THE RIGHT HAVING A RADIUS OF 5,689.65 FEET AND AN ARC DISTANCE OF 404.77 FEET THE POINT AND PLACE OF BEGINNING.

EXCEPTING THEREFROM, HOWEVER, THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT A POINT IN THE EASTERLY LINE OF THE HEREINAFTER DESCRIBED TRACT, SAID BEGINNING POINT BEING THE FOLLOWING COURSES AND DISTANCES FROM A POINT REFERRED TO IN THE NINETEENTH (19TH) COURSE OF THE 186.698 ACRE PARCEL OF WHICH THIS PARCEL IS A PART:

I. SOUTH 50 DEGREES 43 MINUTES 50 SECONDS WEST, 444.89 FEET ALONG THE TWENTIETH (20TH) COURSE OF SAID 186.698 ACRE PARCEL TO A POINT; THENCE

II. NORTH 74 DEGREES 32 MINUTES 40 SECONDS WEST, 381.30 FEET TO THE POINT OR PLACE OF BEGINNING; AND RUNNING THENCE

1) NORTH 37 DEGREES 59 MINUTES 00 SECONDS EAST, 32.76 FEET TO A POINT; THENCE

2) NORTH 53 DEGREES 08 MINUTES 00 SECONDS WEST, 116.56 FEET TO A POINT; THENCE

3) SOUTH 59 DEGREES 01 MINUTES 00 SECONDS WEST, 98.95 FEET TO A POINT; THENCE

4) SOUTH 10 DEGREES 15 MINUTES 00 SECONDS WEST, 86.94 FEET (DEED; 86.95 PER SURVEY) TO A POINT; THENCE

5) SOUTH 49 DEGREES 56 MINUTES 00 SECONDS EAST, 83.00 FEET TO A POINT; THENCE

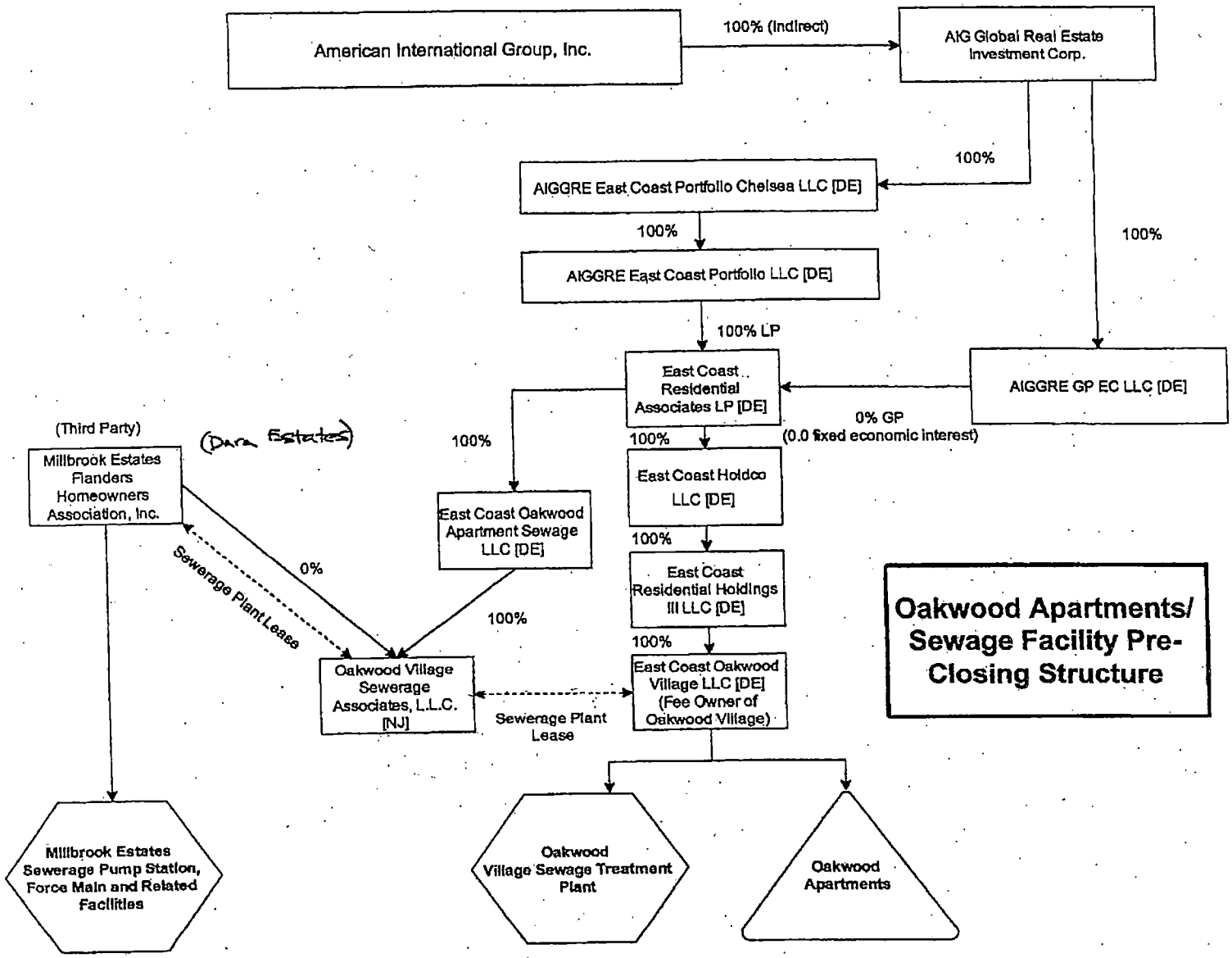
6) NORTH 58 DEGREES 26 MINUTES 00 SECONDS EAST, 82.00 FEET TO A POINT; THENCE

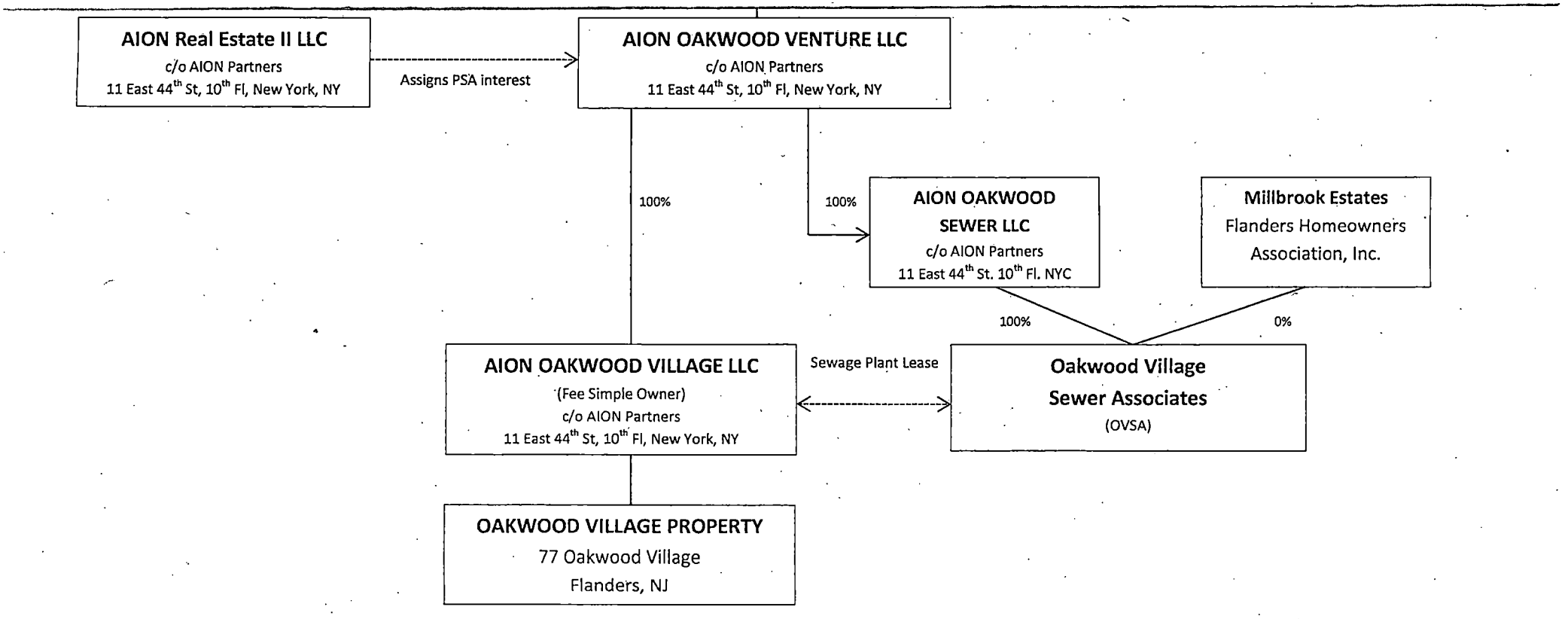
7) NORTH 37 DEGREES 59 MINUTES 00 SECONDS EAST, 65.00 FEET TO THE POINT OR PLACE OF BEGINNING.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):

Block 4600, Lot 11 on the official tax map of the TOWNSHIP OF MOUNT OLIVE, County of Morris, State of New Jersey

Block 4600, Lot 33 on the official tax map of the TOWNSHIP OF MOUNT OLIVE, County of Morris, State of New Jersey


American International Group, Inc.
100% (Indirect)
AIG Global Real Estate Investment Corp.
100%
AIGGRE East Coast Portfolio Chelsea LLC [DE]
100%
AIGGRE East Coast Portfolio LLC [DE]
100%
100% LP
East Coast Residential Associates LP [DE]
AIGGRE GP EC LLC [DE]
0% GP
(0.0 fixed economic interest)
(Third Party)
(Para Estates)
Millbrook Estates Flanders Homeowners Association, Inc.
100%
East Coast Oakwood Apartment Sewage LLC [DE]
100%
East Coast Holdco LLC [DE]
100%
East Coast Residential Holdings III LLC [DE]
100%
East Coast Oakwood Village LLC [DE] (Fee Owner of Oakwood Village)
0%
Sewerage Plant Lease
100%
Oakwood Village Sewerage Associates, L.L.C. [NJ]
Sewerage Plant Lease
Millbrook Estates Sewerage Pump Station, Force Main and Related Facilities
Oakwood Village Sewage Treatment Plant
Oakwood Apartments
Oakwood Apartments/ Sewage Facility Pre-Closing Structure


AION Real Estate II LLC
c/o AION Partners
11 East 44th St, 10th Fl, New York, NY
Assigns PSA interest
AION OAKWOOD VENTURE LLC
c/o AION Partners
11 East 44th St, 10th Fl, New York, NY
100%
100%
AION OAKWOOD SEWER LLC
c/o AION Partners
11 East 44th St. 10th Fl. NYC
Millbrook Estates
Flanders Homeowners Association, Inc.
100%
0%
AION OAKWOOD VILLAGE LLC
(Fee Simple Owner)
c/o AION Partners
11 East 44th St, 10th Fl, New York, NY
Sewage Plant Lease
Oakwood Village Sewer Associates
(OVSA)
OAKWOOD VILLAGE PROPERTY
77 Oakwood Village
Flanders, NJ

K

OAKWOOD VILLAGE SEWERAGE ASSOCIATES, L.L.C.

