TOWNSHIP OF LONG HILL, NEW JERSEY

REQUEST FOR BIDS

SALE OF WASTEWATER SYSTEM

Issued: April 18, 2019

Bids Due: May 30, 2019

Optional Pre-Bid Meeting: May 1, 2019

ISSUED BY:

Township of Long Hill
915 Valley Road
Gillette, NJ 07933
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1.0 INTRODUCTION AND DESCRIPTION OF THE BID PROCESS

1.1 Issuing Entity, Nature and Purpose of Procurement

Through the issuance of this Request for Bids (“RFB”), the Township of Long Hill, New Jersey (the “Township”) is hereby requesting Bids from parties interested in entering into an agreement to purchase the Township’s Wastewater System. The Wastewater System is owned, operated and maintained by the Township. After analyzing the operations and finances of the Wastewater System and the anticipated future needs of the System, the Township Committee concluded that it should issue this RFB to determine if a larger, private sector enterprise would be better suited to address the long-term needs of the Township’s customers. In the event that the Township receives one or more advantageous bids and decides to move forward with the sale process, a public referendum will be conducted in accordance with N.J.S.A 40:62-3 et seq.

1.2 General Overview

The Township owns and operates eight (8) sanitary pump stations, a wastewater collection system and a wastewater treatment plant (the “WWTP”), (collectively, the “Wastewater System”). The WWTP is permitted by the NJDEP to treat and discharge flows at a rated capacity of 1.25 MGD. For a comprehensive description of the Wastewater System, see Sections 2 and 3 of the Township of Long Hill Sanitary Utility System Asset Evaluation and Capital Improvement Plan prepared by Remington and Vernick Engineers, dated January 2017 (“R&V Evaluation Report”). The R&V Evaluation Report is posted on the Township’s website: http://longhillnj.gov/. Following the preparation of the R&V Evaluation Report, the Township has committed to undertake the capital improvements listed in Appendix G. A schedule setting forth the anticipated completion dates for such improvements is also provided in Appendix G.

1.2.1 Wastewater Utility Assets to be Sold by the Township

The Township is seeking bids, subject to the requirements stated hereinafter in this RFB for all rights in real property, facilities and stationary equipment, relating to the wastewater collection, pumping and treatment system identified in the Description of the Wastewater System. The purchase will include all existing assets and rights thereto, wastewater treatment facilities, pumping stations, emergency generators, gravity collection mains, force mains, manholes and appurtenances, but shall exclude personal property, vehicles, cash, securities and accounts receivable of the wastewater system for services rendered up to and including the
Closing Date. Further, certain permits and licenses currently held by the Township will have to be issued or transferred to the Buyer. A copy of the Township’s NJDEP DSW Permit is posted on the Township website: http://longhillnj.gov.

1.2.2 Explanation of Real Property Interests to be Conveyed

The Township will transfer its interest in all of its title, easements or other interests in the Wastewater System.

1.3 Township Objectives

The Township is seeking to sell the Wastewater System to a single qualified and experienced company which company will take over ownership, operations, maintenance and management of the Wastewater System. The Township’s objectives include the following: (i) obtain highest value for the Wastewater System; (ii) utilize proceeds, at a minimum, to pay off Wastewater System debt and other liabilities; (iii) minimize rate volatility for ratepayers; (iv) transfer responsibility for regulatory requirements to the Buyer; (v) have the Buyer undertake specified capital improvements; (vi) lift the sewer ban; (vii) increase capacity of the wastewater treatment plant in order to meet the Township’s COAH obligations and support future growth; (viii) reduce the environmental and financial risk to the Township; and (ix) connect the remaining areas of the Township that are not currently connected to the sewer system so that 95% of existing properties (as of the Closing Date) are connected.

1.4 Bid Submission Date

Copies of the Bid responding to this RFB must be submitted no later than 10:00 a.m. (Eastern Time) on Thursday, May 30, 2019 in accordance with Section 5 of this RFB. Bids shall be in a sealed package addressed to:

Township of Long Hill
Attention: Debbie Brooks, Municipal Clerk
915 Valley Road
Gillette, New Jersey 07933

Instructions on the form and content of the Bid are given in Section 5 of this RFB.

1.5 Project Participants and Advisors

The Township Committee is responsible for authorizing all activities relating to the Wastewater System. The Township Committee has assembled a group of Township representatives (Wastewater Advisory Committee) and consultants to form a project team to
assist in this procurement process (Project Team). The Project Team will serve the function of
directing and reviewing the detailed activities undertaken with regard to the procurement.

1.6 Inquiries and Correspondence

All inquiries and correspondence relating to this RFB should be directed to:

Debbie Brooks, Municipal Clerk
Township of Long Hill
915 Valley Road
Gillette, New Jersey 07933
Phone: (908) 647-8000 x215
Email: municipalclerk@longhillnj.gov

with a copy of all written (including electronic) correspondence to:

Rick Sapir, Esq.
Hawkins Delafield & Wood LLP
One Gateway Center, 24th Floor
Newark, NJ 07102
Phone: (973) 642-1188
Email: esapir@hawkins.com

and

Beata Safari, Esq.
Email: bsafari@hawkins.com

Bidders shall not contact any Township employees or Committee Members in connection with this RFB at any time during the procurement process except for Debbie Brooks. All questions shall be sent in writing and delivered to the above addresses or sent by email to Debbie Brooks, Rick Sapir and Beata Safari by 5:00 p.m. (Eastern Time) by the applicable date as described in subsection 1.7.2 of this RFB. The Township will respond to those written questions which it deems appropriate. Responses will be distributed to all Bidders that have registered with the Township.

1.7 Procurement Process

1.7.1 Legal Authority

In accordance with N.J.S.A. 40:62-3 et seq. (“Referendum Law”), the Township will utilize a Request for Bids process that includes the issuance of an RFB followed by the review, clarification and evaluation of Bids received. The Draft Agreement of Sale reflects the terms of
the sale desired by the Township. If a Bidder takes material exceptions to the Draft Agreement of Sale, the Bid may be deemed non-responsive. In the event that the Township determines to move forward with the sale following review and receipt of the Bids, the Township will select the Highest Responsible Bidder and will finalize the terms of the Agreement of Sale. Once the Agreement of Sale is finalized, the Township intends to pass an ordinance authorizing the sale of the Wastewater System. The Township will then submit a question to the County Clerk to be included on the November 2019 election ballot regarding whether the Township should sell its Wastewater System. If the public referendum passes in November, the Township anticipates that it will execute the Agreement of Sale with the Highest Responsible Bidder. Bidders are advised that the Agreement of Sale is subject to approval by the New Jersey State Board of Public Utilities (the "BPU") pursuant to N.J.S.A. 48:2-51.1. **Nothing herein shall prohibit the Township from deciding not to sell the Wastewater System and the Township reserves the right to do so at any time prior to execution of the Agreement of Sale.**

1.7.2 Schedule Adherence

In order for the Township to have the option of going to referendum in November of 2019, an aggressive procurement schedule is required. The following schedule identifies major activities and dates in the procurement process:

- **Optional Pre-Bid Meeting** May 1, 2019 at 10:00 a.m.
- **Site Visits** May 2-8, 2019 (by appointment only)
- **Bidder Questions Due** May 14, 2019
- **Bids Due** May 30, 2019

To efficiently review and evaluate the Bids received (and to avoid the need for a costly and lengthy clarification process), the Bidder should conform to the submission and format requirements set forth in Section 5 of this RFB.

1.7.3 Pre-Bid Meeting and Site Visits

An optional pre-Bid meeting will be held at 10:00 a.m. on Wednesday, May 1, 2019 at Town Hall located at 915 Valley Road, Gillette, New Jersey 07933. Attendance at the pre-Bid meeting is not mandatory but it is highly encouraged. Individual Bidder site visits will be conducted during May 2-8, 2019 by appointment on a first come first serve basis. Bidders that desire to schedule a site tour of the Wastewater System during this timeframe should contact
Matt Berger (Veolia) at 908-647-0789 or wastewater@longhillnj.gov to arrange for such tours. Bidders shall agree to indemnify and hold the Township harmless from any and all claims arising from Bidder's obtaining access and/or having access to the Wastewater System.

1.7.4 Written Questions Regarding RFB or Process

Prospective Bidders may submit written (or electronic) questions regarding this RFB. All such questions should be submitted by close of business on May 14, 2019. The Township may, but shall not be obligated to, respond to such questions. Any responses to questions will be circulated to all prospective Bidders.

1.7.5 Addenda or Amendments to the RFB

During the period provided for the preparation of Bids, the Township may issue addenda or amendments to this RFB. The Township shall issue notice that addenda or amendments have been made available, and will send such addenda or amendments to the prospective Bidders that registered in accordance with Appendix D. These addenda will be issued by, or on behalf of, the Township, and will constitute a part of the RFB. Each Bidder is required to acknowledge receipt of all addenda at the time of submission of the Bids by submitting an executed acknowledgment form included as Bid Form 5 contained in Appendix C. All responses to this RFB shall be prepared with full consideration of the addenda issued prior to the Bid submittal date. In order for a Bidder to ensure that it receives all updates/addenda to this RFB, it must provide a completed registration form, which can be found in Appendix D, to the Municipal Clerk with a copy to Rick Sapir and Beata Safari, whose contact information is provided in Section 1.6 above.

