

EXHIBIT 1

**SECOND JOINDER AGREEMENT AMENDING AND SUPPLEMENTING SEWAGE
CONVEYANCE AND TREATMENT AGREEMENT DATED AS OF SEPTEMBER 1,
1973, AS AMENDED BY THE JULY 17, 1990, JOINDER AGREEMENT**

Among

THE ATLANTIC COUNTY UTILITIES AUTHORITY

And

CITY OF ABSECON
THE ATLANTIC CITY SEWERAGE COMPANY
CITY OF BRIGANTINE
THE CITY OF EGG HARBOR CITY (withdrawing Participant)
EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
GALLOWAY TOWNSHIP
HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
CITY OF LINWOOD
THE BOROUGH OF LONGPORT
CITY OF MARGATE CITY
NEW JERSEY-AMERICAN WATER COMPANY, INC. (New Participant)
CITY OF NORTHFIELD
CITY OF PLEASANTVILLE
CITY OF SOMERS POINT
CITY OF VENTNOR
WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

THIS SECOND JOINDER AGREEMENT AMENDING AND SUPPLEMENTING SEWAGE CONVEYANCE AND TREATMENT AGREEMENT DATED AS OF SEPTEMBER 1, 1973, AS AMENDED BY THE JULY 17, 1990 JOINDER AGREEMENT, (the “Second Joinder Agreement”), is made as of this 1st day of June, 2023, among the Atlantic County Utilities Authority (the “ACUA”), and the City of Absecon, the City of Brigantine, the City of Linwood, the Borough of Longport, the City of Margate City, the City of Northfield, the City of Pleasantville, the City of Ventnor, the Egg Harbor Township Municipal Utilities Authority, Galloway Township, the City of Somers Point, the Atlantic City Sewerage Company, Hamilton Township Municipal Utilities Authority, Weymouth Township Municipal Utilities Authority, and New Jersey-American Water Company, Inc., a New Jersey corporation with its principal office located at 1 Water Street, Camden, New Jersey 08102 (as successor to the City of Egg Harbor City).

WHEREAS, the ACUA, financed, constructed and put into operation an interceptor sewer system and wastewater treatment plant (collectively, the “Regional System”) servicing the area known as the Atlantic Coastal Region of the County of Atlantic (“County”) pursuant to that certain Sewage Conveyance and Treatment Agreement dated as of September 1, 1973 (the “Original Agreement”), between the ACUA (in its predecessor form as the Atlantic County Sewerage Authority), and Absecon City, Brigantine City, Linwood, the Borough of Longport, Margate City; the City of Northfield, Pleasantville, Ventnor City, the Egg Harbor Township Municipal Utilities Authority, Galloway Township (as successor to Galloway Township Municipal Utilities Authority), the City of Somers Point (as successor to the Somers Point City Sewerage Authority), and the Atlantic City Sewerage Company (collectively, the “Original Participants”); and

WHEREAS, in 1990, with the Original Participants’ agreement and consent, the municipality of Egg Harbor City, the Hamilton Township Municipal Utilities Authority, and the

Weymouth Township Municipal Utilities Authority (the “New Participants”) became participants in the Regional System pursuant to that certain July 17, 1990 Joinder Agreement Supplementing Sewage Conveyance and Treatment Agreement dated as of September 1, 1973 (the “First Joinder Agreement”);

WHEREAS, the municipality of Egg Harbor City has entered into an agreement with New Jersey-American Water Company, Inc. (“NJAW”) for the sale of its water system, wastewater system and all real property owned by the City for such public water and sewerage purposes (the “NJAW Agreement”);

WHEREAS, NJAW has requested that the Original Participants and the New Participants (collectively, the “Participants”) in the Regional System further amend the Original Agreement, as amended by the First Joinder Agreement, in order to permit NJAW to replace and stand in place of Egg Harbor City, with NJAW assuming all rights and obligations of Egg Harbor City as set forth in the Original Agreement, as amended, and Egg Harbor City withdrawing as a Participant.

NOW, THEREFORE, the ACUA, the Participants and NJAW, in consideration of the mutual covenants herein set forth and for other good and valuable consideration, receipt of which is hereby acknowledged, and each intending to be legally bound, hereby agree to enter into or ratify, and to further amend and supplement, the Original Agreement, as amended by the First Joinder Agreement, as follows:

Section 1. Incorporation of Recitals. All of the above recitals are incorporated herein by reference.

Section 2. Definitions. Section 101 of the Original Agreement, as amended by the First Joinder Agreement, is hereby further amended and supplemented as follows:

2.1. The term “New Participants” shall include in addition to those existing Participants, NJAW as to those sewerage and wastewater collection systems located within, and

sewerage and wastewater emanating from within, the geographic boundaries of the City of Egg Harbor City and shall henceforth exclude the City of Egg Harbor City as a municipal entity. All other Original Participants and New Participants shall remain consistent with the Original Agreement, as amended by the First Joinder Agreement.

2.2 The defined term "NJAW" is hereby added as follows: "NJAW" means New Jersey-American Water Company, Inc., a corporation of the State of New Jersey.

2.3 The term "Participant" is amended and restated in its entirety as follows: "Participant" means a Municipality, a Local Authority, the Company, or NJAW.

Section 3. Joinder of New Participants in Original Agreement and First Joinder Agreement as Supplemented Hereby; Ratification of Original Agreement and First Joinder Agreement as Amended by New Participant.

NJAW as a New Participant acknowledges receipt of a copy of the Original Agreement, certified by the Secretary of the Authority to be a true and correct copy of such Original Agreement as in effect on the date hereof and the First Joinder Agreement amending that Original Agreement, which are collectively annexed hereto as Exhibit A and each of which are incorporated into this Second Joinder Agreement by reference as if set forth at length herein (collectively the Original Agreement, together with the First Joinder Agreement and this Second Joinder Agreement, and any other amendments thereto, shall be referred to as the "Regional System Agreement"). NJAW as a New Participant agrees to be fully bound by the terms and conditions of the Regional System Agreement, as if it were an Original Participant, and agrees to the terms and conditions hereof, amending and supplementing the Original Agreement, as amended by the First Joinder Agreement.

Each Participant by execution hereof ratifies and confirms the Original Agreement, as amended by the First Joinder Agreement and this Second Joinder Agreement, in all respects and agrees, consents and acknowledges NJAW as a New Participant.

Section 4. Enforcement. Section 702 of the Original Agreement, as amended by the First Joinder Agreement, is hereby further amended and supplemented as follows: Section 702(4), shall become Section 702(5), and the following shall be inserted as the new Section 702(4): This Agreement shall be binding upon and be deemed to be executed by all subsidiary corporations of NJAW and all corporations controlled by it or any company into which it may be merged or with which it may be consolidated and any company resulting from any merger or consolidation to which it shall be a party. Before NJAW transfers ownership, occupancy or control of all or any part of the wastewater and sewerage collections systems located within the geographic boundaries of, or otherwise servicing, the City of Egg Harbor City, to any other person, partnership, firm or corporation (hereinafter called "successor"), NJAW shall request such successor, by agreement with the ACUA, to be bound by the terms and conditions of the Sewage Conveyance and Treatment Agreement dated as of September 1, 1973, as amended, and to assume and undertake all of the obligations hereunder of NJAW with respect to such Systems, or any part thereof, and, if such successor be controlled or subject to control by NJAW, NJAW shall cause such successor to assume, undertake and perform each and all of said obligations.

Section 5. Special Consents by Participants. The following provision shall be added to the end of Section 704 of the Original Agreement: Whenever under the terms of this Agreement NJAW is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a written instrument purporting to give such consent and purporting to be signed in its name by a representative authorized to execute such instruments.

Section 6. Payment of Legal Fees and Costs by NJAW.

NJAW agrees to reimburse the ACUA for the costs associated with the preparation of this Second Joinder Agreement and other related documents necessary to allow NJAW to become a New Participant, in place of Egg Harbor City, and in connection with obtaining necessary

approvals of this Second Joinder Agreement from the bondholders. Upon NJAW's execution of this Second Joinder Agreement, it will remit payment in the amount of Fourteen-Thousand, Nine-Hundred & Twenty-Two Dollars and Fifty Cents (\$14,922.50) in the form of a check payable to ACUA.

Section 7. Formal Action Taken.

7.1. Each Participant hereby warrants and represents to the ACUA that by its governing body, or board of directors, as the case may be, it has duly and validly taken all action necessary or appropriate under the laws of the State of New Jersey, including without limitation the General Corporations Act, the New Jersey Public Utilities Act (N.J.S.A. 48:1-1, *et seq.*), the New Jersey Open Public Meetings Law and the New Jersey Municipal and County Utilities Law (N.J.S.A. 40:14B-1, *et seq.*), to authorize its execution, delivery and the performance of its obligations under this Joinder Agreement.

7.2. NJAW shall furnish to ACUA a copy of an adopted corporate resolution authorizing the execution of this Second Joinder Agreement.

7.3. The ACUA hereby warrants and represents to each Participant that by its governing body it has duly and validly taken all action necessary or appropriate under the laws of the State of New Jersey, including without limitation the New Jersey Open Public Meetings Law and the New Jersey Municipal and County Utilities Authorities Law (N.J.S.A. 40:14B-1, *et seq.*), to authorize its execution, delivery and the performance of its obligations under this Second Joinder Agreement.

Section 8. Project to be Property of ACUA. All right, title and interest in and to all existing and to-be-constructed sewerage facilities in the Atlantic Coastal Region as further defined as "Project" in Section 101(13) in the Original Agreement as that term may have been amended over time and including, without limitation, the Coastal Alternative Project and the Egg Harbor

City Interceptor Sewer Line, shall at all times be vested in the ACUA and the ACUA's title to the Project shall be unaffected by NJAW becoming a New Participant.

Section 9. Determination Pursuant to Section 701 of Original Agreement; Joinder of New Participants in Original Agreement.

In satisfaction of the requirements of Section 701 of the Original Agreement, as amended by the First Joinder Agreement, the Participants and the ACUA hereby determine that the admission of NJAW as a New Participant to the Regional System on the terms and conditions herein and as set forth in the Original Agreement as amended, and the joinder of the Original Participants herein, are not on terms and conditions less favorable to the ACUA than the terms and conditions of the Original Agreement.

Section 10. Approval of Bond Holders and Other State Agencies.

The Project's improvements have been financed, in part, with the proceeds of the issuance of certain bonds. Pursuant to provisions of the applicable bond documents, this Second Joinder Agreement is contingent upon the bond holders' express written consent and approval of its terms. (See attached.) Additionally, because the sale transaction between Egg Harbor City and NJAW is subject to the New Jersey Water Infrastructure Protection Act, *N.J.S.A. 58:30-1, et seq.* ("WIPA"), the New Jersey Office of the State Comptroller ("OSC") has oversight over the sale agreement and the Board of Public Utilities ("BPU") must make certain determinations in accordance with WIPA. Accordingly, this Second Joinder Agreement shall not be effective until such time as the bond holders approve this Second Joinder Agreement and Egg Harbor City and NJAW have finalized the WIPA process and obtained all necessary approvals to consummate the sale transaction pursuant to the NJAW Agreement.

Section 11. Severability. If any one or more of the terms or provisions of this Second Joinder Agreement shall be finally determined to be invalid or unenforceable, the remainder of the

terms and conditions hereof shall not be affected thereby and shall continue to be enforceable in all respects.

Section 12. Counterparts. This Second Joinder Agreement may be executed in any number of counterparts, each of which shall be executed by ACUA and all of the Participants, and all of which shall constitute one and the same instrument.