TARIFF FOR SEWER SERVICE

APPLICABLE TO A PORTION OF THE TOWNSHIP OF MT. OLIVE, MORRIS COUNTY, NEW JERSEY

Issued Pursuant to an Order of the Board of Public Utilities, State of New Jersey, Docket No. _____, dated _____.

By: Robin Flagler, CAPS
Vice President of Operations
Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

AN INTRODUCTION TO CUSTOMER

The following tariff is located in the offices of Oakwood Village Sewerage Associates, L.L.C. (the "Company") and is available and open for your review. The company is responsible to maintain its tariff on an absolutely current basis and must, by State law and regulations, maintain it in exactly the same format as its Company's tariff which is on file at the Board of Public Utilities' Offices, 44 South Clinton Avenue, Trenton, N.J., on the 9th floor in the Division of Water.

If, after your review of this tariff and discussion with appropriate Company employees, you still have questions regarding clarification or interpretation, please contact the Board of Public Utilities ("Board"), Division of Water at (609) 633-9800 or the Board's Bureau of Customer Assistance, if you have billing problems, at 1-800-624-0241 (toll free).

As a customer, you have the right to review this tariff at the Company's offices or at the Board's offices in Trenton. Your inquiries will be handled by the Board's Staff in an expeditious manner in order to protect your rights as well as those of the Company. Please feel free to exercise this right by telephoning or by visiting the Board's offices at any time between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday, or by writing a letter. The letter should contain the writer's name, address and phone number. If the writer is a customer of record the account number should be included.

The Company has available in its office a handout entitled "Customer Bill of Rights."

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's tariff provisions and rates. The utility is bound by New Jersey's statutes and the Board's regulations. If a conflict should exist, the Board's regulations supercede the tariff provision absent approval to the contrary by the Board.

Issued Pursuant to an Order of the Board of Public Utilities, State of New Jersey, Docket No. _____, dated _____.

By: Robin Flagler, CAPS
Vice President of Operations
Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

(1) The Company shall not refuse to furnish or supply service within its Territory to a qualified applicant.

DEPOSITS

(2) If, after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established credit, the Company may require a reasonable deposit as a condition of supplying service. (N.J.A.C. 14:3-3.4)

(3) The Company must furnish a receipt to any customer posting a deposit. The deposit will be returned with simple interest at a rate of approved by the Board year once the customer has established satisfactory credit with the Company. If a residential customer's deposit is not returned, the company shall credit the Customer's account with the accrued interest once every 12 months. (N.J.A.C. 14:3-3)

(4) Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not request a deposit. (N.J.A.C. 14:3-3.4)

DEFERRED PAYMENT ARRANGEMENTS

(5) A service customer is entitled to at least one deferred payment plan in one year. In the case of a residential customer who receives more than one utility service from the same utility (example: electric and gas; water and sewer) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service prior to any proposed discontinuance for nonpayment. (N.J.A.C. 14:3-7.7(b)2) If the customer defaults on the terms of the agreement, the utility may discontinue service after providing the customer with a notice of discontinuance. In the case of a residential customer who receives more than one utility service form the same utility and has subsequently entered into an agreement for each separate service, default on one such agreement shall constitute grounds for discontinuance of only that service (N.J.A.C. 14:3-7(f))

(6) The Company shall not discontinue service because of nonpayment of bills in cases where a charge is in dispute provided the undisputed charges are paid and a request is made to the Board within five (5) days for investigation of the disputed charge. **The Company must advise the customer of their right to appeal to the Board of Public Utilities.** (N.J.A.C. 14:3-7.6).

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(7) A customer has at least fifteen (15) days to pay a bill. The Company may not discontinue sewer service unless written notice giving the customer at least ten (10) days notice prior to the proposed discontinuance. The notice shall not be given until after the expiration of the said fifteen (15) day period. (N.J.A.C. 14:3-3A.3). The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. **The Company shall make a good faith effort to determine which of its residential customers are over 65 years of age, and shall make good faith efforts to notify such customers of discontinuance of service by telephone in addition to notice by regular mail.** This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party to receive notice of discontinuance. The Company shall annually notify all residential customers that, upon request, notice of discontinuance of service will be sent to a designated third party as well as to the customer of record. (N.J.A.C. 14:3-3A.4).

(8) The Company shall not discontinue residential service except between the hours of 8:00 AM and 4:00PM Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays or on the day before a holiday or on a holiday absent such emergency.

(9) The occupant of a multiple family dwelling has the right to be notified of a pending service discontinuance at least fifteen (15) days prior to the service being discontinued. (N.J.A.C. 14:3-3A.6).

(10) A customer has the right to have any complaint against the Company handled promptly by the Company. (N.J.A.C. 14:1-1.5(c) and N.J.A.C. 14:1-5.13).

(11) The Company shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate and proper service. (N.J.A.C. 14:3-3.3(a)). The Company shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system. (N.J.A.C. 14:3- 3.3(c)). The Company shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment. (N.J.A.C. 14:3- 3.3(d)).

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By: Robin Flagler, CAPS
Vice President of Operations
Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

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Issued Pursuant to an Order of the Board of Public Utilities, State of New Jersey, Docket No. _____, dated _____.

By: Robin Flagler, CAPS
Vice President of Operations
Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

TERRITORY

Territory Served:

The Territory covered by this tariff is the present franchise area of Oakwood Village Sewerage Associates, L.L.C. located in the Township of Mount Olive in the County of Morris and State of New Jersey and more particularly described as follows:

ALL THOSE CERTAIN tracts of land situate in the Township of Mount Olive, County of Morris, State of New Jersey, being described as follows:

Lot 11 in Block 4600 as shown on the Township Tax Map; and

Lots 6.01 through 6.34, inclusive, in Block 4600 as shown on that certain map entitled: "Final Plat - Major Subdivision Millbrook Estates Lots 6 & 10, Block 4600, Township of Mount Olive, Morris County, New Jersey" dated January 5, 2000, prepared by Chester, Ploussas, Lisowsky Partnership, and filed in the Morris County Clerk's Office on January 18, 2002, as Map No. 5678.

Issued Pursuant to an Order of the Board of Public Utilities, State of New Jersey, Docket No. _____, dated _____.

By: Robin Flagler, CAPS
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STANDARD TERMS AND CONDITIONS

1. Definitions:

1.1 As used or referred to in these regulations, unless a different meaning clearly appears from the context.

1.2 "Apartments" means the apartment complex containing 1,224 units and located on Lot 11 in Block 4600 in the Territory.

1.3 "Apartments Owner" means the fee owner of the Apartments.

1.4 "Apartment Unit" means an individual residential unit within the Apartments.

1.5 "Company" means Oakwood Village Sewerage Associates, L.L.C.

1.6 "Customer" means the Apartments Owner or any Homeowner within the Territory served by the Corporation who has applied for and received a Service Connection.

1.7 "Homeowner" means the fee owner of any of Lots 6.01 through 6.34 in Block 4600 in the Territory.

1.8 "Persons" means any person, firm, association or corporation.

1.9 "Service Connection" means the sewer line extended from the curb line to the main or lateral in the street.

1.10 "Service Charge" means the annual charge or rental established in Sections 8 & 9 and/or the Rate Schedule No. 1, Sheet No. 5 of these regulations for direct or indirect connection with and use of the sewerage system of the Corporation.

1.11 "Territory" means the lands to be served by the Corporation as above described.

1.12 "Sewerage System" means the sewage collection, transmission, treatment and disposal facilities owned and operated by the Corporation.

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2. Applications:

2.1 All property upon which any building shall have been erected or constructed or upon which any building shall hereafter be erected or constructed and which is used for dwelling purposes or which uses sewer service lying along the lines of the Sewerage System within the Territory.

2.2 Hereafter, before any service connection shall be made to said Sewerage System by any owner of property along the line thereof, said owner shall make application in writing to the Company upon proper forms supplied for that purpose by the Company. Such owner shall not make any Service Connection until the consent of the Company is granted and any necessary municipal permission has been secured.

2.3 Plans and specifications for such Service Connection to said Sewerage System must comply with such municipal rules and regulations as are in effect at such time.

2.4 The owner of any property connecting the same with said sewerage system shall make the Service Connection at his own expense. Any damage to the pavement, sidewalk, curb or gutter resulting from the making of such Service Connection shall be repaired by the said owner and shall be restored at his expense.

3. Applicable to Use of Service for:

3.1 Only domestic sanitary sewage will be carried and treated under this Rate Schedule.

4. Character of Service:

4.1 Service is available at any and all times and is continuous,

5. Terms of Use:

5.1 All rules and regulations of the Board of Public Utilities now in force, or hereafter promulgated, are incorporated by reference herein with the same effect as though they were completely set forth.

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5.2 Property owners wishing to connect their property with the Sewerage System shall make application at the office of the Company upon forms prescribed by the Company and must agree to the terms, conditions and rates as set forth in this and subsequent tariffs of the Company.

