

# EXHIBIT B

This Agreement made this 1st day of July, 2015 by and between **UNITED WATER MATCHAPONIX INC.** (formerly Matchaponix Water Company), a public utility corporation, with offices located at 200 Lake Shore Drive, Haworth, New Jersey 07641 and 103 Wilson Avenue, Manalapan, New Jersey 07726 (hereinafter referred to as "Matchaponix"), and **GORDON'S CORNER WATER COMPANY**, with offices located at 27 Vanderburg Road, Marlboro, New Jersey 07746 (hereinafter referred to as "GC").

**WITNESSETH:**

**WHEREAS**, Matchaponix is a regional water supply company in the business of selling bulk water supplies to water purveyors including, among others, GC Freehold Township and Manalapan Township; and

**WHEREAS**, GC is a public utility corporation of the State of New Jersey, franchised to provide water service in the Townships of Manalapan and Marlboro, County of Monmouth, and State of New Jersey; and subject to BPU jurisdiction, and

**WHEREAS**, Matchaponix has been selling wholesale water to GC pursuant to an Agreement dated August 16, 1985, and subsequently amended by addendums and amendments dated December 13, 1986, May 11 1989, February 23, 1989, March 30, 1990 and August 1, 2005 (collectively referred to herein as the "Wholesale Agreement"), ; and

**WHEREAS**, such Wholesale Agreement is scheduled to expire on August 1, 2015; and

**WHEREAS**, the parties hereto are desirous of renewing the Wholesale Agreement as set forth herein;

**NOW, THEREFORE,** for and in consideration of the premises and the sum of \$1.00 to each of the parties hereto by the other party, receipt whereof is hereby acknowledged, the parties hereto agree to and with other as follows:

**1. Water Supply.**

A. Matchaponix agrees to sell and GC agrees to purchase 1.5 million gallons per day (MGD) during the term of this Agreement and any renewal period hereof. Except as otherwise set for herein, Matchaponix shall not be obligated to supply more than 1.5 MGD.

B. Water from Matchaponix to GC has been and will continue to be delivered through the present main located on Lone Star Lane in Manalapan. This main shall remain the property of GC. GC shall remain responsible for maintaining this main.

C. Water purchased pursuant to this Agreement has been and will continue to be measured through the existing meter located at the corner of Lone Star Lane and Wilson Avenue in Manalapan. Matchaponix shall remain responsible for the continued maintenance of the meter and meter pit. If either party reasonably believes that the meter is recording incorrectly, Matchaponix shall have the meter tested in the presence of a designated representative of GC. If the meter is found to be recording correctly, the cost of the test shall be borne by the party requesting the test. If the meter is found to be incorrectly registering, the plant effluent meter on Matchaponix's plant, less other wholesale master meters shall be used to determine the proper amount for billing to GC for prior periods of incorrect readings (not to exceed three months). When discrepancy in meter recordings is determined, the meter shall be replaced or repaired immediately at the sole cost of Matchaponix.

D. Water shall be delivered to GC at an adequate pressure, such that GC will not be required to re-pump the water into its distribution system. The water will be supplied to GC at the minimum rate of **1050 gallons** per minute (GPM) (plus or minus 5%) at a minimum pressure of 100 PSI.

## **2. Payment Terms**

A. GC agrees to buy water pursuant to this Agreement at Matchaponix's wholesale tariff rate on file with the Board of Public Utilities of the State of New Jersey (BPU), as well as any amendments or modifications thereto which may subsequently be approved, accepted and filed with the BPU. Matchaponix shall give GC sixty (60) days advance notice of any rate filing intended to increase the wholesale tariff rate, so that GC can obtain an increase in its existing tariff to compensate for increase cost of purchased water.

B. Under the terms of this Agreement, GC agrees to purchase a minimum quantity of 1.5 MGD, or to pay a minimum charge equivalent to the charge for such quantity of water, at Matchaponix's then prevailing rates.

C. GC shall be billed monthly and GC will pay each monthly bill within 30 days after receipt thereof.

D. Matchaponix agrees to deliver water at the connection that will meet Environmental Protection Agency ("EPA") and the State of New Jersey Department of Environmental Protection ("NJDEP") water quality standards. Matchaponix agrees to work diligently and promptly to rectify any problem within its control, which is impacting water quality. In the event water supplied by Matchaponix does not satisfy applicable safe drinking water standards or otherwise violates DEP regulations, then GC has the right to suspend water purchases pursuant to this Agreement until the problem is satisfactorily resolved in accordance with and pursuant to DEP regulation.

## **3. Force Majeure**

Except as otherwise set forth herein, Matchaponix shall not be considered in default of any of its obligations hereunder in the event that performance of such obligation is prevented or delayed by reason of war, revolution, hostilities, civil commotion, strike, epidemic, accident, fire, wind, drought, flood, or explosion; or by reason of any laws, order proclamation or regulations of the United States or any other government authority; or by reason of any Act of God, whether of the same or of a different nature. Without limiting the foregoing, and notwithstanding any other provision of this Agreement, The parties agree that in the event a water emergency or drought is proclaimed by the Governor of the State of New Jersey or in the event that the State reallocates available resources during a state of emergency or drought emergency, or in the event of the occurrence of circumstances as outlined in this paragraph, Matchaponix shall be under no obligation to supply water to GC for the period that such emergency, drought, reallocation or occurrence remains in effect and GC shall be relieved of any purchase obligation during said period.