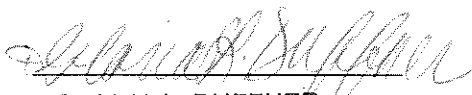
Section 13. Construction; Parties Benefited. This Second Joinder Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and shall inure to the benefit of the parties hereto and their successors and assigns. Jurisdiction concerning any disputes under this agreement shall be venued in New Jersey Superior Court, Atlantic County Vicinage.

Section 14. Headings. The headings of the several sections hereof are included herein for convenience of reference only and shall not constitute a part of this Second Joinder Agreement for any other purpose.

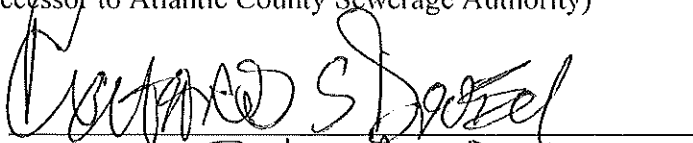
IN WITNESS WHEREOF, the Atlantic County Utilities Authority and the Participants identified herein have each caused this Second Joinder Agreement to be duly executed and delivered by their respective officers thereunto duly authorized and have caused their respective corporate seals to be hereunto affixed and duly attested all as of the date first above written.

ATTEST:

THE ATLANTIC COUNTY UTILITIES AUTHORITY
(Successor to Atlantic County Sewerage Authority)


GLORIA L. DUFFNER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Apr 23, 2024

By:


Print Name: Richard S Davey

ATTEST:

CITY OF ABSECON

Cara A. Cone, Esq.
Municipal Clerk

By: Kimberly Horton (Mayor)
Print Name: Kimberly Horton

ATTEST:

THE ATLANTIC CITY SEWERAGE COMPANY

Barbara S. Bruckler

By: Wendy E Stewart

Print Name: Wendy E Stewart

ATTEST:

CITY OF BRIGANTINE

Lynn Sweeney

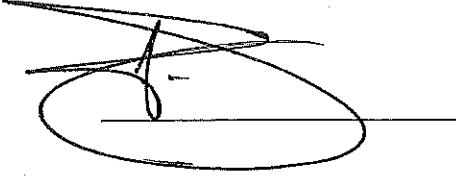
By: Ryan L Hurst

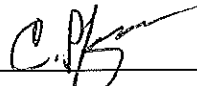
Print Name: Ryan Hurst.

Acting City Manager

ATTEST:

EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line, positioned above a horizontal line.

By:  _____

Print Name: CHARLES PFROMMEL
Vice Chairman

ATTEST:

GALLOWAY TOWNSHIP (Successor to Galloway
Township Municipal Utilities Authority)

Kelly Daniels, Clerk

By: _____

Print Name: _____

Anthony Coppola, Jr.

ATTEST:

HAMILTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY



Natalie Chesko,
Exec. Director &
Assistant Secretary

By:



Print Name:

Mary Jo Coutts, Chair

ATTEST:

CITY OF LINWOOD

[Handwritten Signature]

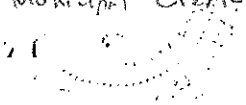
By:

[Handwritten Signature]

Print Name: Darren Matik, Mayor

ATTEST:

BOROUGH OF LONGPORT

April 20, 2023
Mona L. Vige
Municipal Clerk


By: *Mark Rupp*
Print Name: Mark Rupp

ATTEST:



CITY OF MARGATE CITY

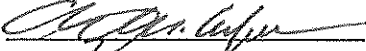
By: Michael Becker


Print Name: MICHAEL BECKER

CITY OF NORTHFIELD

ATTEST:

NEW JERSEY-AMERICAN WATER COMPANY, INC.
(Successor to the City of Egg Harbor City)


Stephen M.
Assistant Secretary

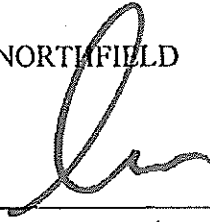


ATTEST:

Sharon Campbell

CITY OF NORTFIELD

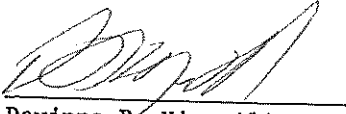
By:



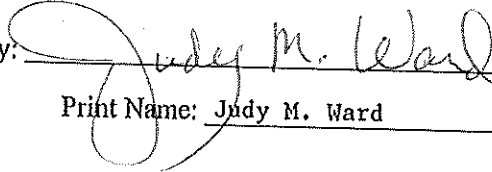
Print Name: Erland Chau, Mayor

ATTEST:

CITY OF PLEASANTVILLE

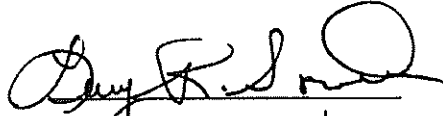


Davinna P. King-Ali
Municipal Clerk


By: 

Print Name: Judy M. Ward

ATTEST:


Lucy R. Samuelson
City Clerk

CITY OF SOMERS POINT

By: 
Print Name: John L. Glasser, Jr.
Mayor

ATTEST:

CITY OF VENTNOR

Les Hand

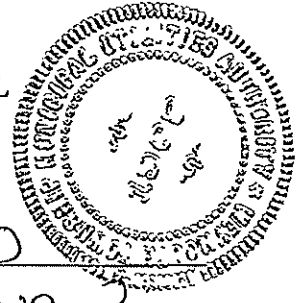
By:

Lance B. Landgraf, Jr.

Print Name: Lance B. Landgraf, Jr.

ATTEST:

WEYMOUTH TOWNSHIP MUNICIPAL
UTILITES AUTHORITY



Yes

By:

[Handwritten Signature]

Print Name:

Al Se Owa

EXHIBIT "A"

AGREEMENT

between

THE ATLANTIC COUNTY SEWERAGE AUTHORITY

and

ABSECON CITY
BRIGANTINE CITY
LINWOOD
THE BOROUGH OF LONGPORT
MARGATE CITY
THE CITY OF NORTHFIELD
PLEASANTVILLE
VENTNOR CITY

and

EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
GALLOWAY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
SOMERS POINT CITY SEWERAGE AUTHORITY

and

THE ATLANTIC CITY SEWERAGE COMPANY

Dated as of September 1, 1973

EXHIBIT "H"

THE ATLANTIC COUNTY SEWERAGE AUTHORITY

AGREEMENT BETWEEN THE ATLANTIC COUNTY SEWERAGE AUTHORITY AND ABSECON CITY, BRIGANTINE CITY, LINWOOD, THE BOROUGH OF LONGPORT, MARGATE CITY, THE CITY OF NORTHFIELD, PLEASANTVILLE, AND VENTNOR CITY, AND EGG HARBOR MUNICIPAL UTILITIES AUTHORITY, GALLOWAY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AND SOMERS POINT CITY SEWERAGE AUTHORITY, AND THE ATLANTIC CITY SEWERAGE COMPANY.

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THIS AGREEMENT

made and dated as of the first day of September, One Thousand
Nine Hundred and Seventy-Three

BETWEEN

THE ATLANTIC COUNTY SEWERAGE AUTHORITY (hereinafter referred to as,
"Authority"), a public body politic and corporate of the State of
New Jersey,

AND

ABSECON CITY, BRIGANTINE CITY, LINWOOD, THE BOROUGH OF LONGPORT,
MARGATE CITY, THE CITY OF NORTHFIELD, PLEASANTVILLE, PORT REPUBLIC
AND VENTNOR CITY, each being a municipal corporation of the State
of New Jersey, situate in the County of Atlantic and hereinafter
referred to as "Municipality" and the EGG HARBOR TOWNSHIP MUNICI-
PAL UTILITIES AUTHORITY, GALLOWAY TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY AND SOMERS POINT CITY SEWERAGE AUTHORITY, each a public
body politic and corporate of the State of New Jersey and herein-
after referred to as "Local Authority",

AND

THE ATLANTIC CITY SEWERAGE COMPANY, a corporation of the State of
New Jersey (hereinafter referred to as "Company"),

W I T N E S S E T H

WHEREAS pursuant to the Sewerage Authorities Law, constitu-
ting Chapter 138 of the Pamphlet Laws of 1946, of the State of New
Jersey, approved April 23, 1946, the Authority was created by virtue

of a resolution duly adopted by the Board of Chosen Freeholders of the County of Atlantic, New Jersey, and is a public body political and corporate of the State of New Jersey organized and existing under said Law, established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare, with all necessary or proper powers to acquire, construct, maintain, operate and use sanitation facilities for the relief of waters in, bordering or entering the District (hereinafter defined) from pollution or threatened pollution and for improvement of conditions affecting the public health; and

WHEREAS in partial fulfillment of its functions, the Authority is ready to design, finance, construct and put in operation an interceptor sewer system and sewage disposal plant for the transmission, treatment and disposal of certain sanitary sewage and other wastes, as generally described in the Regional Sewerage Feasibility Study of Atlantic County, prepared by John G. Reutter Associates, dated April, 1968, as supplemented particularly as to cost estimates by the Interim Report on Engineering and Financing, Atlantic Coastal Region, prepared by John G. Reutter Associates, dated December 20, 1971 (Revised January 6, 1972), wherein it is estimated that the cost to the Participants for such transmission, treatment and disposal is expected to be approximately Three Hundred Fifty Eight Dollars per million gallons of sewage, and to enable the Authority to undertake such design, financing and construc-

tion the Municipalities, Local Authorities and the Company, must become legally bound to accept and pay for sewage and waste treatment service from the time such system and plant commence operation; and

WHEREAS each Participant has been requested and is willing to have sewage originating from it or within its territory treated and disposed of by the Authority pursuant to the terms of this Agreement and has duly authorized its proper officials to enter into and execute for it this Agreement;

NOW THEREFORE, in consideration of the premises, of the mutual covenants and agreements herein set forth, and of the undertakings of each party to the others, the parties hereto, each binding itself, its successors and assigns, do mutually covenant, promise and agree as follows:

ARTICLE I.

Definitions.