5.3 The within rates are applicable to discharge of normal domestic sewage as defined by the N.J. Department of Environmental Protection, as limited by maximal typical concentrations of materials ordinarily found or produced in the home. Each Customer shall be fully responsible for proper use of the wastewater system, and shall not discharge any contaminants which are toxic, corrosive, flammable or hazardous, or which are of a size, shape or composition which may cause damage to the wastewater system or any equipment or process thereof, or may harm groundwater, soil, atmosphere, or personnel. A list of specifically prohibited materials may be found in N.J.A.C. 7:14A-21.2, however this list does not exclude by absence materials which common sense and reasonable prudence would guide a responsible person to include. Any cost involved in repairs of damage to the Company's facilities, environmental damages and penalties or fines levied against the utility caused by the introduction by the Customer of unacceptable or harmful substances shall be the responsibility of the Customer.

Specifically prohibited are discharges from certain common industrial or commercial activities which are sometimes encountered in home environments, such as beauty parlors, photographic laboratories, dry cleaning, or activities involving organic solvents including paint and paint thinners, vehicular fluids including fuel, oil, antifreeze, and refrigerants, agricultural chemicals including herbicides and pesticides, strong acids, salts, and bases or solids which may be disposed as solid waste.

5.4 In accordance with the National Standard Plumbing Code adopted by the Uniform Construction Code of the State of New Jersey, no storm drainage system of a building shall be connected directly or indirectly to the Sewerage System. The Company adopts the above provision and prohibits the drainage of storm water into its Sewerage System. Each Customer shall be responsible to prevent any surface water or groundwater from entering into the Sewerage System and, therefore, shall not connect or allow to be connected to the Sewerage System, any sump pumps, basement or crawl space drains, roof gutters and downspouts and floor drains, or any other connections which might cause unpurchased water to enter the Sewerage System, and shall properly maintain all pipes and clean-outs to assure a watertight connection.

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5.5 Garbage disposal units are not permitted to be connected to the Sewerage System.

5.6 Each Customer shall prevent damage to all Sewerage System components located on the property being served including components located within any easement area; maintain the grass growth and prevent the growth of trees, shrubs and ornamentals within the easement areas; maintain and repair the pipe connecting the residential dwelling to the sewer main to prevent clogging and leaking; and, notify the Company of any damage which may occur to Sewerage System components.

5.7 Because the Sewerage System can only handle a limited quantity of water, each Customer may discharge no more than the maximum average of 350 gallons per day, or 32,000 gallons per quarter, of wastewater into the Sewerage System. In order to verify compliance with this provision, each Customer must allow a representative of the Company to inspect all plumbing components upon request and to obtain all water meter readings as may be required.

5.8 Customers may not undertake any excavation within any easement of the Company or enter any manhole or fenced area enclosing any treatment plant, disposal beds or pump station of the Company without a representative of the Company being present.

RATE SCHEDULE NO. 1
GENERAL SERVICE

6. Applicable to Use of Service for:

6.1 Residential sewer uses in the entire Territory served by the Company.

7. Rate:

7.1 $206.25 for each quarter annual period ("Quarter") for each Homeowner.

7.2 $59,191.25 for each quarter for the Apartments Owner, computed at $48.36 per quarter for each Apartment Unit served.

8. Terms:

8.1 Bills for Service Charges shall be rendered in advance to all Customers two (2) weeks prior to the commencement of the Quarter in which service is to be

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By: Robin Flagler, CAPS
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received, with payment by net Cash on the first days of January, April, July and October of each year.

8.2 With respect to initial Service Charges and Customers using the Sewerage System for less than one full Quarter, the Service Charge shall be prorated to the amount of the time remaining in the Quarter after the connection date.

8.3 In the event of nonpayment of the Service Charge within thirty (30) days after the bills are rendered, the Company may cause a notice to be served upon the Customer of the Company's intention to disconnect the Service Connection to that Customer's premises. In the event the Service Charges then due are not paid within ten (10) days from the service of said notice, the Company may cause the Service Connection of such premises to be disconnected and such premises may not again use the facilities of the Sewerage System until full payment has been made of all arrears on account. The Company will offer a deferred payment agreement to residential customers who are in arrears and request it due to inability to pay the total outstanding bill. (N.J.A.C. 14:3-7.7).

8.4 A charge of $50.00 plus all costs incurred by the Company to reconnect the Customer's service will be made prior to reconnection.

8.5 At the Company's election, a deposit may be required from a Homeowner in accordance with the Deposits policy set forth on Introduction Page 2, in an amount not to exceed two (2) quarterly installment payments.

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By: Robin Flagler, CAPS
Vice President of Operations
Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

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WRITTEN CONSENT

OF THE SOLE MEMBER

OF

EAST COAST OAKWOOD APARTMENTS SEWAGE LLC

The undersigned, being the sole Member (the "Member) of East Coast Oakwood Apartments Sewage LLC, a Delaware limited liability company (the "Company"), does hereby adopt the following resolutions by written consent effective as of September 2, 2015:

WHEREAS, the Company seeks to enter into that certain Purchase and Sale Agreement (the "PSA Agreement") by and among the Company and East Coast Oakwood Village LLC, a Delaware limited liability company, as sellers, and AION REAL ESTATE LLC, as purchaser ("Aion"), pursuant to which the Company would agree to sell to Aion its one hundred percent (100%) membership interest in Oakwood Village Sewerage Associates, L.L.C., a New Jersey limited liability company ("OVSA" and such membership interest, the "OVSA Entity Interest").

WHEREAS, the Member believes it advisable and in the best interests of the Company to effect the resolutions contained herein, effective as of the date hereof.

NOW THEREFORE, BE IT:

RESOLVED, that the Board hereby authorizes the Company to enter into the PSA Agreement and, pursuant thereto, to sell the OVSA Entity Interests to Aion; and be it

FURTHER RESOLVED, that the Company is hereby authorized to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the Delaware Limited Liability Company Act (the "Act") that are related or incidental to and necessary, convenient or advisable in fulfilling the obligations of the Company under the PSA Agreement, including authorizing OVSA to file jointly with Purchaser the petition to the New Jersey Board of Public Utilities (or any successor thereto) as set forth in Article 14 of the PSA Agreement and to take any other actions necessary to obtain the required consents or otherwise effectuate the transactions contemplated by the PSA Agreement; and be it

FURTHER RESOLVED, that all actions already taken by the Company and any officer thereof on its behalf in connection with the entry into the PSA Agreement are hereby adopted, ratified and approved in all respects; and be it

FURTHER RESOLVED, that the Member hereby authorizes each officer of the Company to take all actions necessary or advisable in connection with the consummation of the transactions contemplated by the PSA Agreement.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the undersigned has executed this Written Consent to be effective as of the date first set forth above.

EAST COAST RESIDENTIAL ASSOCIATES LP

By: AIGGRE EAST COAST PORTFOLIO LLC, a Delaware limited liability company, member

By: AIGGRE East Coast Portfolio Chelsea LLC, a Delaware limited liability company, its sole member

By: AIG Global Real Estate Investment Corp., a Delaware corporation, its sole member

By: _____
Name: Timothy J. Barry
Title: Vice President

AION OAKWOOD VENTURE LLC
JOINT UNANIMOUS WRITTEN CONSENT
OF THE MEMBERS AND MANAGERS

THE UNDERSIGNED, being all of the members and all of the managers (the "Member-Managers") of AION Oakwood Venture LLC, a Delaware limited liability company (the "Company"), in lieu of a meeting of the members and a meeting of the Board of Managers and acting pursuant to Sections 18-302(d) and 18-404(d) of the Delaware Limited Liability Company Act, 6 *Del. C.* §18-101 *et seq.* (the "Act"), DO HEREBY CONSENT to the adoption of and DO HEREBY ADOPT the following resolutions by written consent as of September 3, 2015:

WHEREAS, the Company is the 100% member of AION Oakwood Village LLC ("Oakwood Village").

WHEREAS, the Company is the 100% member of AION Oakwood Sewer LLC ("Oakwood Sewer").

WHEREAS, Aion Real Estate II, LLC ("Aion"), has entered into that certain Purchase and Sale Agreement (the "PSA Agreement") by and among (i) Aion, as purchaser, and (ii) East Coast Oakwood Village LLC and East Coast Oakwood Apartments Sewage LLC, as sellers, pursuant to which Aion has agreed to buy (i) a fee simple interest in the property commonly known as Oakwood Village Apartment complex from East Coast Oakwood Village LLC (the "Fee Interest"), and (ii) a one hundred percent (100%) membership interest in Oakwood Village Sewerage Associates, L.L.C., a New Jersey limited liability company from East Coast Oakwood Apartments Sewage LLC ("OVSA" and such membership interest, the "OVSA Entity Interest").

WHEREAS, prior to or at closing, Aion intends to assign (i) all of its rights and interest in such PSA Agreement with respect to the Fee Interest to Oakwood Village (the "Fee Interest Assignment"), and (ii) all of its rights and interest in such PSA Agreement with respect to the OVSA Entity Interest to Oakwood Sewer (the "Sewer Interest Assignment").

WHEREAS, the Member believes it advisable and in the best interests of the Company (i) for the Company, on behalf of Oakwood Village, to enter into the Fee Interest Assignment, and (ii) for the Company, on behalf of Oakwood Sewer, to enter into the Sewer Interest Assignment.

NOW THEREFORE, BE IT:

RESOLVED, that the Member-Managers hereby authorize the Company (i) individually and on behalf of Oakwood Village, and (ii) individually and on behalf of Oakwood Sewer, to enter into such applications, respond to discovery requests and enter into agreements in order to effectuate the purchase of the Fee Interest and the OVSA Entity Interest, including but not limited to that certain Fee Interest Assignment and Sewer Interest Assignment.

FURTHER RESOLVED, that the Company (i) individually and on behalf of Oakwood Village, and (ii) individually and on behalf of Oakwood Sewer, is hereby authorized to

engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the Delaware Limited Liability Company Act (the "Act") that are related or incidental to and necessary, convenient or advisable in fulfilling the obligations of the Company (i) individually and on behalf of Oakwood Village, and (ii) individually and on behalf of Oakwood Sewer, under the PSA Agreement, Fee Interest Assignment and Sewer Interest Assignment, including but not limited to filing jointly with Aion the petition to the New Jersey Board of Public Utilities (or any successor thereto) as set forth in Article 14 of the PSA Agreement and to take any other actions necessary to obtain the required consents or otherwise effectuate the transactions contemplated by the PSA Agreement; and be it

FURTHER RESOLVED, that all actions already taken by the Company and any officer thereof on its behalf in connection with the entry into the PSA Agreement are hereby adopted, ratified and approved in all respects; and be it

FURTHER RESOLVED, that the Member-Managers hereby authorizes each officer of the Company to take all actions necessary or advisable in connection with the consummation of the transactions contemplated by the PSA Agreement, Fee Interest Assignment and Sewer Interest Assignment.