1.7.6 Cost of Bid Preparation

Each Bid and preparation of all information required pursuant to this RFB shall be prepared at the sole cost and expense (including legal costs) of the Bidder. There shall be no claims whatsoever against the Township, its staff, or its consultants for reimbursement for the costs or expenses (including legal costs) incurred during the preparation of the Bid or other information required by this RFB or procurement process.
1.7.7 Correction of Errors

Prior to the submission of Bids, erasures or other corrections in the Bid must be initialed by a designated signatory of the Bidder. The Bidder further agrees that in the event any errors are noticed by the Township after the Bid is opened, the Township reserves the right, but does not have the obligation, to waive such errors.

1.7.8 Modification of Bids

Prior to the Bid submission date, a Bidder may modify its previously submitted Bid if a modified Bid is either hand delivered to Debbie Brooks by or on behalf of an authorized representative of the Bidder, or delivered to Debbie Brooks by certified mail.

1.7.9 Disclosure of Information in Bids

The Township will consider requests to protect proprietary information submitted with Bids. The Bidder should clearly and specifically label all such material and cite the appropriate law which protects such proprietary information. General requests to protect the entire Bid are not acceptable. The Township shall notify a Bidder of any Open Public Records Act request for information that has been designated as proprietary information by the Bidder.

1.7.10 Withdrawal from Procurement Process

Bids received by the Municipal Clerk and/or her designated representative before the time of opening of Bids may be withdrawn upon written application of the Bidder who shall be required to produce evidence showing that they are or they represent the principal or principals involved in the Bid. Bids may not be withdrawn within twenty-four (24) hours of the stipulated time for receipt of Bids unless otherwise expressly allowed under applicable law. Once Bids have been opened, they must remain firm for a period of 270 days following submission.

1.7.11 Disposal of Bids

All Bids are the property of the Township and will not be returned (except with respect to bid bonds, which will be returned in accordance with this RFB). At the conclusion of the procurement process, the Township may dispose of any and all copies of Bids received in whatever manner it deems appropriate. In no event will the Township assume liability for any loss, damage or injury which may result from any disclosure or use of marked data which occurs prior to the disposal of Bids.
1.7.12 Rights of the Township and Conditions

The Township reserves, holds and may exercise, at its sole discretion, the following rights and conditions with regard to this RFB in accordance with applicable law. By responding to this RFB, Bidders acknowledge and consent to the following conditions relative to the procurement process and the determination of the Highest Responsible Bidder:

- All inquiries will be addressed as set forth in Section 1.6 of this RFB.
- This RFB does not obligate the Township to contract for the sale of the Wastewater System.
- The Township reserves the right to change or alter the schedule for any events associated with this procurement.
- All costs incurred in connection with responding to this RFB will be borne by the Bidder and the Township will in no event (including upon a successful procurement challenge) be responsible for any Bidder’s cost or be liable to a Bidder.
- The Township reserves the right to reject, for any valid reason, any and all Bids and components thereof and to eliminate, for any valid reason, any and all Bidders responding to this RFB from further consideration for this procurement in accordance with applicable law.
- The Township reserves the right to eliminate any Bidder who submits incomplete, inadequate responses or is not responsive to the requirements of this RFB.
- The Township reserves the right to reject all Bids and to cancel the procurement.
- The Township reserves the right to designate a representative to act in its place or on its behalf during this procurement process.
- The Township reserves the right to supplement, amend, or otherwise modify this RFB, or otherwise request additional information, prior to or following Bid submissions.
- All Bids become the property of the Township and will not be returned.
- All activities related to the Sale shall be subject to all applicable federal, State and local laws, regulations, rules and/or requirements.
The Township (including its staff and advisors) reserves the right to visit any of the facilities referenced in each Bid to observe the operations of such facilities. Such site visits will be made at a mutually agreeable time.

The Township reserves the right to conduct investigations of any or all of the Bidders, as the Township deems necessary or convenient, to verify the information provided as part of a response and to request additional information to support the information included in any Bid.

The Township reserves the right to seek clarification of any aspect of a Bid.

The Township reserves the right to reject any Bid which it deems to be non-responsive to its objectives or not in the best interest of the Township in accordance with applicable law.

The Township reserves the right to determine that any Bid received complies or fails to comply with the terms of this RFB.

The Township reserves the right to waive any minor technical non-conformance with the terms of this RFB.

All responses may be made available to the public at the appropriate time, as determined by the Township (in the exercise of its sole discretion) in accordance with law.

The Township may request Bidders to send representatives to the Township for interviews and/or presentations.

Neither the Township, nor its staff, and/or advisors shall be liable for any claims or damages resulting from the solicitation or preparation of this RFB, nor will there be any reimbursement to Bidders for the cost of preparing and submitting a response or for participating in this procurement process.

The Township reserves the right to suspend or terminate the procurement process described in this RFB (or implied) at any time (at its sole discretion.) If terminated, the Township may determine to commence a new procurement process or exercise any other rights provided under applicable law without any obligation to the Bidders.
1.8 Pay-to-Play Law

The successful Bidder must comply with the State’s Pay-to-Play law (N.J.S.A. 19:44A et seq.) and sign all associated documents (Business Entity Disclosure Certification, P.L. 2005, C.271 Political Contribution Disclosure Form and Stockholder Disclosure Certification). It is highly recommended that Bidders become familiar with this law prior to submitting a Bid.

1.9 Pending Litigation, Conflicts of Interest

The Township requires that the Highest Responsible Bidder must (a) not be a party to, or otherwise involved in, any pending litigation, investigation, financial foreclosure or other action, or any other procedure that would in any way impair its ability to perform its responsibilities under the anticipated contract; (2) not be affiliated with, owned by, or otherwise engaged with any other firms that could pose a real or potential conflict of interest with Township of Long Hill; (3) not be in arrears to Township of Long Hill for any taxes, fees, or other obligations; and (4) not be found guilty of, either as an organization and/or on the part of its owned, principals, or executives, any illegal activities that preclude it from establishing contracts with government entities.

1.10 Public Referendum

Once an Agreement of Sale has been finalized with the Highest Responsible Bidder, the Township intends to introduce an Ordinance authorizing the execution of the Agreement of Sale and submission of a public question to the County Clerk to be placed on the General Election ballot in November 2019. The Township will accept public comments on the Ordinance, and, if the Ordinance is ultimately adopted by the Township, the Ordinance and public question will be submitted to the County Clerk for inclusion on the November ballot. If the referendum passes in November, the Township intends to execute the Agreement of Sale with the Highest Responsible Bidder.

1.11 Independent Due Diligence Required

While the Township believes that the information supplied as part of this RFB is an accurate reflection of its understanding related to the Wastewater System being sold, it is provided only to assist Bidders in evaluating the Wastewater System. Neither the Township nor its employees, officials, consultants or advisors make any warranty as to the accuracy or completeness of such information. Bidders are required to make their own evaluations before
submitting a Bid and should not rely on the documents listed above or contained herein as the basis for their Bid.

2.0 BACKGROUND INFORMATION

2.1 General Township Profile

The Township of Long Hill is located in Morris County, New Jersey, and has approximately 8,702 residents based upon the 2010 census. Approximately 88% of properties within the Township are connected to the sewer system. See the Township website (http://longhillnj.gov/) for further general information regarding the Township.

2.2 Description of Wastewater System

The Township owns and operates their sanitary system which consists of the following:

- Eight (8) sanitary pump stations;
- One (1) WWTP with rated capacity of 1.25 MGD;
- Estimated 286,290 linear feet of sanitary sewers;
- Estimated 1,260 sanitary manholes;
- Estimated 15,200 linear feet of force mains;
- Estimated 221,325 linear feet of privately owned service lateral.

The Township Wastewater System currently serves 2,818 accounts.

For a comprehensive description of the Wastewater System, please refer to Sections 2 and 3 of the R&V Evaluation report which can be viewed and downloaded from the Township website: http://longhillnj.gov/. The R&V Evaluation report also contains a 20-year capital plan which was prepared for the Township in 2016-2017. Following the issuance of the R&V report, the permitted capacity of the Wastewater Plant has been increased to 1.25 MGD. See Appendix G hereto for a description of the capital improvements to the Wastewater System to be undertaken by the Township and the schedule for the implementation of such improvements. A copy of the Township’s NJDEP DSW Permit is posted on the Township website: http://longhillnj.gov.

In 2017, the Township underwent a procurement for the sale of its Wastewater System and accepted a bid to sell the system to New Jersey American Water. However, the referendum held in November of that year failed to pass, and, therefore, a sale agreement ultimately was not executed. Following the referendum, the Township increased rates as described in Appendix E
and hired Kleinfelder to implement the capital improvements to the Wastewater System identified in Appendix G. Additional information (e.g. permits, DMRs, etc.) regarding the Wastewater System is included in a DropBox account which was created in connection with the 2017 procurement. The additional information can be accessed by potential bidders by emailing Beata Safari at bsafari@hawkins.com or Rick Sapir (esapir@hawkins.com) for access.

2.3 Rates

Current rate information and the history of user fees are included in Appendix E to this RFB. Rates were last increased in 2018 by approximately 10%.

2.4 Annual Financial Statements and Audit Reports

The Township’s 2017, 2016 and 2015 financial statements and audit reports can be viewed and downloaded from the Township website: http://longhillnj.gov/. Click on the “Documents/Forms” tab and then “Financial Documents”.

2.5 Existing Township Operations Agreement

The Township has an existing short-term (one-year) operations agreement in place with Veolia Water that will expire at the end of December 2019. The Township’s plans for the operation and maintenance of the Wastewater System will depend on whether it receives a favorable Bid for the sale of the Wastewater System and whether the referendum passes in November 2019.