Section 101. Definitions. As used or referred to in this Agreement, unless a different meaning clearly appears from the context:

(1) "Act" means the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto;

(2) "Annual Charge" shall have the meaning given to such term in Article IV hereof;

(3) "Authority" shall have the meaning hereinabove given to such term;

(4) "Deficiency" shall have the meaning given to such term in Article IV hereof;

(5) "District" means the area within the territorial boundaries of all the municipal corporations of the State of New Jersey situate in the County of Atlantic, except (a) any such municipal corporation the Governing Body of which did, prior to the creation of the Authority, create or join in the creation of a sewerage authority pursuant to section 4 of the Act; and (b) any such municipal corporation the Governing Body of which adopted a resolution in accordance with subsection (g) of section 4 of the Act or Chapter 423 of the Laws of 1971 and has not adopted an or-

dinance in accordance with subsection (g) of section 4 of the Act determining that the area within the territorial area of such municipal corporation shall again be a part of the District;

(6) "Fiscal Year" means the period of twelve calendar months ending with December 31 of any year;

(7) "Governing Body" shall have the meaning given to such term by the Act;

(8) "Local Authority" shall have the meaning hereinabove given to such term;

(9) "Local Sewerage System" means all sewer systems of a Participant which are or may be connected, or are or may be required under the terms of Article III hereof to be connected, with the Regional System, including all outfalls of such systems and any extensions or enlargements of such systems;

(10) "Municipality" shall have the meaning hereinabove given to such term;

(11) "Participant" means a Municipality, a Local Authority or the Company;

(12) "Pollution" shall have the meaning given to such term in the Act;

(13) "Project" means the following sewerage facilities in the Atlantic Coastal Region to be constructed or acquired by the Authority, with all necessary and incidental connections, manholes, valves, metering stations, equipment, apparatus, structures and appurtenances, and all other real or tangible personal property neces-

ary or desirable for the efficient construction and operation of such facilities:

(a) a pumping station in the City of Brigantine at the site of the existing Brigantine Wastewater Treatment Plant together with a force main from said pumping station to the City Island Treatment Plant site;

(b) a pumping station in the Borough of Longport by modifications of the existing Longport Wastewater Treatment Plant together with a force main from said pumping station to the Margate-Ventnor City Pumping Station;

(c) a pumping station in the City of Ventnor City, herein called the "Margate-Ventnor City Pumping Station", together with a force main to the City Island Plant site;

(d) a pumping station in the City of Somers Point at the site of the existing Somers Point Sewerage Authority Wastewater Treatment Plant site together with a force main and a gravity interceptor sewer from said pumping station to the Linwood Pumping Station;

(e) a pumping station in the City of Linwood, herein called the "Linwood Pumping Station", together with a force main and a gravity interceptor sewer from said pumping station to the Northfield Pumping Station;

(f) a pumping station in the City of Northfield, herein called the "Northfield Pumping Station", together with a force main and gravity interceptor sewer from the Northfield Pumping Station to the Pleasantville Wastewater Treatment Plant;

(g) a pumping station in the City of Port Republic together with a force main from said pumping station to the Smithville Pumping Station;

(h) a pumping station in the Township of Galloway, herein called the "Smithville Pumping Station", together with a force main sewer from the Smithville Pumping Station to the Absecon Pumping Station;

(i) a pumping station in the Township of Galloway, herein called the "Oceanville Pumping Station", together with a force main from the Oceanville Pumping Station to a connection with the Smithville to Absecon force main;

(j) a pumping station in the Township of Galloway, herein called the "Seaview Pumping Station", together with a force main from the Seaview Pumping Station to a connection with the Smithville to Absecon force main;

(k) a pumping station in the City of Absecon, herein called the "Absecon Pumping Station", together

with a force main and gravity interceptor sewer from the Absecon Pumping Station to the site of the Pleasantville Wastewater Treatment Plant;

(l) a pumping station in the City of Pleasantville at the site of the existing Pleasantville Wastewater Treatment Plant, together with a force main from said pumping station to the City Island Plant site;

(m) a secondary level wastewater treatment plant at the site of the existing Atlantic City Sewerage Company Wastewater Treatment Plant on City Island in the City of Atlantic City; and

(n) a force main ocean outfall system from the City Island Plant site to the point of disposal;

(14) "Regional System" means the Project and all additions, extensions and improvements thereto or any part of the foregoing, and any renewals or replacements thereof, acquired or constructed or to be acquired or constructed by the Authority for the purposes of the Authority under the Act, but does not include the Local Sewerage System of any Participant;

(15) "Service Charges" means rents, rates, fees or other charges for direct or indirect connection with, or the use or services of, the Regional System which the Authority, under the provisions of Section 8 of the Act, is or may be authorized to charge and collect with regard to persons or real property; and

(16) "Sewage" or "sewage" means waterborne animal, vegetable or other degradable wastes from water closets, buildings, residences, industrial and commercial establishments or other places together with such ground and surface water infiltration or other wastes as may be present;

ARTICLE II.

Construction of the Project and
Operation of the Regional System.

Section 201. Construction, Operation and Enlargement of Project and Regional System. The Authority shall with all practicable speed prepare and complete plans for the construction and financing of the Project, and, upon completion of such financing or the making of arrangements therefor satisfactory to the Authority, shall with all practicable speed construct and complete the Project and place the same in operation. The Authority will thereafter operate in accordance with applicable requirements of governmental authorities having jurisdiction with respect thereto, and maintain, alter, improve, renew and replace and subject to the terms of Section 202 of this Article, enlarge and extend the Regional System so as to treat and dispose of all sewage without limitation as to amount of flow which may be delivered into the Regional System by any Participant in accordance with Article III hereof.

Section 202. Public Hearings Prior to Enlargement and Extension of the Regional System. The Authority shall not construct, and nothing in this Agreement shall be deemed to require the Authority to construct, any enlargement or extension unless it shall have caused to be prepared by its consulting engineers a study with respect to such enlargement or extension which sets forth an estimate as of the then current year of the total cost and expense of financing, constructing and acquiring the enlargement or extension, and

putting it in operation, the estimated date of completion of the enlargement or extension, and an estimate of the Annual Charges payable by each Participant for or with respect to the five Fiscal Years beginning next after said estimated date of completion, shall file a copy of said study with each Participant, shall cause notice of the time and place of the hearing hereinafter mentioned to be published at least once in a newspaper of general circulation published in the County of Atlantic, New Jersey, and to be mailed to each Participant, and not sooner than fifteen days after such publication and mailing or thirty days after such filing, shall hold a public hearing on said study at which any Participant may appear and, by agent or attorney, be heard with respect thereto.

Section 203. Project Plans to be Approved. Before undertaking construction of any substantial part of the Regional System, the Authority will submit the plans and specifications for such construction to the New Jersey State Department of Environmental Protection (or a successor thereof) for approval as to sufficiency of design of the Authority's proposed sewage treatment plant and compliance with standards as then promulgated by said Department, and all necessary permits shall be obtained by the Authority from said Department to proceed with such construction, and all necessary approvals shall be secured from any other agency of the State of New Jersey or any other governmental authorities which have jurisdiction or authority as to type or degree of treatment of sewage by said sewage treatment plant or as to effluent therefrom.

Section 204. Insurance. The Authority will at all times

maintain with responsible insurers all such insurance as is customarily maintained with respect to sewerage systems of like character against loss or damage to the Regional System and against public or other liability to the extent not less than that reasonably necessary to protect the interests of the Authority and the Participants, and will at all times maintain with responsible insurers all insurance reasonably required and obtainable within limits and at costs deemed reasonable by the Authority to indemnify and save harmless the Participants against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to person or property resulting directly or indirectly from the operation or a failure of operation of the Regional System caused by the negligence or wilful act of the Authority, its employees or agents.

ARTICLE III.

Connections to the Regional System.

Section 301. Connections Required. Upon notice from the Authority, each of the Participants will permit its sewer or drainage systems or the discharge pipes therefrom to be connected with the Regional System, at the point or points designated therefor in the List of Connection Points attached hereto marked, and hereinafter called, "Schedule A" and by this reference made a part hereof, or at such other substitute point or points upon which the Authority and the Participants may mutually agree. The Authority shall pay all costs of such connections at the points designated in said Schedule A or at any approved substitute point. Upon request by a Participant for any additional connection of its sewer or drainage systems to the Regional System, the Authority may, but shall not be required to, permit and make such additional connection, but all costs and expenses of every such additional connection, including all sewage meters and other facilities appurtenant thereto, shall be paid by the Participant requesting the same. Every connection shall constitute, and be operated by the Authority, as part of the Regional System and shall include such pumping and other facilities as may be necessary to cause all sewage delivered at the point or points of connection to be discharged into the Regional System and be so made and constructed as to discharge into the Regional System all sewage collected in the Local Sewerage System of the Participant and delivered at the point or points of connection. Each

Participant at its own cost and expense, will construct, install and operate any and all extensions of its Local Sewerage System necessary to cause the same to reach to and deliver sewage at the said point or points of connection, and, after the making of such connection or connections, will keep its Local Sewerage System connected with the Regional System, and will deliver and discharge into the Regional System all sewage originating in or collected by the Participant or collected in such Local Sewerage System.

Section 302. Sewage Not Required to be Discharged Into Regional System. Notwithstanding the provisions of Section 301 of this Article, no Participant shall be obligated to deliver and discharge into the Regional System sewage which the Authority may by its written consent exempt from delivery and discharge into the Regional System.

Section 303. Sewage to be Accepted for Discharge into Regional System. Notwithstanding the provisions of Section 301 of this Article or any other Article hereof, a Participant shall not have the right under this Agreement to deliver and discharge into the Regional System any sewage or other wastes except either (1) sewage originating within either the territorial boundaries or the franchise area of such Participant or (2) sewage collected by such Participant in sewers which at the date of this Agreement are connected with its Local Sewerage System or (3) any other sewage delivered and discharged into the Regional System by said Participant with the written consent of the Authority.

ARTICLE IV.

Charges and Establishment of Rates by
Authority and Payments by Participants.

Section 401. Charges by the Authority. The Authority will make and impose Annual Charges with respect to all sewage or other wastes delivered into the Regional System by any Participant or any other person, partnership, firm or corporation. The Annual Charge for each Fiscal Year payable hereunder shall consist of and include an Operating Charge and a General Charge. The Operating Charge shall at all times be sufficient to pay or provide for the expenses of operating, repair and maintenance of the Regional System including (without limitation of the foregoing) insurance, renewals and replacements, and the cost of all enlargements and alterations and the Regional System not otherwise provided for. The General Charge shall at all times be sufficient to pay the principal of and interest on any and all bonds or other obligations of the Authority as the same become due, and to provide for any deficits of the Authority resulting from failure to receive sums payable to the Authority by any Participant or any other person, partnership, firm or corporation, or from any other cause, and to provide and maintain such reserves or sinking funds for any of the foregoing purposes as may be required by the terms of any contract or other obligation of the Authority. The Annual Charges made and imposed by the Authority shall be computed for the service rendered by the Regional System in the treatment and disposal of sewage by the Authority at rates

which shall at all times be uniform as to all Participants for the same type, class and amount of use or services of the Regional System, and the rates applicable with respect to sewage delivered and discharged into the Regional System by any Participant shall not be more favorable to such Participant than the rates applicable with respect to sewage so delivered and discharged by any other Participant. The Authority, prior to the discharge and delivery of sewage into the Regional System, shall prescribe an initial schedule of such rates and, from time to time whenever necessary after prescribing such initial schedule (but only after public hearing thereon held by the Authority at least twenty days after notice of the time and place of such hearing shall have been mailed to each Participant at its usual place of business), the Authority shall revise the schedule of such rates, which shall at all times comply with the terms of any contract or other obligation of the Authority and shall be based or computed on the quantity, quality and other characteristics of sewage so discharged and delivered. Any Participant aggrieved by any part of such a revised schedule which fails to conform with the terms and provisions of this Agreement may institute appropriate judicial proceedings to have the same reviewed for the purpose of obtaining correction of said part of such revised schedule.

Section 402. Payment of Annual Charge. (A) Each Participant will pay to the Authority the Annual Charge made or imposed by the Authority with respect to the sewage delivered and discharged into the Regional System by or on behalf of such Participant in any

Fiscal Year; provided however, that the Annual Charge made or imposed by the Authority with respect to any Participant whose Local Sewerage System has not been connected to the Regional System during the two year period immediately succeeding the date the Regional System or any part thereof is placed in operation, by reason of the fact that no part of said Local Sewerage System could feasibly, in the opinion of the Authority's consulting engineer, be connected to the Regional System, shall consist of and include a General Charge only and no part of the Operating Charge shall be included in such Annual Charge; provided further, however, that the Annual Charge made by or imposed by the Authority to all Participants shall in all succeeding Fiscal Years consist of and include a General Charge and an Operating Charge. The Annual Charge shall be computed and established by the Authority on the basis of the quantity, quality and other characteristics of the sewage so delivered as shown by the records of the Authority, at the rate or rates prescribed by the Authority in accordance with this Article applicable from time to time during such Fiscal Year with respect to said sewage delivered during such Fiscal Year. Each such Annual Charge shall at all events be due and payable not later than January 15 next ensuing after the close of such Fiscal Year, but provision for and payment of every such Annual Charge will be made by each Participant in accordance with the following paragraphs of this Section.