[Remainder of Page Left Intentionally Blank]

The undersigned, being the sole member of Aion Real Estate II, LLC ("Aion"), hereby ratifies, adopts, approves and confirms the execution of the PSA Agreement by Aion, and hereby authorizes Aion to enter into the Fee Assignment and the Sewer Interest Assignment, and to perform any and all further acts as Aion shall deem necessary or appropriate to effect the purposes and intent of the foregoing.

AION ASSET MANAGEMENT LLC, a Delaware limited liability company

By: _____
Name: Michael Betancourt
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has executed this Written Consent to be effective as of the date first set forth above.

AION OAKWOOD SPONSOR LLC, a Delaware limited liability company, managing member

By: _____
Name: MICHAEL BETANCOURT
Title: AUTHORIZED SIGNATORY

AION OAKWOOD LLC, a Delaware limited liability company, member

By: _____
Name: MICHAEL BETANCOURT
Title: AUTHORIZED SIGNATORY

DC OAKWOOD INC, a Delaware corporation, member

By: _____
Name: Roy Chen
Title: Director

M

AIG Global Real Estate
32 Old Slip, 28th Floor
New York, NY 10005
www.aig.com

Ari Benmoschie
Vice President
T: 646 857 2311
F: 646 857 2310
ari.benmoschie@aig.com

March 26, 2014

Mr. Paul Flanagan
Executive Director, Division of Audits
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P. O. Box 350
Trenton NJ 08625-0350

Re: 2014 Annual Report for Oakwood Village Sewerage Associates LLC

Dear Mr. Flanagan,

Attached please find the 2014 Annual Report for Oakwood Village Sewerage Associates LLC.

Please feel free to contact me at (646) 857-2311 if you have any questions.

Sincerely,

Ari Benmoschie

Cc: Robert.ortman@bpu.state.nj.us

ANNUAL REPORT

OF

Oakwood Village Sewerage Associates, LLC
(NAME OF RESPONDENT)

32 Old Slip 23th Floor New York, NY 10005
(ADDRESS OF RESPONDENT)

TO THE

BOARD OF PUBLIC UTILITIES

STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014

Name, title, and address of Officer or other person to whom any communication should be Addressed concerning this report.

Jeffery Daniels, Vice President
32 Old Slip 23th floor New York, NY 10005

DO NOT ROLL OR FOLD

GENERAL INSTRUCTIONS

1. This form of Annual Report is for the use of water utilities who are required to file an Annual Report with the State of New Jersey Board of Public Utilities.

2. This Annual Report Form should be filled out in duplicate and the original of this report should be properly filled in and verified. The form is to be filed with the New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350 Trenton NJ 08625-0350, on or before March 31, of each year, in accordance with the requirements of the Statutes of the State of New Jersey and the regulations of the Board made in pursuance thereof.

3. The word "Respondent" wherever used in this report means the person, firm, association, or corporation in whose behalf the report is filed.

4. The word "Commission" wherever used in this report means the State of New Jersey Board of Public Utilities.

5. This report is designed for typewriter spacing and should be typed if practicable. It is also designed to eliminate cents columns. All dollar amounts should be reported to the nearest whole dollar. All entries should be in permanent form.

6. Instructions should be carefully observed and each question should be answered fully and accurately whether or not it has been answered in previous Annual Reports. If the word "No" or "None" truly and completely states the fact, it should be used to answer any particular inquiry or any portion thereof. If any schedule or inquiry is inapplicable to the Respondent, the words "Not applicable" should be used to answer.

7. The Annual Report should be complete in itself in all particulars. Reference to Annual Reports of previous years or to other reports should not be made in lieu of required entries except as herein specifically directed or authorized.

8. Entries of a contrary or opposite character (such as decreases reported in a column providing for both increases and decreases) should be shown in red or enclosed in parentheses.

9. Wherever schedules call for comparisons of figures of a previous year, the figures reported must be based upon those shown by the Annual Report of the previous year, or an appropriate explanation given.

10. Additional schedules inserted for the purpose of further explanation of accounts or schedules should be made on durable paper wherever practicable conform to this form in size and width of margin. The inserts should be securely bound in the report. Inserts should bear the name of the Respondent, the applicable year of the report, the schedule numbers, and titles of the schedules to which they pertain.

11. If the Respondent makes a report for a period less than a calendar year, the beginning and the end of the period covered must be clearly stated on the front cover and throughout the report where the year or period is required to be stated.

MAIL REPORT TO TRENTON OFFICE
(SEE GENERAL INSTRUCTION 2)

State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

IDENTIFICATION

01 Exact Legal Name of Respondent: Oakwood Village Sewerage Associates, LLC

02 Year of Report: 2014

03 Previous Name and Date of Change *(If name changed during year)*:

None

04 Address of Principal Office at End of Year *(Street, City, State, Zip Code)*:

32 Old Slip 28th floor New York, NY 10005

05 Web Address of the Company:

www.aigglobalrealestate.com

06 Name of Contact Person: Jeffery Daniels

07 Title of Contact Person: Vice President

08 Address of Contact Person (Street, City, State, Zip Code):

32 old Slip, 28th floor, New York, NY 10005

09 Telephone of Contact Person: 646-857-2274

10 Fax Number of Contact Person: 646-857-2310

11 E-Mail Address of Contact Person: jeffery.daniels@aig.com

12 Federal Employer Identification Number: 13-3454957

13 This Original Report is due on March 31, 2015; It is Filed on 3-26-15.

14 This is a Resubmission Report. Date Filed on (Month, Date, Year)

CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have read this New Jersey Board of Public Utilities Annual Financial Report: Based on my knowledge this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances such statements were made, not misleading with respect to the period covered by this report.

Based on my knowledge the financial statements, and other financial information (Comparative Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year Statement of Cash Flows, Statement of Accumulated Comprehensive Income and Hedging Activities, and Notes to the Financial Statements) included in this report conform in all material respects with the Board's Uniform System of Accounts, as of, and for, the periods presented in this report.

I am responsible for establishing and maintaining internal accounting controls. I have designed such internal accounting controls to ensure that material information relating to the respondent and its subsidiaries, to the extent that the respondent has subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared. I have evaluated the effectiveness of internal accounting controls as of a date within 90 days prior to the period in which this report (evaluation date). I have presented in this report my conclusions about the effectiveness of the internal accounting controls based on my evaluation as of the evaluation date.

I have disclosed, based on my most recent evaluation, to the respondent's auditors and the audit committee or persons performing similar functions, to the extent that respondent has an audit committee or persons performing similar functions, that all significant deficiencies in the design or operation of internal accounting control which could adversely affect the respondent's ability to record, process, summarize and report financial data and have identified for the respondent's auditors any material weaknesses in disclosure controls and procedures and any fraud, whether or not material, that involves management or other employees who have a significant role in the respondent's internal accounting controls.

I have indicated in this report whether or not there were significant changes in internal accounting control and procedures or in other factors that could significantly affect internal accounting controls and procedures subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

In addition, I have examined the remaining schedules contained in this report; to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respect to the Uniform System of Accounts.

---

15 Name: Jeffery Daniels

15 Title: Vice President

17 Signature:

18 Date Signed: 3/26/15

NAME OF UTILITY: Oakwood Village Sewerage Associates, LLC YEAR: 2014

IDENTITY OF RESPONDENT.

Repeat each of the following question numbers in the blank space below and furnish information requested. Each inquiry must be answered.

1. If name of Respondent was changed during year, give particulars of change and date change became effective.
2. Street address and telephone number of principal business office.
3. Date incorporated and date of any reorganization or consolidation. Act(s) under which incorporated, reorganized, or consolidated. If a consolidated company, name each constituent company and date incorporated or organized.
4. Name and title of Officer having custody of the general corporate books of account and address of office where the general corporate books are kept.
5. If permission has been obtained to keep corporate books outside of the State of New Jersey, state date of Commission's Order of Approval.
6. Name and address of registered agent.
7. Name, address, and telephone number for complaints or emergencies.
8. Date Respondent first began rendering sewerage service.
9. All kinds of business, other than sewerage service, in which Respondent was engaged at any time during year.

1) N/A
2) 32 Old Slip, 28th floor, New York, NY 10005
3) 10/19/2000
4) Jeffery Daniels, Vice President
5) N/A
6) Jeffery Daniels, 32 Old Slip, 28th floor, New York, NY 10005
7) 32 Old Slip, 28th floor, New York, NY 10005
8) 10/15/2010
9) Real Estate Investment and Management

NAME OF UTILITY: Oakwood Village Sewerage Associates, LLC YEAR: 2014

OFFICERS

1. Report below Officers at date of verification of this report. If there have been any changes since the last report, show title, name and address of previous Officer and date of change. N/A

OFFICIAL TITLE (a)	NAME AND PRINCIPAL BUSINESS ADDRESS (b)

DIRECTORS

1. Report below Directors at date of verification of this report. If there have been any changes since the last report, show name and address of previous Directors and date of change.
2. Designate by asterisk members of executive committee.

NAME OF DIRECTOR (a)	RESIDENCE ADDRESS (b)	TERM BEGAN (c)	TERM EXPIRES (d)
None			

1. Number of meetings of Board of Directors held during year. _____
2. Number of Directors required to constitute a quorum. _____
3. Total amount of Directors' fees paid during year. _____

NAME OF UTILITY: East Coast Oakwood Sewerage Associates LLC YEAR: 2014

SECURITY HOLDERS AND VOTING POWERS

1. Report information requested in schedule below:
   (a) List security holders having more than 10% voting powers in Respondent. Also list voting powers of each Director.
   (b) Arrange names of security holders in order of voting power commencing with highest.
   (c) Indicate Officers and Directors by asterisk.