2.6 Customer Billing Information

The Township currently utilizes Government Utility Billing System (GUBS) (InterSoft Technologies International, LLC) for sewer customer billing.

2.7 Environmental Remediation

In 1989-90, the Township upgraded and expanded the Wastewater System. During the upgrade, asbestos and petroleum hydrocarbon compounds were found in the soil. The site was cleaned up and the upgrade/expansion project resumed. Recently, in November 2018, the NJDEP sent a letter to the Township requiring the Township to furnish a no further action letter or Response Action Outcome with respect to the contamination from the Wastewater System upgrade/expansion project in 1989-90. As neither the NJDEP or the Township have a no further action letter or Response Action Outcome on file, the Township is required to hire a Licensed Site Remediation Professional (LSRP) to determine if the contamination at the site has been
adequately cleaned up or if further remediation work is necessary, and to issue a Response Action Outcome. The Township retained a LSRP at the Township Committee meeting on April 10, 2019 who will assess whether additional remediation steps are necessary. The Township will be responsible for any such work at the wastewater treatment plant site as well as other affected areas in the Township. Once the LSRP proceeds with the evaluation in the next few weeks, the Township expects to have additional information to share with potential bidders.
3.0 COMPANY RESPONSIBILITIES

3.1 General

This Section provides a summary of the responsibilities and financial obligations that the Company will assume following the sale of the Wastewater System. Bidders are advised that the Agreement of Sale, a draft of which is included in Appendix H, will be the definitive statement of the responsibilities of the Bidder.

3.2 Operation of Township Wastewater System

The Township will continue to operate the Wastewater System until the Closing Date. Buyer will operate the Wastewater System thereafter at its own cost and expense. Buyer must be aware that the customers of the Wastewater System (domestic users, industrial users and commercial users) have received the services as set forth in the Customer Service Standards as defined in the Agreement of Sale. By executing the Agreement of Sale, Buyer will covenant to continue to provide services in accordance with the Customer Service Standards and will covenant to guarantee the safe and reliable service, as well as, collection and treatment of wastewater to the customers of the Township's Wastewater System as part of the purchase in a manner that meets all local, state and federal laws and regulations relating to the collection and treatment of wastewater.

3.3 Municipal Consent and BPU Approval of Sale

It is anticipated that the Township will grant the municipal consent required by N.J.S.A. 48:19-17. The Buyer shall be responsible for obtaining BPU approval of such municipal consent pursuant to N.J.S.A. 48:2-14 as well as approval of the sale pursuant to N.J.S.A. 48:2-51.1.

3.4 Required Capital Improvements to Lift Sewer Ban

The Buyer will be required to identify and undertake the capital improvements necessary to allow the Township to lift the existing sewer ban. The Buyer will be required to begin to undertake such capital improvements as soon as reasonably practicable and no later than two years following Closing, and all capital improvements necessary to lift the sewer ban will be required to be completed within five years from Closing.

3.5 Capacity for Affordable Housing Units

The Township has obtained a judgment of repose from the Superior Court of New Jersey,
approving the Township’s Housing Element and Fair Share Plan which satisfies the Township’s affordable housing obligations. In accordance with the requirements of N.J.A.C. 5:93-4.3, the Buyer shall reserve and set aside new sewer capacity of 100,000 gpd on a priority basis, when it becomes available, for the low and moderate income housing that is included in the Township’s Housing Element and Fair Share Plan.

3.6 Permitted Capacity of WWTP

The Buyer will be responsible for increasing the existing permitted capacity of the WWTP to accommodate future growth as necessary. The permitted capacity of the WWTP is currently 1.25 MGD. At a minimum, the Buyer will be required, within five years from Closing, to complete all permitting and capital work to expand the permitted capacity of the WWTP so that the WWTP will be able to accommodate future growth of the Township as described below. The flow required from the plant needs to be sufficient to serve the existing customers, accommodate additional flows from COAH/Affordable Housing obligations (estimated 100,000 gpd), accommodate additional flows from redevelopment plans (estimated 30,000 gpd) and accommodate additional flows from the Buyer’s obligation to connect at least 95% of the existing properties (as of the Closing Date) to the Wastewater System (estimated 64,000 gpd). The Buyer shall be required to meet the obligations described herein to the maximum extent allowable by the NJDEP. In addition, as allowed by future changes to the NJDEP regulations, Buyer shall use best efforts to accommodate additional flows from approved redevelopment programs in Long Hill Township.

3.7 Connection of Non-Sewered Properties Within the Township

The Buyer will be required to extend the Wastewater System to connect the non-sewered properties of the Township to the Wastewater System so that at least 95% of the existing properties (as of the Closing Date) within the Township are connected no later than five years following Closing. Section 22-2 of the Long Hill Township Code requires property owners to connect to a public or private sewer system if it is available or at any time becomes available.

---

1 While the Second Round COAH rules, including N.J.A.C. 5:93-4.3, have expired, the Township’s court-approved settlement agreement with Fair Share Housing Center cited N.J.A.C. 5:93-4.3(c), because the Supreme Court in Mount Laurel IV (In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1 (2015)) held that because COAH had failed to adopt Fourth Round rules, “previous methodologies employed in the First and Second Round Rules should be used to establish present and prospective statewide and regional affordable housing need.”
within 200 feet of such property within 120 days of notice from the Township Committee or the Board of Health, subject to certain exceptions. A copy of the applicable Code section is included in Appendix B. The Township intends to enforce such Code section once the Wastewater System is extended to such properties.

3.8 Senior Discount Program

The Buyer will be required to continue the Township’s current senior citizen discount program for eligible senior citizens who are enrolled in the program as of the Closing Date. The senior discount is described in Section 22-23(f) of Ordinance #384-16 which is included in Appendix E.

3.9 Rate Plan

As described in Section 5.6.4, the Bidder will be required to provide its plan for implementing a binding rate structure for the ratepayers following the sale. The 5-year binding rate schedule must reflect that rates will not be increased for at least two (2) years from the Closing (based on 2018 sewer rates) and that rates will not be raised more than 9% in total over the three (3) years after that. In addition, Bidders will be required to submit a projected (non-binding) rate schedule that projects rates for a minimum of 20 years following the Closing Date.
4.0 QUALIFICATION CRITERIA

4.1 General

The Township will undertake a review and evaluation of Bids submitted in response to this RFB in a manner consistent with the provisions of this RFB. Upon receipt of Bids, the Project Team will review each Bid to determine its completeness and compliance with submittal requirements. Only complete Bids will be fully evaluated.

4.1.1 Transaction Cost Reimbursement

In addition to payment of the Purchase Price, the Township will require that the Buyer provide a payment in the amount of $100,000 to cover the Township’s administrative costs in connection with the sale (“Transaction Costs Payment”). One-third of the Transaction Costs Payment ($33,333) will be due upon the passing of the Township Ordinance approving the sale of the Wastewater System, which amount will be non-refundable. The remaining two-thirds ($66,667) of the Transaction Costs Payment will be due at Closing.

4.1.2 Technical Qualifications and Experience

The Bidder must demonstrate through its submittal that it is technically “responsible” to own, operate, maintain and manage the Wastewater System.

4.1.3 Financial Strength

The Bidder must demonstrate through its submittal that it is financially capable of purchasing, owning, operating and maintaining the Township’s Wastewater System and investing the capital for the improvements required herein.
5.0 INSTRUCTIONS FOR PREPARATION AND SUBMISSION OF BIDS

5.1 Submission Requirements

5.1.1 Bid Submission; Timing of Submission; Number of Bids to be Submitted

Bids must be submitted by 10:00 a.m. (Eastern Time) on Thursday, May 30, 2019. One original, five (5) hard copies and one electronic copy (cd or thumb drive) of the Bid shall be submitted to:

Debbie Brooks  
Municipal Clerk  
Township of Long Hill  
915 Valley Road  
Gillette, New Jersey 07933

One copy of the Bid documents must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining 5 copies can be reproductions. Bidders shall number each set of documents in sequential order on the upper right corner of each cover.

All Bids submitted will remain unopened until the deadline for submission of the Bids has passed. At such time, all Bids received will be opened and distributed to the Project Team for review.

The delivery of the Bid to the Township on the above date and prior to the time specified herein is solely and strictly the responsibility of the Bidder. The Township shall not, under any circumstances, be responsible for delays caused by the United States Postal Service or any private delivery service, or for delays caused by any other occurrence.

5.1.2 Bid Forms

The Bid Forms specifically enumerate the requirements set forth in this RFB. A complete set of Bid Forms shall be included in each Bid.

Each Bidder must fill out all of the forms completely. Use “N/A” to specify any items set forth in the Bid Forms which are not applicable to a Bid. It should be noted that the failure to fully complete all applicable Bid Forms by incorrectly providing that certain Bid Forms (or portions thereof) are not applicable to a Bid may result in a determination that the Bid is
unresponsive. To provide additional information, use separate sheets following the Bid Form format.

In cases where a written price is used with a numeric price, the written price will govern.

5.1.3 Completeness

The Bidder must follow each and all of the instructions set forth in this Section in order for a Bid to be deemed responsive to this RFB. In all cases, the Township reserves the right to determine, at its sole discretion, whether any aspect of the Bid meets the submission requirements of this RFB. The Township reserves the right to reject any Bid which, in its judgment, does not comply with these Bid submission guidelines. In providing the information required within this Section 5.0 of this RFB, the Bidder should emphasize and should be responsive to the qualification criteria described in this RFB.