(B) On or before January 25 of the Fiscal Year which the Authority may estimate as the year in which the Regional System or any

part thereof will be placed in operation and on or before January 25 of each Fiscal Year thereafter, and in any event on or before January 25 of each Fiscal Year after the Regional System or any part thereof shall have been placed in operation, the Authority will make an estimate, based upon the estimated quantity, quality and other characteristics of sewage to be delivered by every Participant, of the amount of the Annual Charge which will become payable from each Participant with respect to sewage to be delivered and discharged in such Fiscal Year and, on or before February 1 next ensuing, will make and deliver to such Participant its certificate stating such estimated amount of the Annual Charge. In the event that any part of the Annual Charge computed and established in accordance with paragraph (A) of this Section theretofore becoming due and payable to the Authority from such Participant shall not have been paid, the Authority will include in such certificate an additional provision separately stating the amount of such unpaid part (herein called "Deficiency").

(C) Each Municipality and Local Authority will in each Fiscal Year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the Participant to the Authority during such Fiscal Year of the estimated amount of the Annual Charge and the amount of the Deficiency (if any) stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid.

(D) On or before March 1 of each Fiscal Year, each Participant will pay to the Authority the amount of the Deficiency (if any) stated in the certificate delivered in such Fiscal Year to it by the Authority

as aforesaid. Each Participant will pay to the Authority the estimated amount of the Annual Charge stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid in four equal installments on March 1, June 1, September 1 and December 1 of such Fiscal Year, provided that in the Fiscal Year which the Authority may estimate as the year in which the Regional System or any part thereof will be placed in operation, said estimated amount shall be divided into as many installments as there are months in such Fiscal Year beginning after the date which the Authority shall estimate as the day on which the Regional System or any part thereof will be placed in operation and one of such installments shall be due and payable to the Authority on the first day of each such month.

(E) In the event that the amount of the Annual Charge computed and established in accordance with paragraph (A) of this Section becoming due from any Participant with respect to sewage delivered and discharged in a Fiscal Year shall be less than the estimated amount of such Annual Charge stated in the certificate delivered in such Fiscal Year to it by the Authority, the Authority will on or before March 1 next ensuing return to such Participant the difference between said amounts by credit against payments then or theretofore due to the Authority from such Participants under the provisions of paragraph (A) or paragraph (D) of this Section.

(F) The sums payable by a Participant to the Authority under the provisions of this Section are and shall be in lieu of Service Charges by the Authority with regard to real property in

such Participant directly or indirectly connected with the Regional System and real property connected to the Local Sewerage System of such Participant connected with the Regional System in accordance with Article III hereof. So long as such Participant shall not be in default in the making of any payments becoming due from it under the provisions of this Section, the Authority will waive Service Charges with regard to such real property. For the purposes of this paragraph, a Participant shall be deemed to be in default if such Participant, for a period of thirty days after its due date, shall fail to make in full to the Authority any payment required to be made by it under the provisions of this Agreement.

Section 403. Computation of Charges in Initial Operation of Regional System. For the purpose of computation of the estimated Annual Charge and the Annual Charge until the Regional System shall have been in operation for a full Fiscal Year, and thereafter, until a Participant has connected its Local Sewerage System to the Regional System, the volume of sewage delivered by any Participant and received into the Regional System in each calendar month, shall, for all purposes of this Article, be computed at not less than the minimum monthly number of gallons set forth in Schedule C attached hereto, marked, and hereinafter referred to as "Schedule C", and by this reference made a part hereof.

ARTICLE V.

Meters and Records, and Local Operations.

Section 501. Meters and Tests. The Authority will provide, install and use meters or other devices or methods for determining the quantity directly or by differentials or otherwise, and make tests and use other means for determining the quality and other characteristics, of all sewage, which shall be delivered and discharged into the Regional System by each of the Participants and all other users of the Regional System, and, in accordance with sound engineering practice, shall determine for all purposes of this Agreement such quantity, quality and characteristics and from and after the placing of the Regional System in operation, the Authority will make and keep permanent records of the quantity, quality and other characteristics of any sewage which shall or may be delivered and discharged into the Regional System by each of the Participants and all other users of the Regional System. For the purposes of determining the quantity, quality and other characteristics of any sewage which shall or may be delivered and discharged into the Regional System by a Participant the Authority shall have the right at all reasonable times to enter upon and inspect the sewer, sanitation or drainage system of such Participant and to take normal samples under ordinary operating conditions and make tests, measurements, and analyses of sewage or other wastes in, entering or to be discharged into such sewer, sanitation or drainage system. The Authority will make and keep a record of tests, measurements and analyses of such sewage or other wastes entering such sanitation, sewer or drainage systems, and upon the written request of any Participant will make available to such Participant

the results of such tests, measurements or analyses.

Section 502. Competitive Facilities. No Participant shall construct, enlarge or operate a plant for the treatment and disposal of sewage unless (1) required so do to by the terms of Article VI hereof or (2) the Authority shall have given its written consent thereto.

Section 503. Prohibited Connections. No Participant shall make or permit any new connection to or extension of its sewer, sanitation or drainage systems which is so designed as to permit entrance directly or indirectly into the Regional System of storm water drainage from ground surface, roof leaders, catch basins or any other source, and each Participant, before making any new connection to or extension of its sewer, sanitation or drainage systems, will submit the plans therefor to the Authority and, in making the same, will permit the Authority to inspect the work and will comply with all requests of the Authority with respect thereto reasonably designed to assure exclusion from the Regional System of any such storm water drainage.

Section 504. Accounts. The Authority will keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to the Regional System or any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to public inspection. The Authority will cause its books and accounts to be audited annually by a certified public or registered municipal accountant selected by the Authority, and annually within

one hundred days after the close of each Fiscal Year, copies of the reports of such audits so made shall be furnished to the Authority and to each Participant, including statements in reasonable detail, accompanied by a certificate of said accountant, of financial condition, of revenues and operating expenses, and of all funds held by or for the Authority.

Section 505. Operation, Maintenance and Reconstruction.

Each Participant shall at all times operate, or cause to be operated, its Local Sewerage System properly and in a sound and economical manner and shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of its Local Sewerage System may be properly and advantageously conducted, and, if any useful part of its Local Sewerage System is damaged or destroyed, the Participant shall, as expeditiously as may be possible, commence and diligently prosecute the replacement or reconstruction of such part so as to restore the same to use.

ARTICLE VI.

Requirements Regarding Deleterious Wastes.

Section 601. Requirements for Sewage Discharged into Regional System. Sewage discharged into the Regional System by or on behalf of each Participant shall, at the point of connection of the sewer, sanitation or drainage systems of such Participant with the Regional System, comply with the requirements prescribed therefor in the Requirements as to Sewage Discharged attached hereto marked, and hereinafter called "Schedule B" and by this reference made a part hereof. The Authority represents to each Participant that the domestic wastes discharged at the date of this Agreement into any Local Sewerage System owned and operated by any Participant complies with such requirements.

Section 602. Amendment of Discharge Requirements. The Authority may from time to time make any amendment or amendments of the requirements referred to in Section 601 of this Article which may be reasonably necessary to prohibit or properly regulate the delivery or discharge into the Regional System of oils, acids or any other substances which, alone or in combination with other substances delivered and discharged into the Regional System from the same source, are or may be or may reasonably be expected to be substantially injurious or deleterious to the Regional System or to its efficient operation, and which, having regard to the public health and safety and the purposes of the Authority, does not unreasonably restrict the operations of a Participant or the use of

properties of or located in a Participant.

Section 603. Determination by Authority as to Type of Discharge. Each Participant will cause all sewage at any time discharged into the Regional System by it or on its behalf to comply with the requirements referred to in Section 601 of this Article and the amendments thereof, if any, then in effect. Each Participant will permit no new connections and will discontinue existing public connections and will require the discontinuance of existing private connections to its Local Sewerage System, which allow entrance therein of such sewage as will cause the discharge at any time into the Regional System from such Local Sewerage System of sewage which does not comply with said requirements and the amendments thereof, if any, then in effect. If a violation in any Participant of the provisions of this Section 603 or of any rules or regulations issued pursuant to this Article VI shall cause any extraordinary expense to the Authority, such Participant will reimburse the Authority for such extraordinary expense within thirty days after notice by the Authority of the amount thereof.

ARTICLE VII.

Miscellaneous.

Section 701. Contracts with or Service to Others. The Authority will not enter into any agreement providing for or relating to the treatment and disposal of sewage originating in any Municipality or district (as defined in the Act) of a Local Authority or sewage originating outside such Municipality or district (as defined in the Act) of a Local Authority collected in sewers which at the date of this Agreement are connected with the Local Sewerage System of such Municipality or Local Authority, unless (1) the other contracting party be such Municipality or Local Authority or (2) such Municipality or Local Authority shall have given its written consent thereto; provided, however, that nothing in this Agreement contained shall restrict in any way the right and power of the Authority, in its discretion, at any time and from time to time to enter into agreements with any municipal corporation or with any other body, person, partnership, firm or corporation providing for or relating to the disposal of sewage or with respect to the delivery or discharge into the Regional System of sewage or other wastes originating within or without the District, provided that the charges with respect to such sewage or other wastes delivered and discharged into the Regional System made and imposed with respect thereto or charged and collected pursuant to the Act shall not be computed or established at any rates less favorable to the Authority, than the rates applicable with respect to sewage deli-

vered and discharged into the Regional System by the Participants, and the terms and conditions of any such agreement shall not be less favorable to the Authority than the terms and conditions of this Agreement.

Section 702. Enforcement. (1) The Authority will at all times take all reasonable measures permitted by the Act or otherwise by law to collect and enforce prompt payment to it or for it of all Service or Annual Charges prescribed, fixed, certified or charged by it in accordance with this Agreement. If any payment or part thereof due to the Authority from any Participant shall remain unpaid for thirty days following its due date, such Participant shall be charged with and will pay to the Authority interest on the amount unpaid from its due date until paid at the rate of six per centum (6%) per annum, and the Authority, in its discretion, may charge and collect Service Charges with regard to persons and real property directly or indirectly connected to the Regional System sufficient to meet any default or deficiency in any payments herein agreed to be made by such Participant. If in any such case Service Charges are so collected, the amount so collected by the Authority will be credited against the amount of such default or deficiency or any payments then or theretofore due to the Authority from such Participant under the provisions of Article IV hereof, and the Authority will furnish to the Participant a list of the names of the persons making payment to the Authority of such Service Charges and of the several amounts so paid by such persons respectively, and

the Participant will give fair and proper credit to such persons for the several amounts so paid by them.

(2) Every obligation assumed by or imposed upon any Participant by this Agreement shall be enforceable by the Authority by appropriate action, suit or proceeding at law or in equity, and the Authority may have and pursue any and all remedies provided by law for the enforcement of such obligations including the remedies and processes provided by the Act with respect to Service Charges or other obligations.

(3) This Agreement shall be binding upon and be deemed to be executed by all subsidiary corporations of the Company and all corporations controlled by it and any company in which it may be merged or with which it may be consolidated and any company resulting from any merger or consolidation to which it shall be a party. Before the Company shall transfer the ownership, occupancy or control of all or any part of its collecting and transmission system to any other person, partnership, firm or corporation (hereinafter called "successor"), the Company will request such successor, by agreement with the Authority supplemental to this Agreement, to assume and undertake all of the obligations hereunder of the Company with respect to such collecting and transmission system or part thereof and, if such successor be controlled or subject to control by the Company, the Company will cause such successor to assume, undertake and perform each and all of said obligations.