NAME OF SECURITY HOLDER (a)	ADDRESS OF SECURITY HOLDER (b)	NUMBER OF VOTES AS OF			
		COMMON STOCK (c)	PREFERRED STOCK (d)	OTHER SECURITIES (e)	TOTAL (f)
East Coast Oakwood Apartments Sewerage LLC	32 Old Slip, 28th Floor New York, NY 10005	100%			

2. Latest record date prior to year end and purpose.

None

3. Total number of security holders, and total number of votes entitles to be cast, for each series and class of security vested with voting rights as of the date for which foregoing list of security holders is furnished.

None

4. If voting rights are attached to any securities other than stock, name in a supplemental statement (a) each such security to which voting rights are attached, (b) relationship between holdings and corresponding voting rights, (c) whether voting rights are actual or contingent, and (d) if contingent describe contingency.

None

5. If any class or issue of securities has any special privileges in the election of Directors, Trustees, or Managers, or in the determination of corporate action by any method, describe fully in a supplemental statement each such class or issue and state briefly and clearly the character and extent of such privilege.

None

6. For latest annual stockholders' meeting prior to year end for election of Directors, state: None

   (a) date:

   (b) place:

   (c) total number of votes cast:

   (d) total number of votes cast by proxy:

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

CORPORATE OR OTHER CONTROL OVER RESPONDENT

1. Report below all corporations, business trusts, and similar organizations controlled directly or indirectly by Respondent at any time during year. If control ceased prior to year end, attach memorandum with particulars.
2. Direct control means exercised without interposition of intermediary.
3. Indirect control means exercised by interposition of intermediary exercising direct control.

NAME OF CONTROLLING ORGANIZATION, TRUSTEE OR RECEIVER (a)	HOW OR BY WHAT AUTHORIZATION WAS CONTROL ESTABLISHED (b)	% VOTING STOCK OWNED (c)	CHARACTER OF CONTROL: SOLE OR JOINT (d)	CHARACTER OF CONTROL: DIRECT OR INDIRECT (e)	CHARACTER OF CONTROL: OTHER PARTIES TO CONTROL (Include Intermediaries or Beneficiaries) (f)
East Coast Oakwood Apartments Sewerage LLC		100 %		Direct	
East Coast Residential Associate LP		100 %		Indirect	

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below all corporations, business trusts, and similar organizations controlled directly or indirectly by Respondent at any time during year. If control ceased prior to year end, attach memorandum with particulars.
2. Direct control means exercised without interposition of intermediary.
3. Indirect control means exercised by interposition of intermediary exercising direct control.

NAME OF COMPANY CONTROLLED (a)	TYPE OF BUSINESS (b)	% VOTING STOCK OWNED (c)	CHARACTER OF CONTROL: SOLE OR JOINT (d)	CHARACTER OF CONTROL: DIRECT OR INDIRECT (e)	CHARACTER OF CONTROL: OTHER PARTIES TO JOINT CONTROL (f)
None					

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

SEWERAGE UTILITY PLANT LEASED TO OTHERS*

NAME OF LESSEE (a)	TERM DATES FROM (b)	TERM DATES TO (c)	COST (a/c 104) (d)	INCOME FROM UTP LEASED TO OTHERS a/c 412 (e)	INCOME FROM UTP LEASED TO OTHERS a/c 413 (f)	BRIEF DESCRIPTION OF PROPERTY AND PROVISIONS OF LEASE (g)
None						
Total						

SEWERAGE SYSTEMS LEASED FROM OTHERS*

NAME OF LESSOR (a)	FROM (b)	TO (c)	BRIEF SUMMARY OF PROVISIONS (d)
None			

* Copy of leasing agreement must be filed with this report together with complete description of utility plant under lease, or reference made to Annual Report with which it was first filed.

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

IMPORTANT CHANGES DURING THE YEAR

Repeat each of following numbers in the blank space below and furnish information requested. Each inquiry must be answered. If information is given elsewhere in the report which answers any inquiry, reference to such other schedules will be sufficient.

1. Major leaseholds acquired or surrendered.

2. Acquisitions of other companies, systems, consolidations, mergers, or reorganizations with other companies. Furnish particulars.

3. Changes in Respondent's investments

4. Changes in rates, standard terms and conditions.

1) None

2) None

3) None

4) None

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

MISCELLANEOUS INFORMATION

Repeat each of following question numbers in the blank space below and furnish information requested. Each inquiry must be answered.

1. For each franchise:
   (a) Name of grantor.
   (b) Date of grant.
   (c) Term of grant.
   (d) Territory covered by franchise.
   (e) Operations covered by franchise.
   (f) Consideration for grant. Describe fully if other than money.
   (g) Whether or not franchise is exclusive.
   (h) All franchise requirements, such as sewerage service furished free or at reduced rates, etc.
   (i) Special conditions of franchise. Give full details.

   Not necessary to repeat foregoing information if previously furnished, provided reference is made to year of such report and page number.

2. State designation of rate schedule in effect at end of year and date effective.

3. State any revision of tariff by sheet numbers changed during the year.

1) None

2) None

3) None

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

COMPARATIVE BALANCE SHEET

ASSETS AND OTHER DEBITS

	NUMBERS AND TITLES OF ACCOUNTS (a)	SCHED. PAGE NO. (b)	BALANCE END OF YEAR (c)	BALANCE BEGINNING OF YEAR (d)	INCREASE OR (DECREASE) (e)
	UTILITY PLANT				
101-05	Utility Plant	13	2,220,428	1,874,094	346,334
107	Construction Work In Progress	15			
108	Utility Plant Acquisition Adjustments	-			
109	Utility Plant Adjustments	-			
111	Depreciation and Amortization Reserve for	-			
	Utility Plant (Cr.)	16	(1,677,872)	(1,623,527)	(54,345)
	Net Utility Plant	-	542,556	250,567	291,989
	OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	-			
122	Dep. Reserve for Nonutility Property-Cr.	-			
123	Investments in Associated Companies*	-			
124	Other Investments*	-			
125	Sinking Funds	-			
128	Miscellaneous Special Funds*	-			
	Total	-			
	CURRENT AND ACCRUED ASSETS				
131	Cash	-	83,722	41,307	42,415
134	Special Deposits	-			
141	Notes Receivable	-	(724,827)	(353,827)	(371,000)
142	Accounts Receivable/Customer A/R & Other	-	40,618	32,666	7,952
144	Reserve for Uncollectible Accounts-Cr.	-	(34,291)	(14,834)	(19,457)
145	Receivables from Associated Companies	-	3,316		3,316
156	Materials and Supplies	-			
160	Prepayments	18	16,282	15,692	590.00
174	Other Current and Accrued Assets	18			
	Total	-	(615,180)	(278,996)	(336,184)
	DEFERRED DEBITS				
181	Unamortized Debt Discount and Expense	19			
182	Extraordinary Property Losses	20			
183	Preliminary Survey and Investigation Charges	-			
184	Retirement Work in Progress	-			
186	Other Deferred Debits	20			
	Total	-			
	Total Assets and Other Debits	-	(72,624)	(28,429)	44,195

* Give details in Footnotes

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS

NUMBERS AND TITLES OF ACCOUNTS (a)	SCHEDULE PAGE NO. (b)	BALANCE END OF YEAR (c)	BALANCE BEGINNING OF YEAR (d)	INCREASE OR (DECREASE) (e)
CAPITAL STOCK AND SURPLUS				
201 Common Stock	21			
204 Preferred Stock	21			
206 Stock Liability for Conversion	21			
207 Premiums and Assessments on Capital Stock-P.I.C.	22			
208 Capital Stock Subscribed	21			
210 Installments Received on Capital Stock	21			
212 Capital Stock Expense-Dr.	21			
214 Reacquired Capital Stock-Dr.	21			
215 Nonoperating Surplus (Capital Surplus)	22			
216 Retained Earnings (Earned Surplus)	11	(182,317)	(46,191)	(136,126)
Total	-	(182,317)	(46,191)	(136,126)
LONG-TERM DEBT				
221 Bonds	23			
222 Receivers' Certificates	23			
223 Advances from Associated Companies	23			
224 Miscellaneous Long-Term Debt	23			
225 Reacquired Long-Term-Dr.	23			
Total	-			
CURRENT AND ACCRUED LIABILITIES				
231 Notes Payable (Due within (1) year)	24			
232 Accounts Payable	-	50,089	17,556	(32,533)
234 Payables to Associated Companies	24		0	
235 Customers' Deposits	-			
236 Taxes Accrued	25			
237 Interest Accrued	-			
238 Dividends Declared and Unpaid	-			
239 Matured Long-Term Debt	-			
242 Other Current and Accrued Liabilities	26	59,604	206	(59,398)
Total	-	109,693	17,762	91,931
DEFERRED CREDITS				
251 Unamortized Premium on Debt	19			
252 Customers' Advances for Construction	-			
253 Other Deferred Credits	26			
Total	-			
OTHER CREDITS				
261 Operating and Other Reserves	27			
271 Contributions in Aid of Construction	-			
Total	-			
Total Liabilities and Other Credits	-	(72,624)	(28,429)	(44,195)

NAME OF UTILITY : Oakwood Village Sewerage Associates LLC YEAR : 2014

RETAINED EARNINGS
(EARNED SURPLUS)

1. Report below the changes in Surplus during the year, giving description of Miscellaneous Debits and Credits.

ITEM (a)	DEBITS (b)	CREDITS (c)
Balance Beginning of Year		(46,191)
Net Income (or Loss) for Year (From page 12)		(136,126)
Miscellaneous Credits (Describe) :		
Capital ADJ		
Total Credits		
Preferred Stock Dividends :		
Common Stock Dividends :		
Miscellaneous Debits (Describe) :		
Total Debits		
Balance End of Year		(182,317)

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

INCOME STATEMENT

1. Report below a statement of Income for the year according to prescribed amounts.
2. If the increases and decreases are not derived from previously reported figures explain in footnotes.