5.2 Organization and Form of Bid

5.2.1 Organization of Bid

Bids submitted in response to this RFB should consist of the following sections:

SECTION I: Executive Summary
SECTION II: Technical Qualifications and Experience
SECTION III: Purchase Price
SECTION IV: Financial Qualifications and Rate Plan

5.2.2 Form of Bid

The Bidder shall provide the appropriate information required for each section, in accordance with the following content and format requirements:

1. The responses shall be concise, clear, factual, and complete with a minimum of extraneous material.
2. The information provided shall identify the section of the RFB being addressed.
3. The Bid shall be indexed and divided into sections and shall be prefaced with a table of contents.

5.3 Section I: Executive Summary
5.3.1 General Provisions
The Executive Summary shall summarize, in clear and concise language, the information contained in all other parts of the Bid. The Executive Summary should be drafted so that it may be easily understood.

5.3.2 Letter of Qualification, Letter of Intent and Signature Requirements
Together with each Bid, the Township must receive one Letter of Qualification and one Letter of Intent, in the forms attached as Bid Form 1 and Bid Form 4, respectively, copied onto the official letterhead of the Bidder. The Letter of Qualification and Letter of Intent must be signed by an officer of the Bidder’s entity who is empowered to sign such material and to commit the Bidder to the obligations contained in the Bid. If the Bidder is a partnership, the Bid shall be signed in the name of each firm by one or more of the general partners. If the Bidder is a corporation, the authorized officer shall sign his/her name and his/her title beneath the full corporate name.

All forms which require Bidder signatures shall be signed by the same individual(s) signing the Letter of Qualification and Letter of Intent.

5.3.3 Bid Bond
A Bid Bond in the amount of $20,000, payable to THE TOWNSHIP OF LONG HILL, must accompany the Bid when submitted. Such Bid Bond shall provide that if the Bid is accepted and the Bidder is determined to be the Highest Responsible Bidder, then prior to the expiration or termination of said Bond, the Highest Responsible Bidder will enter into an Agreement of Sale with the Township, or if the Highest Responsible Bidder shall fail to do so, said surety will pay to the Township the full amount of the Bid Bond. At the option of the Bidder, the Bid Bond may be a bond secured by a guarantee of a surety company listed in the latest issue of United States Treasury Circular 570 and within the maximum amount specified in said circular and authorized to do business in the State, or an irrevocable, standby “letter of credit” from a bank with a credit rating from either Standard & Poor’s Corporation or Moody’s Investors Service of at least “A.”

Any Bid Bond must be valid for a period of at least 270 days from the Bid submission date. If the Agreement of Sale has not been executed prior to the expiration of the Bid Bond, the Township may require the renewal of the Bid Bond for an additional period of time. No Bid
shall be considered unless accompanied by the required Bid Bond. The form of the Bid Bond which must be submitted is included in Appendix C.

The Bid Bonds submitted by the Bidders shall be returned within 10 business days after execution of the Agreement of Sale by and between the Township and the Highest Responsible Bidder.

5.4 **Section II: Technical Qualifications and Experience**

This Section shall describe the qualifications and experience of both the organization and key personnel that will undertake the operation, maintenance and management of the Wastewater System.

5.4.1 **Qualifications and Experience of Bidder**

The Bidder shall provide information on the general expertise, experience, and reputation of the Bidder. The Bidder must demonstrate to the satisfaction of the Township that it has the necessary qualifications to operate the Wastewater System, maintain the physical plants and maintain all equipment in order to adequately operate and maintain the Wastewater System. The Bidder shall describe the Bidder's experience and qualifications relevant to the operation and maintenance of wastewater systems.

5.4.2 **Qualifications and Experience of Key Personnel**

The Bidder must demonstrate to the satisfaction of the Township that it has on staff a sufficient number of qualified personnel to operate the Wastewater System, maintain the physical plants and maintain all equipment in order to adequately operate and maintain the existing Wastewater System. The Bidder shall provide a description of all personnel anticipated to be significantly involved in the operation of the Wastewater System, with a list of their educational degrees, licenses held and years of experience in wastewater utility service operation and maintenance. Personnel shall be appropriately licensed and experienced in the performance of operating, maintaining, monitoring and repairing wastewater treatment and collection systems.

5.4.3 **Regulatory Compliance**

The Bidder shall describe its record of compliance with applicable regulatory requirements. The Bidder shall list any material violations of any applicable regulatory requirements, including any that resulted in fines over $50,000.
5.4.4 Other Wastewater System Acquisitions

The Bidder shall describe the rate structure and history of rate increases in connection with its municipal wastewater system acquisitions within the last five years. The Bidder shall also provide information regarding any capital improvements made by the Bidder to such systems following such acquisitions.

5.5 Section III: Purchase Price

The proposed Purchase Price shall be set forth on Bid Form 3 (Purchase Price).

5.6 Section IV: Financial Qualifications and Rate Plan

5.6.1 Financial Strength

The Bidder must demonstrate to the satisfaction of the Township that Bidder has the adequate financial resources to purchase the Wastewater System from the Township in accordance with the terms contained in the RFB and Draft Agreement of Sale and to own, operate, maintain and improve the Wastewater System. The Buyer shall provide annual audited financial reports of its operations for the past three (3) years as part of the Bid.

5.6.2 Capital Investments

The Bidder shall provide its assumptions with respect to how much capital it expects to invest in the Wastewater System in order to allow the Township to be in a position to lift the sewer ban. The Bidder shall identify anticipated capital improvements necessary to lift the sewer ban and provide an anticipated schedule for completing such improvements in accordance with Section 3.4 above. The Bidder shall also identify any other capital improvements it anticipates making to the Wastewater System.

5.6.3 Customer Service Plan and Plan for Billing Customers

The Bidder shall describe its proposed customer service plan and plan for billing customers, which shall address the basis on which the Bidder proposes to bill well users. The Township prefers that the Buyer continue the existing billing structure for wastewater customers as set forth in Appendix E. The Bidder shall also describe how the Township’s service area will be incorporated into the Bidder’s existing operations and shall indicate whether any of its existing operations are in close proximity to the Township of Long Hill.
5.6.4 Rate Plan

The Bidder shall describe in detail its plan for implementing a binding rate structure for the ratepayers following the sale. Bidder shall propose its best offer to address the Township’s objective of stabilizing rates for its ratepayers following the sale. Proposed binding rate freezes or decreases, limits on annual rate escalation, etc. shall be described in detail. Bidders shall submit a five-year binding rate schedule following the Closing Date. Bidders may propose a binding rate schedule in excess of five years. The binding rate schedule must reflect that rates will not be increased for at least two (2) years from the Closing (based on 2018 sewer rates) and that rates will not be raised more than 9% in total over the three (3) years after that. In addition, Bidders shall submit a projected (non-binding) rate schedule that projects rates for a minimum of 20 years following the Closing Date.

5.6.5 Exceptions to the Agreement of Sale

The Bidder shall review the draft Agreement of Sale (Appendix H) prior to submitting a Bid and identify areas where the Bidder takes exception, if any, during the Pre-Bid Question and Answer period. The Township will review such exceptions, if any, and, if the Township decides to revise the draft Agreement of Sale based on potential Bidder comments, a revised Agreement will be issued via an addendum to this RFB. Bidders proposing significant changes to the draft Agreement of Sale with their Bid may be deemed non-responsive.
APPENDIX A

GLOSSARY
GLOSSARY

Capitalized terms used in this RFB have the meanings assigned herein as set forth below. Certain other capitalized terms not defined herein shall have the meanings assigned in the Agreement of Sale.

“Addenda” shall mean the as written amendment(s) to the RFB issued prior to the Bid due date to prospective Bidders who obtained the RFB.

“Agreement of Sale” shall mean the agreement attached hereto as Appendix H.

“Bid” means a document submitted for evaluation in response to this RFB.

“Bid Security” shall mean the amount of Twenty Thousand Dollars ($20,000), by a certified check or bid bond issued by a surety/bonding company licensed in the State of New Jersey and acceptable to the Township.

“Bidder” means a Company that submits a Bid in response to this RFB.

“Closing Date” shall mean 30 days following the receipt of BPU approval of the municipal consent or such other date as provided for in the terms of the Agreement of Sale.

“Highest Responsible Bidder” means the Bidder that submits the Bid with the highest Purchase Price and is deemed financially and technically responsible by the Township.

“Seller” shall mean the Township.

“Township” shall mean the Township of Long Hill, in the County of Morris, New Jersey.

“Wastewater System” shall mean the Township’s wastewater collection system, pump stations and wastewater treatment plant.
APPENDIX B

SECTION 22-2 OF LONG HILL TOWNSHIP CODE
CHAPTER XXII SEWERS

ARTICLE I SEWERAGE CONNECTIONS

22-1 PERMIT REQUIRED; APPLICATION.

A permit to connect to the sanitary sewer system of the Township must be obtained and the fee specified herein must be paid before a cut or connection is made to the system including to an existing Y or T. Applications for such a permit must be made on forms approved and furnished by the Administrator. The application must be filed by the owner of the property and, accompanied by the fee prescribed in subsections 22-3.1 and 22-3.4. After a permit has been obtained, the actual connection shall be made by the owner of the property at his own expense. (1967 Code § 75-1)

22-2 CONNECTIONS.

22-2.1 Connection With Sewerage System.

When a public or private sewer system is available or at any time becomes available within two hundred (200') feet of a building, connection must be made to the public or private system within one hundred twenty (120) days of receipt of notice from the Township Committee or the Board of Health. In the event of adverse weather conditions and on application to the Township Committee or the Board of Health, the period of time within which connection must be made may be extended for a reasonable period not exceeding thirty (30) days. (Ord. No. 9-84; 1967 Code § 75-2)

22-2.2 Deferrals.