(4) Failure on the part of the Authority or of any Participant in any instance or under any circumstance to observe or fully perform any obligation assumed by or imposed upon it by this Agreement shall not make the Authority liable in damages to a Participant or relieve a Participant from making any payment to the Authority or fully performing any other obligation required of it under this Agreement, but such Participant may have and pursue any and all other remedies provided by law for compelling performance by the Authority or such other Participant of said obligation assumed by or imposed upon the Authority or such other Participant.

Section 703. Certain Acts not a Waiver. Acceptance by the Authority into the Regional System from a Participant of sewage in a volume or at a rate or with characteristics exceeding or violating any limit or restriction provided for by or pursuant to this Agreement in one or more instances or under one or more circumstances shall not constitute a waiver of such limit or restriction or of any of the provisions of this Agreement and shall not in any way obligate the Authority thereafter to accept or make provision for sewage delivered and discharged into the Regional System in a volume or at a rate or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstance.

Section 704. Special Consents by Participants. Whenever under the terms of this Agreement a Municipality is authorized to give its written consent, such consent may be given and shall be

conclusively evidenced by a copy, certified by its Clerk and under its seal, of a resolution purporting to have been adopted by its Governing Body and purporting to give such consent. Whenever under the terms of this Agreement the Company is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by an instrument in writing purporting to give such consent and purporting to be signed in its name by its President or any Vice-President, Assistant Vice-President, Secretary, Assistant Secretary, General Manager, Assistant General Manager, Treasurer or Assistant Treasurer thereof. Whenever under the terms of this Agreement a Local Authority is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Local Authority or its members and purporting to give such consent.

Section 705. Special Consents by Authority. (A) Whenever under the terms of this Agreement the Authority is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Authority or its members and purporting to give such consent.

(B) Whenever under the terms of the Agreement the Authority is authorized to give its written consent, the Authority, in its discretion, may give or refuse such written consent and, if given, may restrict, limit or condition such consent in such manner as it

shall deem advisable.

Section 706. Term of Agreement. This Agreement shall come into effect upon its execution and delivery by or on behalf of the parties hereinabove named and shall thereafter be and remain in full force and effect, but at any time after five years from the date of this Agreement and after the payment in full of all obligations of the Authority, including its bonds, original or refunding or both, issued to finance, the construction, replacement, maintenance or operation of the Regional System, any Participant may, upon two years' notice to the Authority and to each of the other Participants, withdraw from this Agreement and thereafter cease to be a Participant.

Section 707. Obligations of the Authority. All bonds, notes or other obligations of the Authority referred to in this Agreement or to be issued by the Authority shall, for all purposes of this Agreement be the sole obligation of the Authority and shall not in any way be deemed a debt or liability of any Participant.

Section 708. Pledge or Assignment. The Authority may at any time assign or pledge for the benefit and security of the holders of bonds, notes or other evidences of indebtedness heretofore or hereafter issued by the Authority any of its rights under the provisions of this Agreement to receive payments from any Participant, and thereafter this Agreement shall not be terminated, modified or changed by the Authority or such Participant except in the manner (if any) and subject to the conditions (if any) permitted by the terms and provisions of such assignment or pledge.

Section 709. Effective Date. This agreement shall be in full force and effect and be legally binding upon the Authority and upon all of the Participants which shall then have executed same upon its execution and delivery by the Authority and by any selection of the thirteen Participants hereinabove named as, upon aggregating the minimum non-summer monthly number of gallons set opposite their names in Schedule C, presents eighty-five per centum (85%) of the total number of non-summer gallons set forth in said Schedule C.

Section 710. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which shall be executed by the Authority and any one or more of the Participants and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

IN WITNESS WHEREOF, the Authority and the Participants have caused their respective corporate seals to be hereunto affixed and attested and these presents to be signed by the respective officers thereunder duly authorized and this Agreement to be dated as of the day and year first above written.

ATTEST:

WILLIAM E. HURD
City Clerk

ABSECON CITY
By DAVID S. HODGSON
Mayor

VENTNOR CITY

ATTEST:

FRANK J. QUIGLEY
City Clerk

By PHILLIP B. ROBINSON
Mayor

ATTEST:

HAROLD B. WEEKS
Secretary

EGG HARBOR TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

By MICHAEL A. DIMEDIO
Chairman

ATTEST:

WILLIAM H. CONNELLY, JR.
Secretary

GALLOWAY TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

By ROBERT J. CANNON
Chairman

ATTEST:

SAMUEL H. TUCKER, JR.
Secretary

SOMERS POINT CITY SEWERAGE
AUTHORITY

By JOS. P. CONWAY, JR.
Chairman

ATTEST:

JANE SWEENEY
Assis. Secretary

THE ATLANTIC CITY SEWERAGE
COMPANY

By GEORGE E. FIELDHOUSE
President

ATTEST:

ROBERT NESBITT, JR.
Secretary

THE ATLANTIC COUNTY SEWERAGE
AUTHORITY

By RYERSON N. MAUSERT
Chairman

SCHEDULE A.

(Attached to and part of Agreement dated as of November 1, 1972 between The Atlantic County Sewerage Authority and Participants.)

List of Connection Points

PARTICIPANTS

CONNECTION POINT

Borough of Longport

Longport Pumping Station in the vicinity of Amherst and 34th Avenues

Margate City

Ventnor/Margate Pumping Station in the vicinity of Wellington & Lafayette Streets (see Note No. 1)

Ventnor City

Ventnor/Margate Pumping Station in the vicinity of Wellington & Lafayette Streets (see Note No. 1)

Atlantic City Sewerage Company

1. Atlantic County Sewerage Authority Regional Wastewater Treatment Plant at City Island.
2. At a point on the Atlantic County Sewerage Authority Force Main in the vicinity of West End Avenue & Raleigh Avenue
3. At a point on the Atlantic County SA force main in the vicinity of West End Avenue & Raleigh Avenue (See foot No. 2)
4. Texas Avenue Pumping Station (See foot Note No. 3)

City of Brigantine

Brigantine Pumping Station in the vicinity of 36th Street near Brigantine Boulevard

Somers Point City Sewerage Authority

Somers Point Pumping Station located in the vicinity of the site of the existing Somers Point City Sewerage Authority Wastewater treatment plant.

PARTICIPANTS

City of Port Republic

CONNECTION POINT

Port Republic Pumping Station
in the vicinity of Old New
York Road at Nacote Creek
Bridge

1. Small local force mains will be intercepted and diverted to the Ventnor/Margate Pumping Station wet well. The actual connection will be to the new section of force main required to divert the flow to the wet well.
2. The Raleigh Avenue Pumping Station connection and the Chelsea Heights Pumping Station connections could be combined into one connection. If this occurs then this connection for the Atlantic City Sewerage Company will not be required as a formal connection point.
3. This connection point may be eliminated from the project.

SCHEDULE B.

(Attached to and part of Agreement dated as of November 1, 1972, between The Atlantic County Sewerage Authority and Participants.)

Requirements as to Wastewater Discharged

Wastewater discharged into the facilities of Authority shall not:

1. Be of such a nature and in such a quantity as to impair the hydraulic capacity of such facilities, normal and reasonable wear and usage excepted;
2. Be of such a nature as to, by either chemical or mechanical action, impair the strength and durability of wastewater conveyance, lifting and treatment structures;
3. Be of such a nature as cause explosive or flammable conditions in such facilities. The flash point shall be lower than 187° F., as determined by the Tagliabue (Tag.) close cup method;
4. Have toxic materials in such a quantity so as to cause or upset the biological activity of the treatment facilities;
5. Have a pH lower than 4.0 or greater than 9.0;
6. Have temperatures higher than 150°F;
7. Have any obnoxious or toxic gases that will cause hazardous conditions to the operating personnel of such facilities;
8. Include any garbage or grease other than that received directly into public sewers from residences, unless the Authority shall have given written consent to its inclusion;
9. Include any radioactive substance,* unless the Authority shall have given written consent to its inclusion;
10. Include any industrial waste,* unless the Authority shall have given written consent to its inclusion.

* the existence of such materials to be based upon proper analytical data to be submitted by a competent sanitary engineer.

SCHEDULE C.

(Attached to and part of Agreement dated as of November 1, 1972 between The Atlantic County Sewerage Authority and Participants.)

| <u>Participant</u> | <u>Minimum Non-Summer Monthly Flows</u> | <u>Minimum Summer^a Monthly Flows</u> |
|--|---|---|
| Absecon City | 14.9 | 17.6 |
| Brigantine City | 44.0 | 63.8 |
| The Township of Galloway, in the County of Atlantic | 20.8 | 21.0 |
| Linwood | 14.6 | 17.4 |
| The Borough of Longport | 11.5 | 15.7 |
| Margate City | 38.6 | 76.8 |
| The City of Northfield | 21.1 | 24.8 |
| Pleasantville | 29.8 | 43.5 |
| Port Republic | 1.8 | 1.8 |
| Ventnor City | 37.8 | 64.8 |
| Egg Harbor Township Municipal Utilities Authority | 12.0 | 12.2 |
| Somers Point City Sewerage Authority | 25.8 | 34.0 |
| Atlantic City Sewerage Authority | <u>392.1</u> MG | <u>543.4</u> MG |
| Totals | 664.8 | 936.5 |

^aSummer months are June, July and August.

ORIGINAL

July 17, 1990

JOINDER AGREEMENT, SUPPLEMENTING
SEWAGE CONVEYANCE AND TREATMENT AGREEMENT
DATED AS OF SEPTEMBER 1, 1973

Among

THE ATLANTIC COUNTY UTILITIES AUTHORITY

And

CITY OF ABSECON
THE ATLANTIC CITY SEWERAGE COMPANY
CITY OF BRIGANTINE
THE CITY OF EGG HARBOR CITY
EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
GALLOWAY TOWNSHIP
HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
CITY OF LINWOOD
THE BOROUGH OF LONGPORT
CITY OF MARGATE CITY
CITY OF NORTHFIELD
CITY OF PLEASANTVILLE
SOMERS POINT CITY SEWERAGE AUTHORITY
CITY OF VENTNOR
WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

JOINDER AGREEMENT SUPPLEMENTING SEWAGE CONVEYANCE AND TREATMENT AGREEMENT dated as of September 1, 1987 ("Supplemental Agreement"), made as of this 17th day of July, 1990, among the Atlantic County Utilities Authority (as successor to The Atlantic County Sewerage Authority) ("ACUA") and City of Absecon, City of Brigantine, City of Linwood, The Borough of Longport, City of Margate City, City of Northfield, City of Pleasantville, City of Ventnor, and Egg Harbor Township Municipal Utilities Authority, Galloway Township (as successor to Galloway Township Municipal Utilities Authority), and Somers Point City Sewerage Authority, The Atlantic City Sewerage Company, Hamilton Township Municipal Utilities Authority, Weymouth Township Municipal Utilities Authority and the City of Egg Harbor City (collectively, the "Participants").