NUMBER AND TITLE OF ACCOUNTS (a)	FROM PAGE NO. (b)	CURRENT YEAR (c)	TOTAL PRECEDING YEAR (d)	INCREASE OR (Decrease) (e)
I. UTILITY OPERATING INCOME				
400 Operating Revenues	28	263,990	264,382	(392)
OPERATING REVENUE DEDUCTIONS				
401 Operation Expense	29	269,604	252,586	17,018
402 Maintenance Expense	30			
403 Depreciation Expense	17	54,345	41,318	13,027
404 Amortization Expense	-			
408 Taxes Other Than Income Taxes	25	56,710	38,649	18,061
409 Income Taxes	25			
Total Operating Revenue Expenses	-	380,659	332,553	48,106
Net Sewerage Operating Revenues	-	(116,669)	(68,171)	(48,498)
Income from Utility Plant				
413 Leased to Others	-			
SEWERAGE OPERATING INCOME				
Net Income of Other Utility Departments	-			
II. OTHER INCOME				
417 Income from Nonutility Operations	32			
418 Rental Income from Nonoperating Property	32			
419 Interest and Dividend Income	32			
421 Miscellaneous Nonoperating Income	32	(19,457)	(1,712)	(17,745)
Total Other Income		(19,457)	(1,712)	(17,745)
Gross Income	-			
III. MISCELLANEOUS INCOME DEDUCTIONS				
425 Amortization Deductions	33			
426 Other Income Deductions	33			
428 Interest on Long-Term Debt	23			
431 Interest on Debt to Associated Companies	33			
432 Other Interest Charges	24			
433 Interest Charged to Construction-Credit AFUDC	-			
Total Income Deductions	-			
NET INCOME (To page 11)	-	(136,126)	(69,883)	(66,243)

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

UTILITY PLANT

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	ADJUSTMENTS (f)	BALANCE END OF YEAR (g)
101	Utility Plant In Service	1,874,094			346,334	2,220,428
102	Utility Plant Purchased or Sold					
103	Utility Plant In Process of Reclassification					
104	Utility Plant Leased to Others					
105	Property Held for Future Use					
	Utility Plant Other than Sewerage (Net)					
	Total Utility Plant	1,874,094			346,334	2,220,428

SEWERAGE PLANT IN SERVICE (Account 101)

1. Report by prescribed accounts the original cost of sewerage plant in service and the additions and retirements of such plant during the year.

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	ADJUSTMENTS* (f)	BALANCE END OF YEAR (g)
	INTANGIBLE PLANT					
301	Organization					
302	Franchises and Consents					
303	Other Intangible Utility Plant					
	Total					
	LAND AND LAND RIGHTS					
310	Collecting System Land					
311	Pumping System Land					
312	Treatment and Disposal System Land					
313	Miscellaneous Land					
	Total					
	COLLECTING SYSTEM					
320	Service Connections, Traps and Accessories					
321	Collecting Mains and Accessories					
322	Interceptor Mains and Accessories					
323	Force Mains					
324	Structures and Improvements					
325	Other Collecting System Equipment					
	Total					

* Describe in a Footnote

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC

YEAR: 2014

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	ADJUSTMENTS* (f)	BALANCE END OF YEAR (g)
	PUMPING SYSTEM					
330	Structure and Improvements					
331	Electric Pumping Equipment					
332	Other Power Pumping Equipment					
333	Miscellaneous Pumping System Equipment					
	Total					
	TREATMENT AND DISPOSAL SYSTEM					
340	Structures and Improvements					
341	Grit Removing Equipment					
342	Sedimentation (or Clarification) Tanks and Accessories					
343	Sludge Concentration (or Coagulation) Chambers and Accessories					
344	Sludge and Effluent Removing Equipment					
345	Sludge Digestion Tanks and Accessories					
346	Sludge Drying and Filtering Equipment					
347	Secondary Treatment Filters and Accessories					
348	Auxiliary Effluent Treatment Equipment					
349	Other Sewage Removing Equipment					
350	Chemical Treatment Plant and Equipment					
351	Chemical Contact Tanks					
352	Outfall Pipes and Accessories					
353	Other Disposal Equipment					
	Total					
	GENERAL PLANT					
390	Structures and Improvements					
391	Office Furniture and Equipment					
392	Transportation Equipment					
393	Stores Equipment					
394	Tools and Shop Equipment					
395	Laboratory Equipment					
397	Communication Equipment					
398	Miscellaneous General Plant					
	Total					
	Total Sewerage Plant in Service					

* Describe in a Footnote.

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

DETAILS OF UTILITY PLANT ADDITIONS AND RETIREMENTS

1. List the major additions and retirements by Utility Plant Account which have been added or retired during the year. Work Orders under $10,000 may be combined as one total for each Utility Plant Account. Account numbers 391 to 398 may be reported as a total for each account, and grouped under appropriate control account. If additional space is required, type information on 8 1/2" x 11" sheets and attach hereto.

LINE NO.	ACCT. NO. (a)	WORK ORDER NO. (b)	DESCRIPTION (c)	ADDITIONS (d)	RETIREMENTS (e)
1			None		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
			Total		

CONSTRUCTION WORK IN PROGRESS

1. Report the particulars called for concerning plant or equipment in process of construction but not ready for service at year end.
2. Report major projects by Work Order and Description. Minor projects may be grouped. If additional space is required, type information on 8 1/2"x11" sheets and attach hereto.

LINE NO.	WORK ORDER NO. (a)	DESCRIPTION OF WORK ORDER (b)	ESTIMATED COST (c)	EXPENDITURES TO CLOSE OF YEAR (d)
1		None		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15		Total		

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

DEPRECIATION AND AMORTIZATON RESERVE FOR UTILITY PLANT

1. Report below, an analysis of the changes in the reserves during the year.
2. Explain any important adjustments during year.

ITEM (a)	TOTAL (Acct. 111) (b)	UTILITY PLANT IN SERVICE (Acct. 111-1) (c)	UTILITY PLANT LEASED TO OTHERS (Acct. 111-2) (d)	LIMITED TERM UTILITY PLANT INVESTMENTS (Acct. 111-5) (e)	OTHER CLASSIFICATIONS (Described in footnote) (f)
Balance Beginning of Year	1,623,527	1,623,527			
Depreciation accruals for year charged to :	54,345	54,345			
Depreciation Expense (a/c 403 – Sewerage)					
Amortization Expense (a/c 404 - Sewerage)					
Income from Utility Plant Leased to Others					
(a/c 412 - Sewerage)					
Transportation Expenses, Clearing					
Total Depreciation and Amortization Accruals for Year					
Net charges for plant retired :					
Book cost of plant retired :					
Cost of Removal					
Salvage (credit)					
Net charges for plant retired					
Other debit or credit items : (Describe)					
Total Other Debits or Credits					
Balance End of Year	1,677,872	1,677,872			

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

DEPRECIATION OF UTILITY PLANT

1. Depreciation Expense:

State hereunder and show for each class of Plant, the book cost of depreciable property and rate applicable thereto. Explain in detail how the annual rates for depreciation were determined. No changes shall be made in any depreciation rates unless approved by this Board after the filing of a petition so to do at least (50) days prior to the proposed effective date of change. (Board's Rules of Practice 14:6-11 and Administrative Order 14:270)

ACCT. NO.	DESCRIPTION	AMOUNT	RATE	DEPRECIATION
	Sewerage Plant		15 yrs -SL	0.00
	Sewerage Plant - Upgrade 2003		15 yrs -SL	16,177
	Sewerage Plant - Upgrade 2004		15 yrs -SL	9,813
	Sewerage Plant - Upgrade 2006		15 yrs -SL	8,294
	Sewerage Plant - Upgrade 2007		15 yrs -SL	4,835
	Sewerage Plant - Upgrade 2013		15 yrs -SL	2,197
	Sewerage Plant - Upgrade 2014		15 yrs -SL	13,029
	TOTAL			54,345

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

PREPAYMENTS

1. Report information called for concerning each prepayment.
2. Minor items may be grouped.

LINE NO.	NATURE OF PREPAYMENT (a)	BALANCE BEGINNING OF YEAR (b)	BALANCE END OF YEAR (c)	INCREASE OR (Decrease) (d)
1	Prepaid Insurance	15,692	16,282	590.00
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
	Total	15,692	16,282	590.00

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

1. Report below description of Other Current and Accrued Assets.
2. Minor items may be grouped.

LINE NO.	ITEM (a)	BALANCE BEGINNING OF YEAR (b)	BALANCE END OF YEAR (c)	INCREASE OR (Decrease) (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
	Total			

NAME OF UTILITY: .Oakwood Village Sewerage Associates LLC YEAR: 2014

UNAMORTIZED DEBT DISCOUNT AND EXPENSE

1. Report below the particulars called for applicable to each class and series of long-term debt.
2. If method of amortization is other than "straight-line", give particulars in a footnote.
3. If any portion of the amounts credited to this account during year, per column (b), were debited to any other account than Account 428, Amortization of Debt Discount and Expense, state the account charged.

DESIGNATION OF LONG-TERM DEBT (a)	PAR VALUE OF SECURITIES ISSUED (b)	NET DISCOUNT AND EXPENSE (c)	AMORTIZATION PERIOD FROM (d)	AMORTIZATION PERIOD TO (e)	BALANCE BEGINNING OF YEAR (f)	DEBITS DURING YEAR (g)	CREDITS DURING YEAR (h)	BALANCE END OF YEAR (i)
None								
Total			***	***				

UNAMORTIZED PREMIUM ON DEBT

1. Report below the particulars called for applicable to each class and series of long-term debt.
2. If method of amortization is other than "straight-line", give particulars in footnote.
3. If any portion of the amounts debited to this account during year, per column (g), were credited to any other account than 429, Amortization of Premium on Debt, state account credited.

DESIGNATION OF LONG-TERM DEBT (a)	PAR VALUE OF SECURITIES ISSUED (b)	NET PREMIUM (c)	AMORTIZATION PERIOD FROM (d)	AMORTIZATION PERIOD TO (e)	BALANCE BEGINNING OF YEAR (f)	DEBITS DURING YEAR (g)	CREDITS DURING YEAR (h)	BALANCE END OF YEAR (i)
None								
Total			***	***				

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

OTHER DEFERRED DEBITS

1. List all Deferred Debit Accounts.
2. For any Deferred Debits being amortized show period and Account charged.
3. Minor items may be grouped.