The connection required by subsection 22-2.1 above may be deferred for a period not to exceed twenty (20) years (the approximate useful life of a new septic system) from the date of installation when and as long as the existing individual sewage disposal system was constructed during the period of the voluntary sewer ban (which was imposed on September 14, 2000) and the owner can prove that the existing system meets the design requirements of N.J.A.C. 7:9A - Standards for Subsurface Individual Sewage Disposable Systems, and is operating satisfactorily. The owner may pay the current connection fee at the time of the deferral or, in his or her discretion, may pay the connection fee in effect when the physical connection is made to the Township sewer system. Any connection fee paid shall be nonrefundable. (Ord. No. 223-07 § 1)

22-2.3 Inoperative Private Systems.

In the event that an individual sewerage disposal system becomes inoperative at any time or is not functioning in a proper manner and a public or private sewerage system is available, connection to the public or private sewerage system must be made within ninety (90) days of receipt of notice from the Township Committee or the Board of Health. (Ord. No. 9-84; 1967 Code § 75-3; Ord. No. 223-09 § 3)

22-3 FEES.

22-3.1 Connection Fees.

In addition to the sewer use charges set forth in Article III of this chapter, a separate charge in the
APPENDIX C

BID FORMS
BID CHECKLIST

Owner’s CHECKMARKS

Items Submitted with Bid
Bidder’s INITIALS

A. FAILURE TO SUBMIT ANY OF THESE ITEMS WITH THE BID IS MANDATORY CAUSE FOR REJECTION

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>X</td>
<td>Letter of Qualification – Bid Form 1</td>
</tr>
<tr>
<td>X</td>
<td>Bid Bond or certified/cashier’s check - Bid Form 2</td>
</tr>
<tr>
<td>X</td>
<td>Purchase Price – Bid Form 3</td>
</tr>
<tr>
<td>X</td>
<td>Letter of Intent – Bid Form 4</td>
</tr>
<tr>
<td>X</td>
<td>Acknowledgment of Receipt of Addenda (if any) – Bid Form 5</td>
</tr>
<tr>
<td>X</td>
<td>Statement of Ownership – Bid Form 6</td>
</tr>
<tr>
<td>X</td>
<td>Non-Collusion Affidavit – Bid Form 7</td>
</tr>
<tr>
<td>X</td>
<td>Iran Disclosure Form – Bid Form 8</td>
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</tbody>
</table>

B. ITEMS PREFERRED AT TIME OF BID, BUT MANDATORY AT THE TIME INDICATED

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<table>
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<tbody>
<tr>
<td>X</td>
<td>New Jersey Business Registration Certificate (Prior to Contract Award)</td>
</tr>
</tbody>
</table>

PRINT NAME OF BIDDER: ________________________________

SIGNED BY: ________________________________

PRINT NAME AND TITLE: ________________________________

DATE: ________________________________

COMPLETE AND SUBMIT THIS CHECKLIST WITH THE BID
BID FORM 1

LETTER OF QUALIFICATION

(Note: To be typed on Bidder's Letterhead. No modifications may be made to this letter, except to italicized items.)

[Insert date]

Dear Municipal Clerk:

The undersigned has/have reviewed my/our Bid submitted in response to the Request for Bid (RFB) issued by Township of Long Hill (“the Township”), in connection with the sale of the Township’s Wastewater System.

I/We affirm that the contents of my/our Bid (which Bid is incorporated herein by reference) is accurate, factual and complete to the best of our knowledge and belief and that the Bid is submitted in good faith upon express understanding that any false statement may result in the disqualification of (Name of Bidder).

(Bidder shall sign and complete the spaces provided below.)

(Signature)

(Typed Name and Title)

(Type Name of Firm)*

Dated: ___________________
KNOW ALL MEN BY THESE PRESENT, that we [NAME OF BIDDER], as Principal (hereinafter the “Bidder”) and [NAME OF SURETY], a [Corporation], [Partnership] duly organized under the laws of the State of ________________, as Surety, are held and firmly bound unto the Township of Long Hill (the “Township”), as Obligee, in the sum of Twenty Thousand Dollars ($20,000) lawful money of the United States of America to be paid to the Township, its successors or assigns, for which payment, well and truly to be made, we bind ourselves, our successors and assigns, jointly and severally, firmly by these present; and

WHEREAS, the above-named Bidder has submitted or is about to submit to the Township a Bid to enter into an Agreement of Sale to purchase the Township’s Wastewater System as described in the Request for Bids, dated [______ __, 2019] (the “RFB”), issued by the Township and covered by the Bid submitted by the Bidder in response thereto, which Bid is made a part hereof.

NOW, THEREFORE, the Surety hereby understands that if the above-referenced Bid is accepted by the Township, then the Bidder will in good faith enter into a final Agreement of Sale in writing and give bond with surety acceptable to the Township for the purchase of the Township’s Wastewater System within the time specified in the RFB, or any extension thereof agreed to in writing by the Township. Surety hereby agrees that if the Bidder shall fail to do so, Surety will pay to the Township, as liquidated damages, the full amount of this Bond within 30 calendar days after receipt by Bidder and Surety of written notice of such failure from the Township, which notice shall be given with reasonable promptness, identifying this Bond and including a statement of the amount due. Upon execution of the Agreement of Sale, this Bond shall thereafter become null and void, otherwise to remain in full force and effect unless terminated as hereinafter provided.

It is agreed that this Bond shall become effective on the date the Bid is submitted and will continue in full force and effect for two hundred seventy (270) days from such date of submittal (unless extended) or until terminated as hereinafter provided.

If the Bid is not accepted within such 270-day time period, or any extension thereof agreed to in writing by the Township and the Bidder, then after written notice by the Township of such non-acceptance, this Bond may be terminated by the Surety or Bidder upon written notice to each other and to the Township by registered mail at least 10 days prior to the termination date specified in such notice. Upon the giving of such notice, the Surety shall be discharged from all liability under this Bond for any act or omission of the Bidder occurring after the date of the notice of non-acceptance.

Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the State of New Jersey.
All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the RFB.

IN WITNESS WHEREOF, the Surety and Bidder, intending to be legally bound hereby, do each cause this Bid Bond to be duly executed on its behalf by its authorized officers, agents or representatives.

Signed and sealed this ________ day of ______________________, 20__.  

SURETY  
[NAME OF SURETY]  

_____________________________  
Name  

_____________________________  
Name of Authorized Signatory  

_____________________________  
Signature  

_____________________________  
Title  

BIDDER  
[NAME OF BIDDER]  

_____________________________  
Name  

_____________________________  
Name of Designated Signatory  

_____________________________  
Signature  

_____________________________  
Title
BID FORM 3

PURCHASE PRICE

Total Purchase Price: Bidder hereby proposes a TOTAL PURCHASE PRICE in accordance with the RFB for the assets described therein at an amount set forth in words as follows:

and in dollars as follows:

$ __________________________

(Bidders acknowledge that in case of discrepancy, the amount in words will govern)

Plus an amount of $100,000 payable to Seller for Transaction Reimbursement Costs.

________________________________________________________________________

Name of Bidder

________________________________________________________________________

Signature

________________________________________________________________________

Title

C-5
Dear Municipal Clerk:

The undersigned, as Bidder, has (have) submitted the attached Bid in response to a Request for Bid (RFB), issued by the Township of Long Hill (“the Township”), for the Sale of the Township’s Wastewater System.

(Name of Bidder) HEREBY STATES:

1. The Bid contains accurate, factual and complete information.

2. (Name of Bidder) agrees/agrees to participate in good faith in the contract process as described in the RFB and to adhere to the Township’s procurement schedule.

3. (Name of Bidder) acknowledges/acknowledge that all costs incurred by it (them) in connection with the preparation and submission of the Bid prepared and submitted in response to the RFB, or any negotiation which results from this RFB shall be borne exclusively by the Bidder.

4. (Name of Bidder) hereby declares/declare that the only persons participating in this Bid as Principals are named herein and that no person other than those herein mentioned has any participation in this Bid or in any contract to be entered into with respect thereto. Additional persons may subsequently be included as participating Principals, but only if acceptable to the Township.

5. (Name of Bidder) declares that this Bid is made without connection with any other person, firm or parties who has submitted a Bid, except as expressly set forth below and that it has been prepared and has been submitted in good faith and without collusion or fraud.

6. (Name of Bidder) acknowledge and agrees that the Township may modify, amend, suspend and/or terminate the procurement process (in its sole judgment). In any case, the Township shall not have any liability to the Bidder for any costs incurred by the Bidder with respect to the contract activities described in this RFB.
(Bidder shall sign and complete the space provided below.)

(Signature)

(Typed Name and Title)

(Type Name of Firm)*

Dated: ____________________
BID FORM 5

ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA OR REVISIONS (IF ANY)

Bidder has examined and carefully studied the RFB, the other related data identified in the RFB, if any, and the following Addenda, receipt of all of which is hereby acknowledged.

<table>
<thead>
<tr>
<th>Addendum No.</th>
<th>Date Received</th>
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________________________________________
Name of Bidder

________________________________________
Signature

________________________________________
Title
BID FORM 6

STATEMENT OF OWNERSHIP
(N.J.S.A. 52:25-24.2)

The BIDDER is (check one):

☐ Partnership   ☐ Corporation   ☐ Sole Proprietorship   ☐ Limited Liability Partnership

☐ Limited Liability Corporation   ☐ Limited Partnership

☐ Subchapter S Corporation   ☐ Other, Please List ________________________________

I certify that:

☐ No individual person or entity owns a 10% or greater interest in the Bidder.