WHEREAS, the ACUA, as successor to the Atlantic County Sewerage Authority, has financed, constructed and put into operation an interceptor sewer system and wastewater treatment plant (collectively, the "Regional System") servicing the area known as the Atlantic Coastal Region of the County of Atlantic ("County") pursuant to an Agreement dated September 1, 1973 ("Original Agreement"), between the ACUA in its predecessor form as the Atlantic County Sewerage Authority and Absecon City, Brigantine City, Linwood, The Borough of Longport, Margate City, The City of Northfield, Pleasantville and Ventnor

City, and Egg Harbor Township Municipal Utilities Authority, Galloway Township, and Somers Point City Sewerage Authority and the Atlantic City Sewerage Company (Absecon City and the other municipalities, authorities and public utility thereafter mentioned immediately above, collectively, the "Original Participants"); and

WHEREAS, the New Jersey Department of Environmental Protection ("NJDEP") has approved an amendment to the Atlantic County Water Quality Management Plan for the Lower Great Egg Harbor River Region of the County in order to provide for the transmission to, and treatment and disposal of sewage originating in the municipalities comprising that region by, the Regional System, which amendment to said Plan, as so approved by NJDEP, is identified as the "Coastal Alternative"; and

WHEREAS, the method of financing of the capital improvements necessary to accomplish design and construction of the Coastal Alternative is the subject of an Amended Stipulation of Settlement entered as of July 17, 1990 (the "Stipulation") in the Superior Court of the State of New Jersey, in the action captioned Atlantic County Utilities Authority vs. Borough of Absecon, et al., Docket No. L-07044-87E ("Coastal Alternative Proceeding") which Stipulation incorporates by reference and amends that certain Stipulation of Settlement (the "Original Stipulation") entered in the Coastal Alternative Proceeding on July 29, 1988;

WHEREAS, the Hamilton Township Municipal Utilities Authority and the Weymouth Township Municipal Utilities Authority, local authorities serving their respective municipalities in the lower Great Egg Harbor River Region, have been directed by NJDEP to have the sewage originating within their respective boundaries transmitted to and treated and disposed of by the Regional System; and

WHEREAS, the municipality of the City of Egg Harbor City, a municipality located in the Atlantic Coastal Region, wishes to have the sewage originating within its boundaries transmitted to and treated and disposed of by the Regional System; and

WHEREAS, the Egg Harbor Township Municipal Utilities Authority, which is an Original Participant, wishes to expand the area in Egg Harbor Township served by the Regional System to include the Coastal Alternative service area in Egg Harbor Township; and

WHEREAS, the Original Participants, as parties to the Stipulation, have agreed that it would be to the benefit of all concerned to have Hamilton Township Municipal Utilities Authority, Weymouth Township Municipal Utilities Authority and the City of Egg Harbor City become participants in the Regional System, and to permit sewage treatment service to be expanded within Egg Harbor Township, on the terms and conditions set forth in the Stipulation and herein; and

WHEREAS, ACUA, in agreeing to the matters set forth in the Stipulation, as such matters are reflected herein, has determined that it would be in the best interest of the public health, safety and welfare of the residents of the County and would improve the water quality within the County to receive the City of Egg Harbor City as a participant in the Regional System and to implement the Coastal Alternative by receiving Hamilton Township Municipal Utilities Authority and Weymouth Township Municipal Utilities Authority as participants in the Regional System, and to expand sewage treatment service for Egg Harbor Township, as contracted for herein by the Egg Harbor Township Municipal Utilities Authority, to include its Coastal Alternative area ; and

WHEREAS, the total capital cost of the project implementing the Coastal Alternative is estimated to be approximately \$28 million, such cost to be financed by (i) a loan to ACUA from the New Jersey Pinelands Infrastructure Trust, established by Chapter 302 of the Laws of 1985 of the State of New Jersey ("Pinelands Trust"), in the amount of \$4,600,000.00, (ii) a grant to ACUA from the Pinelands Trust in the amount of \$9,200,000, and (iii) an amount to be contributed to ACUA by the Hamilton Township Municipal Utilities Authority which should not exceed \$16,200,000 except as provided in the Stipulation dealing with proportionate contributions from all Participants;

NOW, THEREFORE, ACUA and the original Participants and the New Participants, in consideration of the mutual covenants herein set forth and for other good and valuable consideration, receipt of which is hereby acknowledged, and each intending to be legally bound, HEREBY AGREE to enter into or ratify, and to amend and supplement, the Original Agreement, as follows:

Section 1. Definitions. Section 101 of the Original Agreement is hereby amended and supplemented as follows:

1.1. "Act", as defined in Section 101(1) of the Original Agreement, is hereby amended to mean the New Jersey Municipal and County Utilities Authorities Law, Chapter 183 of the Laws of 1957 of the State of New Jersey, as amended and supplemented, N.J.S.A. 40:14B-1 ff.;

1.2. "Coastal Alternative Project" shall mean the design, acquisition, construction and installation of interceptor lines and facilities in the Lower Great Egg Harbor River Region and Atlantic Coastal Region in Atlantic County as set forth in the amendment to the Atlantic County Water Quality Management Plan for the Lower Great Egg Harbor River Region, as approved by NJDEP, in order to provide for the transmission to, and treatment and disposal of sewage originating in the municipalities comprising that region by the Regional System, with all necessary and incidental connections, manholes, valves, metering stations, equipment, apparatus, and structures appurtenant thereto, and all other real or personal property

necessary or desirable for the efficient construction and operation of such lines and facilities;

1.3. The term "Egg Harbor City Interceptor Sewer Line" shall mean the interceptor line referred to in Paragraph 19 of the Original Stipulation, as more particularly described in an agreement providing for the design, construction, ownership and operation and maintenance thereof, titled "Connection Agreement," between ACUA and the City of Egg Harbor City.

1.4. The term "HTMUA Capital Contribution" shall mean the payment by the Hamilton Township Municipal Utilities Authority to the ACUA of an amount not to exceed \$16,200,000.00 toward the cost of the Coastal Alternative Project and the connection fee to be paid by Hamilton Township Municipal Utilities Authority under and pursuant to the terms of the Stipulation.

1.5. The term "Local Authority," as defined in Section 101(8) of the Original Agreement, is hereby supplemented to include the Hamilton Township Municipal Utilities Authority and the Weymouth Township Municipal Utilities Authority;

1.6. The term "Municipality," as defined in Section 101(10) of the Original Agreement, is hereby supplemented to include the City of Egg Harbor City;

1.7. The term "New Participants" shall mean, when referred to collectively, the City of Egg Harbor City, the Hamilton Township Municipal Utilities Authority and the Weymouth Township Municipal Utilities Authority.

1.8. The term "Participant," as defined in Section 101(11) of the Original Agreement, is hereby supplemented to include the New Participants;

1.9. The term "Project," as defined in Section 101(13) of the Original Agreement, is hereby amended to mean both the Project as defined in the Original Agreement and the Coastal Alternative Project;

1.10. The term "Regional System," as defined in the Original Agreement, is hereby amended to mean the Project as defined herein and all additions, extensions and improvements thereto including, inter alia, the Egg Harbor City Interceptor Sewer Line project, or any part of the foregoing, and any renewals or replacements thereof, acquired or constructed or to be acquired and constructed by the Authority under and as authorized by the Act, but does not include the Local Sewerage System of any Participant;

1.11. "Service Agreement" shall mean the Original Agreement, as amended and supplemented by this Supplemental Agreement, as either or both may be amended or supplemented from time to time upon the written consent of all parties hereto;

1.13. The following terms shall have the meanings ascribed thereto in the headings and preambles hereof:

| | |
|---------------------|------------------------|
| ACUA | Original Agreement |
| Coastal Alternative | Original Participants |
| Coastal Alternative | Original Stipulation |
| Proceeding | Pinelands Trust |
| County | Stipulation |
| NJDEP | Supplemental Agreement |

Section 2. Joinder of New Participants in Original Agreement as Supplemented Hereby; Ratification of Original Agreement as Supplemented Hereby by Original Participants.

Each New Participant acknowledges receipt of a copy of the Original Agreement, certified by the Secretary of the Authority to be a true and correct copy of such Original Agreement as in effect on the date hereof. Each New Participant shall be bound by the terms and conditions of the Original Agreement fully as if it were an Original Participant, and agrees to the terms and conditions hereof amending and supplementing the Original Agreement.

Each Original Participant by execution hereof ratifies and confirms the Original Agreement in all respects, and agrees to the terms and conditions hereof amending and supplementing the Original Agreement.

Section 3. Waiver of Requirements of Section 202 of Original Agreement. The Original Participants hereby waive the provisions of Section 202 of the Original Agreement with respect to the Coastal Alternative Project, and with respect to the Egg Harbor City Interceptor Sewer Line project.

Section 4. Connections to the Regional System.

4.1. Subject to Section 4.3 below, Section 301 of the Original Agreement shall govern the connections into the Regional System, of (i) the New Participants and (ii) Coastal Alternative areas within the geographic boundaries of Original

Participants, including, inter alia, any necessary extensions of Local Sewerage Systems to reach and deliver sewage at the points of connection to the Regional System herein provided for. Accordingly, upon notice from ACUA, each of such Participants shall permit its sewer or drainage systems or the discharge pipes therefrom to be connected with the Regional System, at the point or points designated therefor in the Schedule of Connection Points annexed hereto as Schedule A and made a part hereof, or at such substitute point or points upon which ACUA and each affected Participant shall agree.

4.2. Other than as provided in Section 301 of the Original Agreement, as supplemented by Section 4.1 above, any fees for connection (as such connection fees or charges are contemplated and provided for in Section 22 of the Act, N.J.S.A. 40:14B-22) of the New Participants' Local Sewerage Systems to the Regional System shall be as may be mutually agreed upon by the ACUA and the Participants, or in the absence of any such mutual agreement, as may be determined in the Coastal Alternative Proceeding .

4.3 The Parties hereto mutually agree that there shall be no connection to the Coastal Alternative Project or Egg Harbor City Interceptor Sewer Line portions of the Regional System by (i) a New Participant or (ii) Coastal Alternative areas within Original Participants, except upon compliance with each and every of the terms and provisions of the Stipulation in the Coastal Alternative Proceeding.

Section 5. Allocation of Flow Capacity. Flow Capacity in the Coastal Alternative Project shall be allocated as set forth on Schedule B, annexed hereto and made a part hereof, among the New Participants listed on said Schedule B.

Section 6. Egg Harbor Township Municipal Utilities Authority Service Area. The service area of the Egg Harbor Township Municipal Utilities Authority serviced by the Regional System shall include the area within Egg Harbor Township as delineated in the currently existing Water Quality Management Plan and as the same may be redrawn pursuant to any amendment to said plan.

Section 7. Capital Contributions.

7.1. Hamilton Township Municipal Utilities Authority shall make the HTMUA Capital Contribution to the cost (as such term is defined in Section 3(11) of the Act, N.J.S.A. 40:14B-3(11)) of the Coastal Alternative Project.

The ACUA shall deposit sums received by it in connection with the HTMUA Capital Contribution into a separate, segregated account to be established for the purpose in the Construction Fund established under its "Resolution Authorizing Sewer Revenue Bonds," adopted August 27, 1985, as restated and ratified September 24, 1985, and as variously supplemented ("Bond Resolution"), said account to be designated "Coastal Alternative Project Account," and shall apply the HTMUA Capital Contribution solely to the cost of the Coastal Alternative Project.

In furtherance of the foregoing, the ACUA shall direct First Fidelity Bank, National Association, New Jersey, trustee ("Trustee") under the Bond Resolution, to disburse such moneys only upon the presentation of requisitions therefor accompanied by the appropriate supporting certifications of ACUA's consulting engineer, as specified in Section 4.12(b) of the Bond Resolution.