NAME OF ACCOUNT (a)	TOTAL AMOUNT DEFERRED (b)	AMORTIZATION (If Any) PERIOD* FROM (c)	TO (d)	EXP. ACCT. CHGD. (e)	BALANCE BEGINNING OF YEAR (f)	DEBITS DURING YEAR (g)	CREDITS DURING YEAR (h)	BALANCE END OF OF YEAR (i)
Extraordinary Property Losses								
None								
Other Deferred Debits								
None								
Total								

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

CAPITAL STOCK

1. Report the particulars called for concerning each issue and series of Common or Preferred Stock at end of year.
2. Amounts shown in column (d) with respect to non-par stock without stated value should be the cash value per share of the consideration received.
3. Show Capital Stock expense (Account 212) on footnote.

CLASS AND SERIES OF STOCK (a)	COMMISSION AUTHORIZATION NO. OF SHARES (b)	COMMISSION AUTHORIZATION DATE (c)	PAR OR STATED VALUE PER SHARE (d)	AMOUNT ACTUALLY ISSUED (e)	OUTSTANDING END OF YEAR SHARES (f)	OUTSTANDING END OF YEAR AMOUNT (g)	DIVIDENDS DECLARED RATE (h)	DIVIDENDS DECLARED AMOUNT (i)
Common Stock (Account 201, 206, 208, 210)								
None								
Total Common Stock		***	***				***	
Preferred Stock (Account 204, 206 208,210)								
None								
Total Preferred Stock		***	***				***	
Reacquired Capital Stock (Account 216)								
None								
Total Reacquired Capital Stock								
None								
Footnotes:								

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

ACCOUNT 207, PREMIUMS AND ASSESSMENTS ON CAPITAL STOCK
ACCOUNT 215, NONOPERATING SURPLUS (CAPITAL SURPLUS)

1. Give below an analysis of the activity in other paid-in capital during year.
2. State the nature of other paid-in capital and describe how it arose, listing account charged or credited.
3. Enter as footnote, descriptions of transactions if space is not sufficient.

		ACCOUNT 207	ACCOUNT 215			
ITEM (a)	ACCOUNT CHARGED OR CREDITED (b)	PREMIUM AND ASSESSMENTS ON CAPITAL STOCK (c)	DONATIONS RECEIVED FROM STOCKHOLDERS (d)	REDUCTION IN PAR OR STATED VALUE OF CAPITAL STOCK (e)	GAIN ON RESALE OR CANCELLATION OF REACQUIRED CAPITAL STOCK (f)	OTHER (g)
Balance beginning of year						
Credits:						
None						
Total Credits						
Debits:						
None						
Total Debits						
Balance end of year						
Footnote						

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

LONG-TERM DEBT

1. List each class and series of long-term debt individually.
2. Include details of debt retired during year.

CLASS AND SERIES OF OBLIGATION (a)	DATE OF COMMISSION APPROVAL (b)	NOMINAL DATE OF ISSUE (c)	DATE OF MATURITY (d)	PRINCIPAL AMOUNT AUTHORIZED (e)	OUTSTANDING AT END OF YEAR (f)	INTEREST FOR YEAR RATE (g)	INTEREST FOR YEAR AMOUNT (h)	HELD BY RESPONDENT (i)
Bonds (Account 221):								
None								
Total Bonds								
Advances from Associated Companies (Account 223):								
None								
Total Advances from Associated Companies								
Other Long-Term Debt (Account 224 & 224):								
None								
Total Other Long-Term Debt								
Reacquired Long-Term Debt (dr.)								
(Account 215)								
None								

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

NOTES PAYABLE
PAYBLES TO ASSOCIATED COMPANIES

1. Report information requested on notes payable.
2. Report collateral pledged if any.
3. Include details of debt retired.

PAYEE (a)	DATE OF NOTE (b)	DATE OF MATURITY (c)	RATE (d)	INTEREST EXPENSE (e)	BALANCE END OF YEAR (f)
Notes Payable (Account 231)					
None					
Total	***	***	***		
Payables to Associated Companies (a/c 234)					
None					
Total	***	***	***		

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

TAXES (Accounts 160, 236, 408, 409)

1. Report the details called for concerning taxes indicated in the captions of the columns below. In column (a) state the type of tax. LIST TAXES ON REAL PROPERTY AND PERSONAL PROPERTY AS WELL AS OTHER TAX ITEMS.
2. [Column (c)] Where charge to operations during the year differs from amount levied, explain in a footnote.

TAXES LEVIED (a)	BALANCE BEGINNING OF YEAR (b)	CHARGED DURING YEAR (c)	PAID DURING YEAR (d)	BALANCE END OF YEAR (e)
Federal Taxes				
Income				
Total Federal Taxes				
State Taxes				
NJ State Taxes &Ground/Water Permit &	0.00	56,710	56,710	0.00
Assessment Fee				
Total State Taxes				
Local Taxes				
Total Local Taxes				
Total Taxes Levied	0.00	56,710	56,710	0.00

TAX COLLECTIONS PAYABLE	BALANCE BEGINNING OF YEAR	COLLECTIONS DURING YEAR	PAID DURING YEAR	BALANCE END OF YEAR
Employees' Income Taxes				
Employees' O.A.B.				
Employees' State Unemployment				
Employees' T.D.B.				
Others (Specify)				
TOTAL TAX COLLECTIONS PAYABLE				
Total of All Taxes (Acct. 236)	$	*****	*****	$

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

OTHER CURRENT AND ACCRUED LIABILITIES

1. Report amount and description of other current and accrued liabilities at end of year.
2. Minor items may be grouped under appropriate titles.

LINE NO.	ITEM (a)	BALANCE END OF YEAR (b)
1	Prepaid Rent - Sewer Fee	59,604
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
	TOTAL	59,604

OTHER DEFERRED CREDITS

1. Report information called for concerning other Deferred Credits.
2. Minor items may be grouped by classes.

LINE NO.	DESCRIPTION (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
			ACCOUNT CREDITED (c)	AMOUNT (d)		
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
	Total					

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

OPERATING AND OTHER RESERVES

1. Report the information requested.
2. Insert description of "Other Reserves".
3. If sufficient space is not available use footnote for details.

ITEM (a)	ACCOUNT CHARGED OR CREDITED (b)	TOTAL (c)	PROPERTY INSURANCE RESERVE (d)	INJURIES AND DAMAGES RESERVE (e)	PENSIONS AND BENEFITS RESERVE (f)	OTHER RESERVES (g)	(h)
Balance beginning of year	****	-					
Additions to reserve:							
Provision							
Employee Contributions							
Other additions (specify)							
Total Credits	****	-					
Deductions from reserve: None							
Total Debits	****						
Balance End of Year None	****						
Footnote:							

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

SEWERAGE OPERATING REVENUES (Account 400)

1. Report in column (b) the maximum number of customers during year.

	ITEM (a)	CUSTOMERS (b)	AMOUNT OF REVENUE (c)
	SEWERAGE SERVICE REVENUES		
461	Domestic Service	35	263,990
462	Industrial Waste Service		
463	Service to Public Authorities		
464	Service to Other Systems		
465	Other Sewerage Service (Specify)		
	Total		263,990
	OTHER SEWERAGE REVENUE		
471	Rents from Sewerage Property		
472	Customers' Forfeited Discounts and Penalties		
473	Miscellaneous Sewerage Revenues (Specify) –		
	Total		
	Total Sewerage Operating Revenues		263,990

TERRITORY SERVED DURING YEAR

1. Report below the details of the territory in which sewerage service is rendered.

MUNICIPALITY OR OTHER DESIGNATION OF SYSTEM (a)	ESTIMATED PERMANENT POPULATION SERVED (b)	ESTIMATED MAXIMUM SEASONAL POPULATION (c)	CUSTOMERS END OF YEAR (d)	MAXIMUM NUMBER CUSTOMERS DURING YEAR (e)
Total				

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

OPERATION EXPENSE (Account 401)

1. Enter in the spaces provided, the sewerage operation expense for the year.

ACCOUNT (a)		AMOUNT FOR YEAR (b)	CHANGE FROM PRECEDING YEAR (c)
	COLLECTING EXPENSES		
701	Operation Supervision and Engineering	(7,789)	(110,000)
702	Operation Labor		
703	Miscellaneous Supplies and Expenses		
704	Rents		
	Total Collecting Expenses	(7,789)	(110,000)
	PUMPING EXPENSES		
711	Power and Fuel	184,743	104,926
712	Miscellaneous Supplies and Expenses	65,667	20,416
713	Rents		
	Total Pumping Expenses	250,410	125,342
	TREATMENT AND DISPOSAL EXPENSES		
721	Operation Supervision and Engineering		
722	Operation Labor		
723	Miscellaneous Supplies and Expenses		
724	Chemical Treatment Expenses		
725	Rents		
	Total Treatment and Disposal Expenses		
	COMMERCIAL EXPENSES		
731	Supervision		
732	Flat Rate Inspections		
733	Meter Reading		
734	Billing, Collecting, and Accounting		
735	Uncollectible Accounts		
736	Rents		
	Total Billing and Collecting Expenses		
	ADMINISTRATIVE AND GENERAL EXPENSES		
741	Administrative and General Salaries		
742	Office Supplies and Other Expenses	1,639	1,179
743	Professional Services	6,396	336
744	Property Insurance	18,949	161
745	Injuries and Damages		
746	Employee Pensions and Benefits		
747	Franchise Requirements		
748	Regulatory Commission Expenses		
749	Duplicate Charges - Cr.		
750	Miscellaneous General Expenses		
751	Rents		
	Total Administrative and General Expenses	26,984	1,676
	Total Operation Expense	269,604	17,018

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

MAINTENANCE EXPENSE (Account 402)

1. Enter in the spaces provided the sewerage maintenance expense for the year.

ACCOUNT (a)		AMOUNT FOR YEAR (b)	AMOUNT FOR PRECEDING YEAR (c)
801	Maintenance of Collecting System		
802	Maintenance of Pumping System		
803	Maintenance of Treatment and Disposal System		
804	Maintenance of Transportation Equipment		
805	Maintenance of General Equipment		
	Total Maintenance Expense	None	

COMPENSATION OF OFFICERS, ETC.