OR

☐ The list below contains the names and addresses of all individuals/entities holding 10% or greater interest in the Bidder. If a parent entity holding 10% or more is a publicly traded entity, then the Bidder in complying with N.J.S.A. 52:25-24.2 may submit the name and address of each publicly traded entity, and the name and address of each person holding 10% or more interest in the publicly traded entity as of the last annual filing with the Security Exchange Commission (SEC), or foreign equivalent.

Name: ________________________________________ Address: ______________________________________

Name: ________________________________________ Address: ______________________________________

Name: ________________________________________ Address: ______________________________________

☐ Check here if additional sheets are attached.

NOTE: If an entity owns a 10% or greater interest in the Bidder, list all owners of 10% or greater interest for each such entity. Repeat the process of disclosure as necessary for each tier or level of ownership until the name and address of each individual person who owns a 10% or greater interest in each listed entity has been disclosed.

Publicly Traded Parent Company Disclosure:
Provide the Website (URL) providing the last annual Security Exchange Commission (SEC) filing, or foreign equivalent:

________________________________________________________________________________________

BIDDER: ______________________________

SIGNED BY: ______________________________

PRINT NAME & TITLE: ______________________________

DATE: ______________________________

C-9
BID FORM 7

NON-COLLUSION AFFIDAVIT

Township of Long Hill
Request for Bids – Sale Wastewater System

STATE OF ________ )
) ss:
COUNTY OF )

I, _____________ of the City of ______________________ in the County of ____________ and the State of _______________ of full age, being duly sworn according to law on my oath depose and say that:

I am ____________________________ of the firm of ____________________________ the bidder making the Bid for the above named project, and that I executed the said Bid with full authority so to do; that said Bidder has not, directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above named project; and that all statements contained in said Bid and in this affidavit are true and correct, and made with full knowledge that the Township of Long Hill relies upon the truth of the statements contained in said Bid and in the statements contained in this affidavit in awarding the contract for the said project.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or prospective employees or bona fide established commercial or selling agencies maintained by ____________________________ for the purpose of securing business.
(N.J.S.A. 52:34-15) (NAME OF CONTRACTOR)

Subscribed and sworn to

____________________________________________________________
(Type or print name of affiant under signature)

before me this ___ day

of _____________ 20__.

____________________________________________________________
Notary Public of ______________________
My commission expires ______________, 20__.
BID FORM 8

IRAN DISCLOSURE FORM
DISCLOSURE OF ENERGY SECTOR INVESTMENT ACTIVITIES IN IRAN
New Jersey Public Law 2012, Chapter 25

Bidder / Respondent: ________________________________

PART 1 — CERTIFICATION — CHECK THE APPROPRIATE BOX:

A. ☐ I certify that neither the Bidder / Respondent nor any of the Bidder's / Respondent's parents, subsidiaries, or affiliates, as defined in C.52:32-56(e), is on the "Chapter 25 List" created and maintained by the New Jersey Department of the Treasury, as a person or entity engaging in the energy sector investment activities in Iran described in C.52:32-56(f). The Chapter 25 List may be found at http://www.state.nj.us/treasury/purchasing/pc/chapter25list.pdf

OR

B. ☐ The Bidder / Respondent and/or one or more of its parents, subsidiaries or affiliates is a person or entity on the Chapter 25 List referred to above. A detailed and precise description of the relevant activities of the listed Bidder / Respondent and/or listed parents, subsidiaries or affiliates is provided in Part 2 below.

PART 2 — ADDITIONAL INFORMATION — COMPLETE PART 2 ONLY IF B. IN PART 1 IS CHECKED:

The following is an accurate and precise description of the energy sector investment activities in Iran of the Bidder / Respondent and/or listed parents, subsidiaries or affiliates, on the Chapter 25 List (attach additional pages as necessary to make full disclosure):

Name of Person(s) or Entity(ies) on the Chapter 25 List: ________________________________

Relationship to Bidder / Respondent: ________________________________

Description of Activities: ________________________________

Duration of Engagement: ________________________________ Anticipated Cessation Date: ________________________________

Bidder / Respondent Contact Name: ________________________________ Contact Phone Number: ________________________________

☐ Check here if additional pages are attached and state number of attached pages: ______ (Number of pages attached.)

CERTIFICATION FOR PART 1 AND, IF APPLICABLE, PART 2: I, being of full age, hereby certify that the foregoing information and any attachments hereto are to the best of my knowledge true and complete. I certify that I am authorized to execute this certification on behalf of the Respondent. I acknowledge that the Borough will rely on the information contained herein and thereby acknowledge that I and the Bidder / Respondent are under a continuing obligation from the date of this certification through the completion of any contracts with the Borough to notify the Borough in writing of any changes to the answers or information contained herein.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment and the Bidder / Respondent is subject to the penalties stated in C. 52:32-59 and C. 40A:11-2.1.

Full Name (Print) ________________________________ Signature: ________________________________

Title: ________________________________ Date: ________________________________

2942127.1 001098 AGMT

C-12
NEW JERSEY BUSINESS REGISTRATION

Pursuant to N.J.S.A. 52:32-44, the Township of Long Hill (“Contracting Agency”) is prohibited from entering into a contract with an entity unless the bidder/proposer/contractor, and each subcontractor that is required by law to be named in a bid/proposal/contract has a valid Business Registration Certificate on file with the Division of Revenue and Enterprise Services within the Department of the Treasury.

Prior to contract award or authorization, the contractor shall provide the Contracting Agency with its proof of business registration and that of any named subcontractor(s).

Subcontractors named in a bid or other proposal shall provide proof of business registration to the bidder, who in turn, shall provide it to the Contracting Agency prior to the time a contract, purchase order, or other contracting document is awarded or authorized.

During the course of contract performance:

(1) the contractor shall not enter into a contract with a subcontractor unless the subcontractor first provides the contractor with a valid proof of business registration.

(2) the contractor shall maintain and submit to the Contracting Agency a list of subcontractors and their addresses that may be updated from time to time.

(3) the contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the use tax due pursuant to the Sales and Use Tax Act, (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Taxation at (609)292-6400. Form NJ-REG can be filed online at http://www.state.nj.us/treasury/revenue/busregcert.shtml.

Before final payment is made under the contract, the contractor shall submit to the Contracting Agency a complete and accurate list of all subcontractors used and their addresses.

Pursuant to N.J.S.A. 54:49-4.1, a business organization that fails to provide a copy of a business registration as required, or that provides false business registration information, shall be liable for a penalty of $25 for each day of violation, not to exceed $50,000, for each proof of business registration not properly provided under a contract with a contracting agency.
THESE ARE SAMPLES OF BUSINESS REGISTRATION CERTIFICATES.

STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE

Taxpayer Name:
Trade Name:
Address:

Certificate Number:
Date of Issuance:

For Office Use Only:

OR

STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE

TAXPAYER NAME:
TRADE NAME:
TAXPAYER IDENTIFICATION#:
SEQUENCE NUMBER:
ADDRESS:
ISSUANCE DATE:
EFFECTIVE DATE:

FORM-BRC(08-01)

C-14
APPENDIX D

REGISTRATION FOR UPDATES
TOWNSHIP OF LONG HILL

REGISTRATION

Sale of Wastewater System

The Bidder, ____________________________, as designated below hereby wishes to receive any updates for the Request For Bids and its appendices.

BIDDER: ________________________________________________________________

BY: _________________________________________________________________

SIGNATURE: __________________________________________________________

TITLE: ______________________________________________________________

DATE: ______________________________________________________________

ADDRESS: ___________________________________________________________

______________________________________________________________

______________________________________________________________

TELEPHONE: _______________________________________________________

FAX: ______________________________________________________________

EMAIL: _____________________________________________________________

NOTE: As set forth in Section 1.7.5 this completed form must be submitted to the parties identified in Section 1.6 to ensure that the Bidder receives all addenda/notices related to this RFB.
APPENDIX E

CURRENT SEWER USER FEES AND HISTORY OF RATE INCREASES
<table>
<thead>
<tr>
<th>Year</th>
<th>Per 1K gallon</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>9.11</td>
<td>Usage based on 9 Winter Months</td>
</tr>
<tr>
<td>2013</td>
<td>9.11</td>
<td>Usage based on 9 Winter Months</td>
</tr>
<tr>
<td>2014</td>
<td>9.11</td>
<td>Usage based on 9 Winter Months</td>
</tr>
<tr>
<td>2015</td>
<td>14.91</td>
<td>Usage based on 6 Winter Months</td>
</tr>
<tr>
<td>2016</td>
<td>15.05</td>
<td>Usage based on 6 Winter Months</td>
</tr>
<tr>
<td>2017</td>
<td>16.61</td>
<td>Usage based on 6 Winter Months</td>
</tr>
</tbody>
</table>
AN ORDINANCE CONCERNING SEWER USER RATES AND AMENDING CHAPTER XXII OF THE TOWNSHIP CODE ENTITLED “SEWERS”

BE IT ORDAINED by the Township Committee of the Township of Long Hill in the County of Morris, New Jersey that Chapter XXII of the Township Code entitled “Sewers” is hereby amended as follows:

Section 1. Section 22-23 entitled “User Rates” is hereby amended to read as follows:

22-23 USER RATES.