#### **4. GC Obligations to Purchase from Middlesex.**

It is understood that GC shall purchase, when available, 1.5 MGD of water as an alternative supply from Middlesex Water Company (Middlesex). However, the actual purchase may be from a third party which will transport the water from Middlesex. GC agrees that any additional water that it needs to purchase from outside sources, over and above the 1.5 MGD to be purchased from Middlesex, shall be purchased from Matchaponix as long as Matchaponix can provide the additional water.

#### **5. Expansion of Matchaponix's Treatment Facility.**

In the event Matchaponix expands its treatment facility and the Department of Environmental Protection grants the additional diversion rights to do so, GC as an existing customer of Matchaponix, shall have the right of first refusal to purchase, on a use percentage basis with the other customers of Matchaponix, additional water from Matchaponix.

## **6. GC's Sale of Water in Emergency Situations to Matchaponix.**

A. In an emergency situation GC will make up to 1.0 MGD of water per day available to Matchaponix, at a rate not to exceed 700 gallons per minute. For purposes of this paragraph, an emergency is defined as any temporary circumstance or condition resulting in Matchaponix's inability to provide potable water through its own sources to Manalapan Township. Water purchased from GC will be used solely for delivery to Manalapan Township. In the event Matchaponix takes water pursuant to this paragraph, GC shall cease its purchase of water from Matchaponix and the take or pay provisions set forth in paragraph 2B above, shall be suspended for the period of time in which Matchaponix is purchasing water from GC. GC has the right to **suspend** or curtail its emergency supply of water to Matchaponix if ordered to do so by DEP or BPU or if continuation of such emergency supply would adversely affect its ability to provide safe and adequate service to its own customers as required by BPU and/or DEP regulation.

B. When GC is notified by Matchaponix, GC shall have the option to ask that Matchaponix first attempt to purchase some of or all of the required emergency supply from other sources, and Matchaponix shall exercise reasonable efforts to do so.

C. In the event that emergency water is provided to Matchaponix by GC, the rate to be charged Matchaponix by GC will be in accordance with GC's general metered service tariff rate currently in effect at the time the water is utilized.

D. MATCHAPONIX agrees to take steps to minimize the requirement for GC to provide this temporary emergency water supply.

E. Matchaponix shall obtain and carry in full force and effect, a policy of general liability insurance, in minimum limits of \$3,000,000.00. Matchaponix shall make available certification of aforementioned insurance and provided such to GC upon request.

## **7. Term.**

The term of this Agreement shall be for a period of ten (10) years from the date of execution hereof, subject to regulatory action or statutory restrictions. This agreement shall be automatically renewed for successive ten (10) year periods, unless and until terminated by either party upon one year written notice to the other.

## **8. Miscellaneous.**

A. This entire Agreement (and any individual rights and obligations hereunder) shall be assignable by either party with the approval of the other party, which approval shall not be unreasonably withheld. It is specifically agreed that this Agreement shall be binding on all assignees and successors to any party to this Agreement, except GC has the right to terminate this contract if Matchaponix sells to an unregulated entity.

B Every notice or other communication authorized or required by this Agreement shall not be effective unless same shall be in writing and sent postage prepaid by United States registered or certified mail, return receipt required, direct to the other party at its address first above mentioned, or such other addresses either party may designate by notice given from time to time in accordance with this Paragraph.

C This Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the State of New Jersey. If a dispute should arise as to the terms and conditions of this Agreement and/or the rights, duties and liabilities of

the parties thereto, the dispute shall be submitted to the BPU and its decision shall be final and binding upon both parties to this Agreement.

D If any term, covenant, condition, or provision of this Agreement, or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the overall Agreement shall not be affected thereby and each term, covenant, condition or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

E This contract shall not be modified except by written Agreement duly executed by the parties.

F. The rights and obligations of the parties under this Agreement shall become effective upon execution of this Agreement by the respective parties hereto. This Agreement sets forth all promises, agreements, conditions, and understandings between the parties relative to the subject matter hereto, and there are no promises, agreements, conditions, or understandings, either written or orally expressed or implied between them other than as herein set forth. Without limiting the foregoing, this Agreement supersedes all prior and contemporaneous agreements, representations and understanding of the parties, including the "Wholesale Agreement" and all amendments thereto.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement by their duly authorized officers on the date first-above written.

ATTEST:

Joseph A. Aldi III

Name: Joseph A. Aldi III

Title: Assistant Secretary

**GORDON'S CORNER WATER  
COMPANY**

By: David G. Ern

Name: David G. Ern

Title: President + COO

ATTEST:

John T. Dillon

Name: John T. Dillon

Title: Secretary

**UNITED WATER MATCHPONIX INC.**

By: David Stanton

Name: David Stanton

Title: President