7.2. Subject to Section 7.3 below and to the terms of the Stipulation, the HTMUA Capital Contribution shall be due and payable to the ACUA only after:

(A) the County adopts by ordinance an amendment to its Water Quality Management Plan to provide for an increase in the design capacity of the Coastal Alternative interceptor from 4 million gallons per day ("mgd") to 7 mgd;

(B)(i) ACUA and the Pinelands Trust have entered into such agreements as shall enable the ACUA to commence receiving the \$13.8 million loan and grant moneys from the Pinelands Trust in respect of the Coastal Alternative Project, or (ii) if ACUA and Pinelands Trust have not at the time entered into agreements of the tenor described above, then Hamilton Township Municipal Utilities Authority shall at the written request of ACUA provide written notice to ACUA that Hamilton Township Municipal Utilities Authority shall nevertheless, or shall not, make the HTMUA Capital Contribution in accordance with the Stipulation and this Agreement; and

(C) bids have been received for the acquisition and construction of the Coastal Alternative

Project, and the ACUA has determined to award the same within 30 days, as evidenced by a letter to such effect delivered to the Hamilton Township Municipal Utilities Authority.

7.3. Periodic payment of portions of the HTMUA Capital Contribution shall be made to ACUA within 15 days of written notice given by ACUA to Hamilton Township Municipal Utilities Authority of the necessity therefor, which Notice shall be accompanied by a certification of ACUA's consulting engineers that the amount of such payment reflect actual costs incurred by the ACUA in connection with completion of the Coastal Alternative Project, which certification shall include copies of the payment requisitions of ACUA's contractors approved for payment by such consulting engineer.

7.4. The Participants agree that, in the event that HTMUA fails to make any capital contribution payment pursuant to paragraph 7.3, above, the ACUA may advance the sums necessary to pay for the costs of the Coastal Alternative Project to such extent, and may fund any such advance through private or public financing consistent with its fiscal authority; provided that, in any such event, ACUA agrees to diligently pursue, to the fullest extent permitted by law, enforcement of HTMUA's obligation to make the HTMUA Capital Contribution as required under this Agreement and under the Stipulation, together with incidental costs and attorneys fees; and further provided that, in any such event, HTMUA agrees that ACUA shall be permitted to (i) obtain judgment against HTMUA by order of the Court having continuing jurisdiction in connection

with the Coastal Alternative Proceeding for the accelerated balance of the HTMUA Capital Contribution together with attorneys fees, costs of suit and incidental costs, included, without limitation, all fees, charges, expenses and other costs incurred, and the interest and other financing charges paid or to be paid, in connection with any financing obligations undertaken by ACUA to cover advances to be made by ACUA as aforesaid, or (ii) enforce the obligations of HTMUA under this Agreement and the Stipulation by specific performance, injunction, mandamus or other available relief in law or in equity, such enforcement proceedings to be conducted as provided for in the Stipulation with respect to enforcement of the obligations of the parties under the Stipulation.

7.5. Hamilton Township Municipal Utilities Authority agrees that it shall at all times use its good faith best efforts to obtain the funding necessary to make the HTMUA Capital Contribution in accordance with the terms of this Agreement and the Stipulation and, further, that it will, if necessary, increase its sewer service rates to generate the revenues necessary to pay the HTMUA Capital Contribution and/or any other sums due by it to the ACUA in accordance with the foregoing provisions of this Section 7.

Section 8. Amendment to Section 702(1) of Original Agreement. The second sentence of Section 702(1) of the Original Agreement is hereby amended to state in full as follows:

"If any payment or part thereof due to the Authority from any Participant shall remain unpaid for thirty days following its due date, such Participant shall be charged with and shall pay to the Authority interest on the amount unpaid at a rate per annum equal to the prime or base rate on corporate loans from time to time in effect for large United States money center banks, as published in The Wall Street Journal or its successor publication or other nationally circulated financial publication providing such information on usual business days, plus two per centum (2%) per annum, and the Authority, in its discretion, may charge and collect Service Charges with regard to persons and real property directly or indirectly connected to the Regional System sufficient to meet any default or deficiency in any payments herein agreed to be made by such Participant. [Underscoring indicates new provision]

Section 9. Formal Action Taken.

9.1. Each Participant hereby warrants and represents to the Authority that by its governing body, or board of directors, as the case may be, it has duly and validly taken all action necessary or appropriate under the laws of the State of New Jersey, including without limitation the General Corporations Act, the New Jersey Open Public Meetings Law and the Act, to authorize its execution, delivery and the performance of its obligations under this Supplemental Agreement.

9.2. The Authority hereby warrants and represents to each Participant that by its governing body it has duly and validly taken all action necessary or appropriate

under the laws of the State of New Jersey, including without limitation the New Jersey Open Public Meetings Law and the Act, to authorize its execution, delivery and the performance of its obligations under this Supplemental Agreement.

Section 10. Project to be Property of Authority. All right, title and interest in and to the Project, including, without limitation, the Coastal Alternative Project, shall at all times be vested in the Authority.

Section 11. Determination Pursuant to Section 701 of Original Agreement; Joinder of New Participants in Original Agreement. In satisfaction of the requirements of Section 701 of the Original Agreement, the Participants and ACUA hereby determine that the admission of the New Participants to the Regional System on the terms and conditions herein and in the Original Agreement set forth, and the joinder of the Original Participants herein, are not on terms and conditions less favorable to the ACUA than the terms and conditions of the Original Agreement.

Section 12. Service Agreement One Instrument. The Service Agreement shall be read, taken and construed as one and the same instrument.

Section 13. Severability. If any one or more of the terms or provisions of the Service Agreement shall be finally determined to be invalid or unenforceable, the remainder of the terms and conditions thereof shall not be affected thereby and shall continue to be enforceable in all respects.

Section 14. Counterparts. This Supplemental Agreement may be executed in any number of counterparts, each of which shall be executed by ACUA and any one or more of the Participants, and all of which shall constitute one and the same instrument.

Section 15. Construction; Parties Benefited. This Supplemental Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and shall inure to the benefit of the parties hereto and their successors and assigns.

Section 16. Headings. The headings of the several sections hereof are included herein for convenience of reference only and shall not constitute a part of this Supplemental Agreement for any other purpose.

IN WITNESS WHEREOF, the Atlantic County Utilities Authority and the Participants have each caused this Supplemental Agreement to be duly executed and delivered by their respective officers thereunto duly authorized and have caused their respective corporate seals to be hereunto affixed and duly attested all as of the date first above written.

ATTEST:

THE ATLANTIC COUNTY UTILITIES
AUTHORITY
(Successor to Atlantic County
Sewerage Authority)

Lidia A. Amador

By: William S. Davy

0162S
MJV/cs
04/25/90

ATTEST:

CITY OF ABSECON

By: _____

ATTEST:

THE ATLANTIC CITY SEWERAGE
COMPANY

By: _____

ATTEST:

CITY OF BRIGANTINE

By: _____

ATTEST:

CITY OF EGG HARBOR CITY

Dulian M. Bow

By: *[Signature]*

ATTEST:

EGG HARBOR TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

By: _____

ATTEST:

GALLOWAY TOWNSHIP (successor
to Galloway Township Municipal
Utilities Authority)

By: _____

ATTEST:

HAMILTON TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

By: _____

ATTEST:

CITY OF ABSECON

By: _____

ATTEST:

THE ATLANTIC COUNTY SEWERAGE
COMPANY

By: _____

ATTEST:

CITY OF BRIGANTINE

By: _____

ATTEST:

CITY OF EGG HARBOR CITY

By: _____

ATTEST:

EGG HARBOR TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY (as an
Original Participant and as a
Participant in respect of the
Coastal Alternative area
within Egg Harbor Township)

By: _____

ATTEST:

GALLOWAY TOWNSHIP (successor
to Galloway Township Municipal
Utilities Authority)

By: _____

ATTEST:

HAMILTON TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

Maria Fisher

By: *[Signature]*

ATTEST:

CITY OF NORTHELD

Carol A. Kaph

By: Philip J. Munro

ATTEST:

CITY OF PLEASANTVILLE

Alvin R. Foster

By: George W. [Signature]

ATTEST:

BOROUGH OF LONGPORT

Mary Fuchs

By: Howard Kypman

ATTEST:

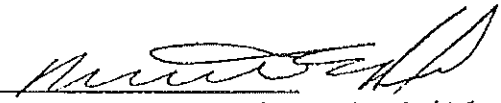
TOWNSHIP OF GALLOWAY

Audrey P. Woods

By: John D. Ryan

ATTEST:

CITY OF ABSECON



William E. Hurd City Clerk/Adm

By: 

Peter C. Elco Mayor

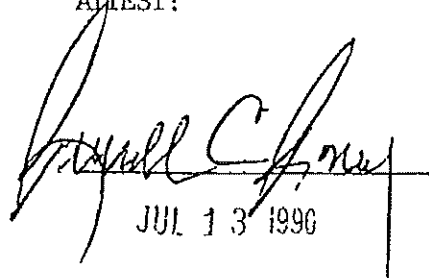
ATTEST:

CITY OF BRIGANTINE


Agnes C. Simpson
City Clerk

By: *[Signature]*

ATTEST:


JUL 13 1990

CITY OF MARGATE

By: 
JUL 13 1990

ATTEST:

SOMERS POINT CITY SEWERAGE
AUTHORITY

Eileen M. Hyatt

By: Joseph S. McBratney, Jr.

ATTEST:

EGG HARBOR TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY

Harold F Weeks

By: E. J. Drifley

ATTEST:

THE ATLANTIC CITY SEWERAGE COMPANY

Miss Haas
J.D.C.

By: Richard Mitchell

ATTEST: 7/16/90

CITY OF LINWOOD

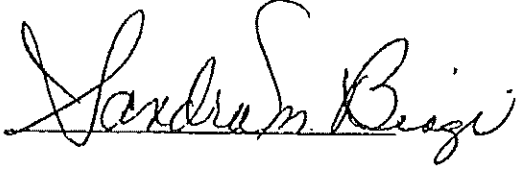
Mary E. Poole
CITY CLERK

By: Donald B. Vass
Donald B. Vass, Mayor

This signature page is to be annexed to The ACUA Joinder Agreement.

ATTEST:

THE CITY OF VENTNOR


Sandra M. Beigi

By: 

DATE SIGNED: JULY 17, 1990

This signature page is to be annexed to the ACUA Joinder Agreement.

ATTEST:

THE TOWNSHIP OF WEYMOUTH

Rose Marie Schreder

By: Linda Mann

SCHEDULE A

Schedule of Connection Points

| <u>Connecting Party</u> | <u>Connection Point</u> |
|--------------------------|---|
| Hamilton Township MUA | Mays Landing P/S No. 1 Reega P/S No. 2 McKee Ave. P/S No. 5 |
| Weymouth Township MUA | Existing via HTMUA system to Mays Landing P/S No. 1 |
| Egg Harbor Township MUA | English Creek P/S No. 3 Broadway P/S No. 4 McKee P/S No. 5 |
| Atlantic City Expressway | McKee P/S No. 5 |
| FAA Technical Center | McKee P/S No. 5 |
| Egg Harbor City | Egg Harbor City P/S |

SCHEDULE B

Allocation of Flow Capacity⁽¹⁾

| | |
|--|-----------------------|
| Egg Harbor Township | 700,000 gallons/day |
| Hamilton Township Municipal Utilities Authority | 5,750,000 gallons/day |
| Weymouth Township Municipal Utilities Authority | 75,000 gallons/day |
| [Atlantic County Expressway (75,000 gallons/day) and NAFEC (175,000 gallons/day) to be added to capacity of New Participants into which they will connect] | |
| Uncommitted (2) | 225,000 gallons/day |

(1) To the extent that the allocations specified herein have not been utilized by the municipal entities within ten (10) years from the date that the Project is declared operational by the Atlantic County Utilities Authority, all unused allocations shall revert to the Atlantic County Utilities Authority to be reallocated on a first come, first serve basis. The term "utilized" as used in this paragraph shall include both (i) used capacity actually in service and (ii) capacity committed through duly approved CP-1 permits which shall have been issued on or before expiration of such ten year period.