The following sewer service and usage fees are hereby established effective January 1, 2018, and shall remain in full force and effect until revised by ordinance duly adopted by the Township Committee:

a. All residential sewer users shall be charged a service fee of $175.00 per year per unit.
b. All commercial and industrial sewer users shall be charged a service fee of $175.00 per year per unit.
c. Residential sewer users that are metered shall be charged a sewer usage fee at the rate of $18.27 per thousand gallons.

1. The gallons used shall be the total water metered (Actual Usage) for the six (6) winter months preceding the billing year. By example, in the billing year of 2017, the gallons are determined from the six (6) months January through March and October through December 2016. The months excluded are: April through September 2016.

2. Water consumption figures for each user will be obtained from the water company servicing the premises or by the Township Sewer department if the meter is not serviced by the water company.

3. If the meter is not read or incorrectly read for one or more months of the usage period as determined by the Sewer Utility Collector, the amount charged for those months shall be equal to the approximate average monthly usage among other billable months during the same period.

d. Commercial and industrial sewer users that are metered shall be charged a sewer usage fee at the rate of $18.27 per thousand gallons.

1. The gallons used shall be the total water metered (Actual Usage) for the six (6) winter months preceding the billing year. By example, in the billing year of 2017, the gallons are determined from the six (6) months January through March and October through December 2016. The months excluded are: April through September 2016.

2. Water consumption figures for each user will be obtained from the water company servicing the premises or by the Township Sewer department if the meter is not serviced by the water company.
3. If the meter is not read or incorrectly read for one or more months of the usage period as determined by the Sewer Utility Collector, the amount charged for those months shall be equal to the approximate average monthly usage among other billable months during the same period.

e. Sewer Users that are not metered shall be charged a usage fee as follows:

   Residential units: $575 per unit
   Commercial or Industrial units: $1200 per unit

f. If a user has multiple water sources, the usage fee shall be the combined total of each source as specified in subsection 22-23c or d. if metered and subsection 22-23e. if unmetered. Only one service fee shall be applied.

g. The Township Committee may require a water meter to be installed by any sewer user utilizing a well or other private water system at the property owner’s expense.

h. Each user who is a resident of this Township and who was sixty-five (65) years of age or older during the prior calendar year shall be entitled annually, upon submission of a claim on proper forms, to a deduction of forty ($40.00) dollars from his or her sewer use charge as established hereinabove.

Section 2. Any and all other ordinances or parts thereof in conflict or inconsistent with any of the terms hereof are hereby repealed to such extent as they are so in conflict or inconsistent.

Section 3. In case any article, section or provision of this ordinance shall be held invalid in any court of competent jurisdiction, the same shall not affect any other article, section or provision of this ordinance except insofar as the article, section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 4. This ordinance shall take effect immediately upon final passage and publication as required by law.
NOTICE

The foregoing ordinance having been introduced and passed on first reading by the Township Committee of the Township of Long Hill, in the County of Morris on Wednesday, April 25, 2018, will be considered for final passage and adoption at a public hearing held at a meeting beginning at 7:30 p.m. on Wednesday, May 9, 2018 at the Municipal Building, 915 Valley Road, Gillette, New Jersey when and where or at such time and place to which said meeting may be adjourned, all persons interested will be given an opportunity to be heard concerning said ordinance.

____________________________________
Deborah Brooks
Township Clerk

First Reading and Introduction: ______ April 11, 2018
1st Publication: ______ April 19th
Second Reading and Adoption: ______ May 9th, 2018
2nd Publication: ______ May 17, 2018
APPENDIX F

WASTEWATER SYSTEM OPERATING BUDGET
The Township’s 2018 Sewer Budget can be viewed and downloaded from the Township website: [http://longhillnj.gov/](http://longhillnj.gov/). Click on the “Documents/Forms” tab and then “Financial Documents”.

<table>
<thead>
<tr>
<th>Sewer Projected cost</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>328,500</td>
<td>336,000</td>
<td>314,500</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>234,860</td>
<td>228,800</td>
<td>242,025</td>
</tr>
<tr>
<td>Health Benefit</td>
<td>123,838</td>
<td>137,666</td>
<td>137,666</td>
</tr>
<tr>
<td>FICA-7.65% of salary</td>
<td>25,130</td>
<td>25,704</td>
<td>24,059</td>
</tr>
<tr>
<td>Pension - est. 12% of salary</td>
<td>36,135</td>
<td>36,960</td>
<td>37,740</td>
</tr>
<tr>
<td>Utilities</td>
<td>197,000</td>
<td>207,000</td>
<td>227,000</td>
</tr>
<tr>
<td>Insurance - 10% of total bill</td>
<td>39,000</td>
<td>39,000</td>
<td>39,000</td>
</tr>
<tr>
<td>Fleet Expenses(budget)</td>
<td>10,000</td>
<td>10,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Debt Service-NJIT Loan(budget)</td>
<td>288,627</td>
<td>285,096</td>
<td>285,327</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,283,090</td>
<td>1,306,226</td>
<td>1,318,317</td>
</tr>
<tr>
<td>Litigation &amp; Sewer Sales</td>
<td>-</td>
<td>-</td>
<td>- 130,000</td>
</tr>
<tr>
<td>Capital Improvements / Contingency</td>
<td>186,000</td>
<td>172,000</td>
<td>158,530</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>1,469,090</td>
<td>1,478,226</td>
<td>1,606,847</td>
</tr>
<tr>
<td>* Anticipated Sewer Revenues in Budget</td>
<td>1,470,000</td>
<td>1,480,000</td>
<td>1,610,000</td>
</tr>
</tbody>
</table>
| *rounded up to nearest 10,000
APPENDIX G

CAPITAL IMPROVEMENTS TO BE UNDERTAKEN BY TOWNSHIP AND SCHEDULE
TOWNSHIP OF LONG HILL
IMPROVEMENTS TO BE IMPLEMENTED THROUGH THE
CAPACITY ASSURANCE AND SYSTEM REHABILITATION PROJECT

Scope of Improvements

Wastewater Treatment Plant

- Replacement of Influent Pumps No. 3 and No. 4 with higher capacity pumps
- Replacement of sand filters with higher capacity disk type effluent filters
- Replacement of return sludge pumps with higher capacity pumps
- Installation of a new coagulant storage and feed system for the chemical precipitation of phosphorus. System will be installed in an existing building
- Replacement of thickened sludge pumps No. 1 and No. 2
- Replacement of sluice gate at Distribution Box No. 2
- Installation of flood gates at the Digester Building
- Upgrade of Alarm panel
- Repair of concrete cracks at final clarifiers No. 1 and No. 2
- Replacement of roof at the UV Building

Pumping Stations

a. Valley Road PS Improvements
   - Installation of new Backflow preventer
   - Installation of new Fence
   - Installation of new Flow meter

b. King Drive PS Improvements
   - Installation of new Backflow preventer
   - Raise Electrical Panel

c. Morristown PS Improvements
   - Repair or replace Spiral Stair
   - Replacement of Wet well hatch, stairs and safety grating

d. New Vernon PS Improvements
   - Replacement of Wet well safety grate
   - Raise potable well
   - Repair of fence
e. Union Avenue PS Improvements
   • Installation of new Generator elevation and transfer switch

f. Mt Vernon PS Improvements
   • Minor structural repairs

g. Skyline Drive PS Improvements
   • Wet well modifications to enhance grinder access

### Clover Hill Road Pump Station

<table>
<thead>
<tr>
<th>Priority List</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloverhill Road Pump Station Upgrade and Repairs</td>
<td></td>
</tr>
<tr>
<td>New Generator &amp; transfer switch</td>
<td></td>
</tr>
<tr>
<td>New ventilation system</td>
<td></td>
</tr>
<tr>
<td>New heater</td>
<td></td>
</tr>
<tr>
<td>New electrical service &amp; panel</td>
<td></td>
</tr>
<tr>
<td>New potable well pump</td>
<td></td>
</tr>
<tr>
<td>New explosion proof lighting</td>
<td></td>
</tr>
<tr>
<td>Replace check valves &amp; gate valves</td>
<td></td>
</tr>
<tr>
<td>Replace (2)-20 hp pumps</td>
<td></td>
</tr>
<tr>
<td>Replace roof system, gutters, soffets</td>
<td></td>
</tr>
<tr>
<td>Grinder installation</td>
<td></td>
</tr>
<tr>
<td>Install new flow meter</td>
<td></td>
</tr>
<tr>
<td>Install new acces hatch</td>
<td></td>
</tr>
<tr>
<td>Pave access road</td>
<td></td>
</tr>
<tr>
<td>Replace propane tank</td>
<td></td>
</tr>
</tbody>
</table>

### Morristown Road Pump Station

<table>
<thead>
<tr>
<th>Priority List</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Morristown Road Pump Station Upgrade and Repairs</td>
<td></td>
</tr>
<tr>
<td>Generator &amp; transfer switch replacement</td>
<td></td>
</tr>
<tr>
<td>Wet well hatch, stairs &amp; safety grating</td>
<td></td>
</tr>
<tr>
<td>Grinder installation</td>
<td></td>
</tr>
<tr>
<td>Flow meter replacement</td>
<td></td>
</tr>
<tr>
<td>Pump motor replacements</td>
<td></td>
</tr>
<tr>
<td>New check valve &amp; gate valves</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td>Electrical upgrades</td>
<td></td>
</tr>
<tr>
<td>Lighting upgrades</td>
<td></td>
</tr>
<tr>
<td>Ventilation/heating upgrades</td>
<td></td>
</tr>
<tr>
<td>Roof and lintel replacement</td>
<td></td>
</tr>
<tr>
<td>Tree maintenance</td>
<td></td>
</tr>
<tr>
<td>Spiral stair maintenance</td>
<td></td>
</tr>
</tbody>
</table>