1. Report below or on a separate sheet attached the amount of compensation charged to sewerage operations and paid during the year to each elected officer of the respondent. Report also, the compensation of other employees receiving annual compensation of $10,000 or more.

2. If compensation reported for any officer or employee does not cover the full year, state the period covered.

3. Bonuses and other allowances should be included in the compensation. Furnish particulars as to such other compensation.

NAME (a)	OFFICIAL TITLE (b)	TOTAL COMPENSATION FOR YEAR (c)
None		

SERVICE CONTRACT CHARGES BY ASSOCIATED COMPANIES

Report below for each contract, written or unwritten, in effect at any time during year with an associated corporation, partnership, individual, or other organization, whereby Respondent received management, construction, engineering, supply, financial, legal, accounting, purchasing, or other type of service of a continuing nature.

1. Name of company rendering service. None
2. Character of service.
3. Basis of charges.
4. Date and term of contract.
5. Date of Commission authorization, if contract has received Commission approval.
6. Total charges for year classified as to purchases, compensation for services, and reimbursement for expenses.
7. Utility departments and accounts charged with amounts reported under foregoing Item 6.

MANAGEMENT AND ENGINEERING CONTRACTS WITH NON-ASSOCIATED COMPANIES

Report below for any contract, written or unwritten, in effect at any time during year with a non-associated corporation, partnership, individual, or any other organization, whereby Respondent received management or engineering services of a continuing nature.

1. Name of company rendering service. None
2. Character of service.
3. Basis of charges.
4. Date and term of contract.
5. Date of Commission authorization, if required.
6. Total charges for year classified as to character of service.
7. Utility departments and accounts charged with amounts reported under foregoing Item 6.

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

OTHER INCOME

Show details of principal items in each of the following accounts. Details shown in another section of the report need not be repeated but cross reference by page and account number should be given.

SOURCE OF INCOME (a)	GROSS REVENUE (b)	EXPENSES (c)	NET REVENUE (d)
417 Income from Nonutility Operations:			
None			
Total (Net)			
418 Rental Income from Nonoperating Property:			
None			
Total (Net)			
419 Interest and Dividend Income:			
None			
Total (Net)			
421 Miscellaneous Nonoperating Income:			
None			
Total (Net)			

AMORTIZATION AND OTHER INCOME DEDUCTIONS

1. Show detail of items within scope of account 425, Amortization Deductions; include accounts being amortized, original period of amortization, unamortized balance at end of year amount charged against current income.
2. Detail contributions, fines, etc. properly deductible within scope of account 426, Other Income Deductions.

NATURE OF DEDUCTION (a)	AMOUNT (b)
425 Amortization Deductions None	
426 Other Income Deductions None	
Total Income Deductions	

SUMMARY OF SALARIES AND WAGES

1. Show in column (b) the number of officers and employees normally assigned to the functions shown in column (a). If an employee fills more than one function, list him in the one classification to which the majority of his time is distributed.
2. Show in column (c) the total payroll distributed to each classification.
3. Columns (b) and (c) should be considered independently because it is possible, due to multiple distribution of an employee's time, for a dollar amount to be charged to a classification to which employees are permanently assigned.

LINE NO.	CLASSIFICATION (a)	AVERAGE NO. OF EMPLOYEES (b)	PAYROLL DISTRIBUTION (c)	PAYROLL DISTRIBUTION COMPARISON WITH PRECEDING YEAR INCREASE OR (DECREASE) (d)
1	Operation and Maintenance			
2	None			
3				
4				
5				
6				
7	Construction			
8	None			
9				
10				
11	Other Accounts			
12	None			
13				
14				

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC

YEAR: 2014

SEWERAGE PLANT

On this page insert the several numbers representing each of the following captions and furnish the information pertinent to such caption. Attach additional sheet if necessary.

1. General description of sewage treatment and disposal system.

2. Area served by the sewerage system.

3. Average and maximum daily discharge of sewage during year (thousands of gallons).

4. Method of treatment and of disposal.

1. Sewerage Treatment and Disposal System in Mt. Olive, NJ.
2. Oakwood Village Apartments, containing 1,224 units as well as DARA Estates, an adjacent 34 single-family home subdivision.
3. Average = 150,200 GPD and Maximum = 175,000 GPD
4. Treatment Method is membrane bio-reactor and the disposal method is spray irrigation.

UNIT PRICES OF MATERIALS PURCHASED AND CONSTRUCTION COSTS

List examples of most frequently used materials and construction costs experienced during the year for the collecting system.

MATERIAL OR ITEM (a)	TYPE (b)	SIZE (c)	UNIT (d)	AVERAGE UNIT PRICE (e)
None				

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

COLLECTING, INTERCEPTOR, AND FORCE MAINS, AND MANHOLES

1. Percentage of mains on private right-of-ways: %
2. List separately and designate those mains not owned by the respondent.

MUNICIPALITY OR OTHER DESIGNATION OF SYSTEM (a)	SIZE (Inches) (b)	TYPE OF MAIN (c)	LENGTH OF PIPE (Nearest Foot) BEG. OF YEAR (d)	ADDED (e)	RETIRED (f)	CLOSE OF YEAR (g)
COLLECTING MAINS						
None						
Total			-			-
INTERCEPTOR MAINS						
None						
Total			-	-		-
FORCE MAINS						
None	-	-	-			
Total			-			-
Grand Total			-			-

MANHOLES	NUMBER			
None	-			
Total				-

NAME OF UTILITY: Oakwood Village Sewerage Associates LLC YEAR: 2014

PUMPING EQUIPMENT

1. Describe each piece of pumping equipment.

MOTIVE POWER (a)	LOCATION OR STATION (b)	MAKE OR TYPE (c)	YEAR INSTALLED (d)	RATED CAPACITY (e)	SIZE (f)	HOW DRIVEN (g)	REMARKS (h)
None							

SERVICE CONNECTIONS

1. List separately and designate those service connections not owned by respondent.
2. Give all particulars concerning inactive service connections in a footnote.

MUNICIPALITY OR OTHER DESIGNATION OF SYSTEM (a)	SIZE (INCHES) (b)	TYPE (c)	NUMBER OF ACTIVE SERVICE CONNECTIONS				
			AVERAGE LENGTH (d)	BEG. OF YEAR (e)	ADDED (f)	RETIRED (g)	CLOSE OF YEAR (h)
None							
Total	xxxx	xxxx	xxxx				

VERIFICATION

(Oath to be made by the officer in charge of the accounts, records and memoranda of the reporting Utility).

State of New York

County of New York

Jeffery Daniels, makes oath and says that he/she is the Vice President of Oakwood Village Sewerage Associates, LLC that as such officer it is his/her duty to have charge of the accounts, records and memoranda of the said utility, that under his/her direction the foregoing report has been compiled from the said accounts, records and memoranda, that he/she has carefully examined the foregoing report; this it is in accord with the said accounts, records and memoranda, and that the allegations or fact made in said report are true to the best of his/her knowledge and belief.

(Signature)

SUBSCRIBED AND SWORN TO before me, a Notary public In and for the STATE and COUNTY above named, this 26th day of March 2015

(Signature of officer authorized to administer oaths)

TAHANI YASSINE
Notary Public - State of New York
NO. 01YA6108452
Qualified In Nassau County
My Commission Expires 4/19/2016

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NOTICE OF PUBLIC HEARING

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Irene Kim Asbury
Secretary of the Board
Tel. # (609) 292-1599

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

NOTICE[1]

Application by Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. for Approval of the Transfer of Ownership and Control of a Public Utility
BPU Docket No. [ ]

Please take notice that on September 3, 2015, Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. filed an Application with the New Jersey Board of Public Utilities, Division of Water, requesting the approval of the transfer of ownership and control of Oakwood Village Sewerage Associates (OVSA) to AION Oakwood Sewer, L.L.C., approval of a mortgage agreement, and approval of minor modifications to the OVSA tariff to clarify addresses, names and citations with no changes in sewer service rates charged to OVSA customers.

Under applicable law found in N.J.A.C. 14:18-14.18, notice is hereby given that the Board of Public Utilities, Division of Water will conduct the public hearing described below to receive comments on the Petition:

Date: September [ ], 2015
Time: 5:30 p.m.
Location: Mount Olive Public Library, Gathering Room, 202 Flanders-Drakestown Rd. Flanders, NJ 07836

A copy of the Petition filed by Oakwood Village Sewerage Associates, L.L.C. and AION Oakwood Sewer, L.L.C. for approval of the transfer of ownership and control of OVSA to AION Oakwood Venture L.L.C., the approval of a mortgage agreement, and approval of minor modifications to the OVSA tariff to clarify addresses, names and citations is available for examination by interested parties

[1] Not a paid legal advertisement.

during normal business hours at the following locations:

East Coast Oakwood Apartments
c/o Kettler Management
77 Oakwood Village #9
Flanders, New Jersey 07836

New Jersey Board of Public Utilities, Division of Water
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350.

A copy of the petition (without exhibits) is also available for examination on the Oakwood Village Apartments website at: http://www.Oakwoodvillageapt.com.

Interested parties may also submit written comments regarding the Petition to the following address between September [ ], 2015 and October [ ], 2015:

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave., P.O. Box 350
Trenton, New Jersey 08625-0350

Or by email to:

swf.comments@bpu.state.nj.us

Please include reference to BPU Docket No. [ ] on your comments.

_____
Irene Kim Asbury
Secretary of the Board

Dated: September ___, 2015

Exhibit O

Submissions to Regulatory Agencies At or After Closing

Applications to Transfer the following permits will be filed with the New Jersey Department of Environmental Protection (NJDEP):

1. NJDEP Division of Water Supply and Geoscience, Physical Connection Permit No. 1184-WPC150001 (issued 4/4/15).

2. NJDEP Division of Air Quality, Certificate to Operate Control Apparatus and/or Equipment, Permit No. GEN 080001 (issued 6/25/13).

3. NJDEP Division of Water Quality, Pollution Discharge Eliminations Systems Permit No. NJ 0090051 (renewal application filed 8/3/15).

4. NJDEP Division of Water Quality, Pollution Discharge Elimination System Authorization to Discharge No. NJG0212075 (issued 11/1/13).