(2) This capacity shall be made available to Galloway Township if Galloway Township amends its wastewater management plan, and in such event Galloway Township then agrees that it will withdraw, waive and forever release any and all claims it has or may have against Egg Harbor City with regard to Galloway Township's previous construction of the Aloe Street Line; otherwise, such claims are specifically preserved.

0162S

**RESOLUTION 23-02-56: APPROVING SECOND JOINDER AGREEMENT
AMENDING AND SUPPLEMENTING SEWAGE CONVEYANCE AND TREATMENT
AGREEMENT DATED AS OF SEPTEMBER 1, 1973, AS AMENDED**

ATLANTIC COUNTY UTILITIES AUTHORITY
RESOLUTION 23-02-56

RESOLUTION AUTHORIZING ENTRY INTO THE SECOND JOINDER AGREEMENT, ALLOWING THE CITY OF EGG HARBOR CITY TO WITHDRAW AS A PARTICIPANT AND INCLUDING NEW JERSEY-AMERICAN WATER COMPANY, INC. AS A NEW PARTICIPANT IN THE SEWAGE CONVEYANCE AND TREATMENT AGREEMENT DATED AS OF SEPTEMBER 1, 1973, AS AMENDED

WHEREAS, the Atlantic County Utilities Authority ("ACUA"), as successor to the Atlantic County Sewerage Authority, entered into a Sewage Conveyance and Treatment Agreement dated as of September 1, 1987 (the "Original Agreement"), with other municipal entities and authorities, including Absecon City, Brigantine City, Linwood, the Borough of Longport, Margate City; the City of Northfield, Pleasantville, Ventnor City, the Egg Harbor Township Municipal Utilities Authority, Galloway Township (as successor to the Galloway Township Municipal Utilities Authority), the City of Somers Point (as successor to the Somers Point City Sewerage Authority), and the Atlantic City Sewerage Company (collectively, the "Original Participants"); and

WHEREAS, pursuant to the July 17, 1990 Joinder Agreement, Supplementing Sewage Conveyance and Treatment Agreement Dated as of September 1, 1973; by and between the ACUA, the Original Participants, the Hamilton Township Municipal Utilities Authority, the Weymouth Township Municipal Utilities Authority, and the City of Egg Harbor City, the Hamilton Township Municipal Utilities Authority, the Weymouth Township Municipal Utilities Authority, and the City of Egg Harbor City were included as new participants under the Original Agreement; and

WHEREAS, the City of Egg Harbor City has entered into an agreement with New Jersey-American Water Company, Inc., a New Jersey Corporation, for the sale of its public water and public sewer infrastructure, real property and related improvements; and

WHEREAS, the conveyance of the City of Egg Harbor City's sewer improvements necessitates the execution of a Second Joinder Agreement which will allow the City of Egg Harbor City to withdraw as a participant and permit New Jersey-American Water Company, Inc. to become a new participant under the Original Agreement, as amended; and

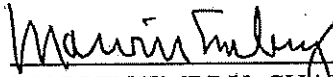
WHEREAS, by New Jersey-American Water Company, Inc. becoming a new participant pursuant to the Second Joinder Agreement, it will assume all of the rights and obligations and stand in place of the City of Egg Harbor City under the Original Agreement, as amended.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Atlantic County Utilities Authority as follows:

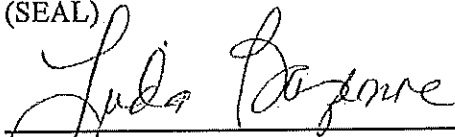
1. The Atlantic County Utilities Authority hereby approves of the Second Joinder Agreement Amending and Supplementing the Sewage Conveyance and Treatment Agreement dated as of September 1, 1973, as amended, a copy of which is annexed hereto as Exhibit "A"; and
2. The President of the Atlantic County Utilities Authority is hereby authorized to execute the Second Joinder Agreement Amending and Supplementing the Sewage Conveyance and Treatment Agreement dated as of September 1, 1973, as amended, for and on behalf of the Atlantic County Utilities Authority.

This resolution shall take effect upon approval by the Atlantic County Executive pursuant to law.

ATLANTIC COUNTY UTILITIES AUTHORITY


MARVIN EMBRY, CHAIRMAN

(SEAL)


LINDA BAZEMORE, ACTING BOARD SECRETARY
Date adopted: 2-16-83



New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201

Robert A. Briant, Jr., Chairperson
Mark Longo, Vice Chairperson
Jack Kocsis, Jr., Treasurer
James McManus, Jr., Secretary
Elizabeth Maher Muoio, State Treasurer
Shawn LaTourrette, DEP Commissioner
Diane Gutierrez-Scaccetti, DOT Commissioner
Lt. Governor, Sheila Y. Oliver, DCA Commissioner
David T. Zimmer, Executive Director

VIA ELECTRONIC MAIL
May 26, 2023

Atlantic County Utilities Authority
6700 Delilah Road
Egg Harbor Township, NY 08234
Attn: Richard S. Dovey, President

Dear Mr. Dovey:

This letter, and the consent expressed herein by the New Jersey Infrastructure Bank (the "I-Bank"), is provided to the Atlantic County Utilities Authority (the "Authority") pursuant to, and in satisfaction of, Section 6.04(b) of each Loan Agreement, entered into by and between the I-Bank and the Authority (each, a "Loan Agreement"), relating to, respectively, the following New Jersey Water Bank Financing Programs: 2004A; 2006A; 2007A; 2010A; 2010B; 2012A; 2017A-2; 2018A-1; 2019A-1 (two loans); and 2022A-2. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in each Loan Agreement.

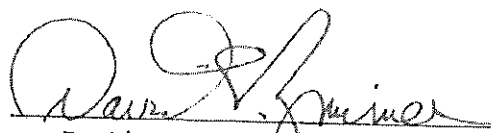
The Authority proposes to enter into an amendment (the "Amendment") to its "Agreement between the Atlantic County Sewerage Authority and Absecon City, Brigantine City, Linwood, the Borough of Longport, Margate City, the City of Northfield, Pleasantville, and Ventnor City, and Egg Harbor Municipal Utilities Authority, Galloway Township Municipal Utilities Authority and Somers Point City Sewerage Authority, and The Atlantic City Sewerage Company," dated as of September 1, 1973, as thereafter amended as of July 17, 1990 (as amended, the "Authority Agreement"). The Authority Agreement constitutes a "Service Agreement" as defined and memorialized in each Loan Agreement.

Pursuant to the terms of Section 6.04(b) of each Loan Agreement: "Notwithstanding any provision of the Service Agreement to the contrary, the Service Agreement may not be amended, supplemented or modified by the Borrower and the Underlying Government Unit without the prior written consent of an Authorized Officer (as defined in the Bond Indenture) of the I-Bank."

In providing its consent as set forth herein, the I-Bank is relying upon the following summary of the operative provisions of the Amendment as provided by the Authority to the I-Bank, and has assumed the accuracy of such summary of the operative provisions of the Amendment as provided by the Authority to the I-Bank: In connection with the sale by Egg Harbor City of its system to New Jersey-American Water Company, Inc. ("NJAWC"), the Amendment serves to permit NJAWC to replace and stand in place of Egg Harbor City, with (i) NJAWC assuming all rights and obligations of Egg Harbor City as set forth in the Authority Agreement, and (ii) Egg Harbor City withdrawing as a participant in the Authority Agreement. Further, the Authority Agreement, as further amended by the Amendment, shall be binding upon, and shall be deemed to be executed by, all subsidiary corporations of NJAWC and all corporations controlled by it.

The I-Bank hereby consents to the Amendment (which constitutes an amendment to the Authority Agreement, which is a Service Agreement) in satisfaction of the provisions of Section 6.04(b) of each Loan Agreement.

NEW JERSEY INFRASTRUCTURE BANK

By: 
David E. Zimmer, CFA
Executive Director

cc: Judith Karp, Esq., Assistant Direct and Chief Compliance Officer, NJ I-Bank
Lauren S. Kaltman, Chief Financial Officer, NJ I-Bank
George Rolon, Chief Operating Officer, NJ I-Bank
Richard T. Nolan, Esq., McCarter & English, LLP, Bond Counsel to NJ I-Bank



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER RESOURCE MANAGEMENT
OFFICE OF THE ASSISTANT COMMISSIONER
401 EAST STATE STREET
P.O. BOX 420 MAIL CODE 401-02A
TRENTON, NEW JERSEY 08625-0420
TEL: (609) 292-4543 WEB SITE: www.dep.nj.gov

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

SHAWN LATOURETTE ESQ.
Commissioner

VIA ELECTRONIC MAIL

May 30, 2023

Atlantic County Utilities Authority
6700 Delilah Road
Egg Harbor Township, NY 08234
Attn: Richard S. Dovey, President

Dear Mr. Dovey:

This letter, and the consent expressed herein by the New Jersey Department of Environmental Protection (the "NJDEP"), is provided to the Atlantic County Utilities Authority (the "Authority") pursuant to, and in satisfaction of, Section 6.04(b) of each Loan Agreement, entered into by and between the NJDEP and the Authority (each, a "Loan Agreement"), relating to, respectively, the following New Jersey Water Bank Financing Programs: 2004A; 2006A; 2007A; 2010A; 2010B; 2012A; 2017A-2; 2018A-1; 2018 Direct Loan; 2019A-1 (two loans); 2019 Direct Loan; and 2022A-2. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in each Loan Agreement.

The Authority proposes to enter into an amendment (the "Amendment") to its "Agreement between the Atlantic County Sewerage Authority and Absecon City, Brigantine City, Linwood, the Borough of Longport, Margate City, the City of Northfield, Pleasantville, and Ventnor City, and Egg Harbor Municipal Utilities Authority, Galloway Township Municipal Utilities Authority and Somers Point City Sewerage Authority, and The Atlantic City Sewerage Company," dated as of September 1, 1973, as thereafter amended as of July 17, 1990 (as amended, the "Authority Agreement"). The Authority Agreement constitutes a "Service Agreement" as defined and memorialized in each Loan Agreement.

Pursuant to the terms of Section 6.04(b) of each Loan Agreement: "Notwithstanding any provision of the Service Agreement to the contrary, the Service Agreement may not be amended, supplemented or modified by the Borrower and the Underlying Government Unit without the prior written consent of the State." It is hereby noted that "State" is defined in each Loan Agreement as the State of New Jersey, acting by and through the NJDEP.

In providing its consent as set forth herein, the NJDEP is relying upon the following summary of the operative provisions of the Amendment as provided by the Authority to the NJDEP, and has assumed the accuracy of such summary of the operative provisions of the Amendment as provided

by the Authority to the NJDEP: In connection with the sale by Egg Harbor City of its system to New Jersey-American Water Company, Inc. ("NJAWC"), the Amendment serves to permit NJAWC to replace and stand in place of Egg Harbor City, with (i) NJAWC assuming all rights and obligations of Egg Harbor City as set forth in the Authority Agreement, and (ii) Egg Harbor City withdrawing as a participant in the Authority Agreement. Further, the Authority Agreement, as further amended by the Amendment, shall be binding upon, and shall be deemed to be executed by, all subsidiary corporations of NJAWC and all corporations controlled by it.

The NJDEP hereby consents to the Amendment (which constitutes an amendment to the Authority Agreement, which is a Service Agreement) in satisfaction of the provisions of Section 6.04(b) of each Loan Agreement.

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

By: 

Name: Charles Jenkins

Title: Assistant Director, Municipal Finance & Construction Element

On behalf of: Patricia Gardner, Assistant Commissioner, Water Resources Management

cc: David E. Zimmer, Executive Director, NJ I-Bank