**Collection System**

- Rehabilitation of approximately 25,000 linear feet of sewer via cured-in-place pipelining
- Lining of service lateral connections to the sewer mains being rehabilitated
- Rehabilitation of manholes associated with the sewer mains being rehabilitated

**Implementation Schedule**

- Design Completion – June 2019
- Obtain required permits – September 2019
- Public Bidding – October 2019
- Contract Award – November 2019
- Notice to Proceed – December 2019
- Construction Completion – December 2020
APPENDIX H

DRAFT AGREEMENT OF SALE
AGREEMENT OF SALE

BETWEEN

THE TOWNSHIP OF LONG HILL, NEW JERSEY

AND

[BUYER]

[Date]
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Exhibit C. Form of Bill of Sale
Exhibit D. Tariff
Exhibit E. List of Written Contracts to Which Township is a Party which Relate to the Wastewater System [Note to Bidders: To be identified.]
Exhibit F. Form of Assignment and Grant of Easements, Rights of Way and other Property
Exhibit G. Form of General Assignment
Exhibit H. Disclosure Schedule to the Agreement of Sale
Exhibit I. Escrow Agreement
Exhibit J. Customer Service Standards and Customer Service Plan
Exhibit K. Capital Improvements to Lift Sewer Ban
AGREEMENT OF SALE

THIS AGREEMENT OF SALE (this “Agreement”), dated [Date] is made and entered into by and between the TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey (the “Township”) and [BUYER], a [____] [Corporation] with principal corporate offices at [__] (the “Buyer”). The Buyer and the Township are referred to collectively herein as the “Parties.”

WHEREAS, the Township currently owns and operates a Wastewater Treatment Plant, wastewater collection system and eight sanitary pump stations (collectively, the “Wastewater System”), more particularly described herein, located in the Township of Long Hill, New Jersey; and

WHEREAS, in connection with the proposed sale of its Wastewater System, the Township prepared, advertised, and made available to all prospective buyers a Request for Bids on April 18, 2019; and

WHEREAS, on [May 30, 2019], the Township received bids from [__] private water and sewer utilities in response to the RFB; and

WHEREAS, after review and clarifications of the Bid(s) received, the Township determined that the Buyer had submitted the Highest Responsible Bid; and

WHEREAS, the Township and the Buyer have agreed to the terms and conditions set forth in this Agreement, which sets forth the terms upon which sale of the Township’s Wastewater System to the Buyer will take place, provided all conditions of the Closing are satisfied; and

WHEREAS, the Township desires to sell and the Buyer desires to purchase the Wastewater System pursuant to the terms of the Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:
ARTICLE I

DEFINITIONS

“Agreement” shall mean this Agreement of Sale of the Wastewater System and all exhibits, attachments, and schedules hereto, dated [______ __, 2019].

“Assumed Liabilities” shall have the meaning set forth in Section 4.5 below.

“BPU” means the New Jersey Board of Public Utilities or any successor agency.

“Buyer” means [__].

“Township” means the Township of Long Hill, New Jersey.

“Closing” has the meaning set forth in Section 4.6 below.

“Closing Date” shall mean the date upon which Closing takes place as more particularly described in Section 4.6 below.

“Deposit” shall mean a payment of money equal to 10% of the Purchase Price, which is payable to the Township upon execution of this Agreement, and which shall be held by the Escrow Agent under the Escrow Agreement attached hereto and incorporated herein by reference as Exhibit I, and together with the earnings accrued thereon shall be the Deposit.

“Disclosure Schedule” has the meaning set forth in Section 2.1.

“Encumbrances” means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim or restriction on use or transfer.

“Escrow Agent” shall mean Pidgeon & Pidgeon, P.C.

“Final Approval Order” shall mean an order of the BPU authorizing the Buyer and the Township to consummate the purchase of assets as contemplated by this Agreement; and as to which the time for filing an appeal as of right has expired, and as to which there are no appeals, petitions for reconsideration, petitions for re-argument, or similar petitions pending.

“Governmental Authority” means any federal, state, regional, or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

“Monetary Liens” shall mean (a) judgment liens and tax liens entered against the Township and encumbering any part of the Wastewater System, and (b) mortgages, security interests and other liens granted by the Township and encumbering the Wastewater System.

“NJDEP” means the New Jersey Department of Environmental Protection or any successor agency.
“Party” shall mean either the Township or the Buyer.

“Parties” shall mean the Township and the Buyer.

“Permits” shall mean all permits, certificates, licenses, orders, registrations, franchises, authorizations and other rights and approvals from any governmental authority with respect to the Wastewater System held by the Township.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Permitted Encumbrances” shall have the meaning set forth in Article VI.

“Purchase Price” has the meaning set forth in Section 4.3 below.

“RFB” means the Request for Bids for the sale of the Wastewater System issued by the Township on April 18, 2019 and responded to by the Buyer.

“Wastewater System” shall mean the Township’s wastewater treatment plant, the wastewater collection system and the eight pumping stations, as described in detail in Exhibit A.

“Township” means the Township of Long Hill, New Jersey.

“Township Consent” shall mean the municipal consent ordinance that is to be enacted by the Township as a condition of the Closing.

“Transaction Documents” means collectively this Agreement and all agreements, documents, and certificates required by this Agreement.

“Transaction Costs Payment” has the meaning set forth in Section 4.4 below.
ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE TOWNSHIP

Section 2.1. REPRESENTATIONS AND WARRANTIES OF THE TOWNSHIP. Except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the “Disclosure Schedule”), which is attached as Exhibit H, the Township represents and warrants to the Buyer that the statements contained in this Article II are correct and complete as of the date of this Agreement. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered paragraphs contained in this Article II.

(A) Organization of the Township. The Township is a public body corporate and politic in Morris County in the State of New Jersey.

(B) Authorization of Transaction. The Township has full right and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(C) Title. The Township is the sole owner of all assets and each fee parcel of real property included in the Wastewater System, and leasehold interest, license or easement in all other real property in the Wastewater System.

(D) No Litigation. To the best of the Township’s knowledge, there is no litigation, either at law or in equity, nor any proceedings before any commission or regulatory body pending, or threatened against the Township, in any way that would adversely affect its ability to perform its obligations under the Agreement.

(E) No Default. To the best of the Township’s knowledge, the Township is not in default of any provisions of law, charter, by-laws, contract, franchise, rules or regulations of any governmental agency or any instrument to which it is a party and which in any way affects the Wastewater System.

(F) No Reimbursement Obligations. To the best of the Township’s knowledge, the Township is not party to any wastewater extension agreement or other contract which, if assigned to the Buyer, would obligate the Buyer by rebate, reimbursement, or other payment to return moneys to third parties by reason of installation of some portion of the Wastewater System.

(G) System Compliance. The Wastewater System is in compliance with all State, federal, and local laws and regulations.

(H) Tariff. The tariff, attached as Exhibit D, represents the true rates of the Wastewater System and are in effect as of the Contract Date.

Section 2.2. DISCLAIMER OF OTHER REPRESENTATIONS AND WARRANTIES. Except for representations and warranties as expressly set forth in this Article II, the Township makes no other representation or warranty, express or implied, at law or in equity, with respect to the Wastewater System or operations, including with respect to merchantability or fitness for any particular purpose and any such other representations or
warranties are hereby expressly disclaimed. The Buyer hereby acknowledges and agrees that, except for the representations and warranties specifically set forth in this Article II, the Buyer is purchasing the Wastewater System on an “as-is, where-is” basis. The Buyer has satisfied itself on all aspects, of the Wastewater System, including but not limited to all physical, economic, operational, regulatory, tax and title matters that the Buyer deems relevant, and is not relying on any representation of the Township in connection therewith except for the representations and warranties set forth in this Agreement. The Township shall not be liable for any latent or patent defects in the System.

Section 2.3. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** All of the representations and warranties made by the Township are true and correct as of the date of this Agreement and shall be true and correct and deemed repeated as of Closing, subject to the Disclosure Statement as same may be modified by the terms of this Agreement. No claim for a misrepresentation or breach of warranty of the Township shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to the Buyer prior to the Closing.
ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE BUYER

Section 3.1. REPRESENTATIONS AND WARRANTIES OF THE BUYER. Except as set forth in the Disclosure Schedule, the Buyer represents and warrants to the Township that the statements contained in this Article III are correct and complete as of the date of this Agreement. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered paragraphs contained in this Article III.

(A) Organization of Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the law of the State of [New Jersey].

(B) Authorization of Transaction. The Buyer has full right and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(C) No Litigation. To the best of the Buyer’s knowledge, there is no litigation, either at law or in equity, nor any proceedings before any commission or regulatory body pending, or threatened against the Buyer, in any way that would affect its ability to perform its obligations under this Agreement.

(D) No Warranties. The Buyer is purchasing the Wastewater System “as is”, and that the Buyer will have no recourse against the Township with respect to any condition of the Wastewater System that might be discovered after the Closing.

(E) Right to Inspect. Prior to the Contract Date, the Buyer has been afforded the opportunity to inspect and has inspected the Wastewater System to the extent that the Buyer deemed necessary and has made such examination of the Wastewater System, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Buyer deemed necessary. In entering into this Contract, the Buyer has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by the Township or any agent, employee or other representative of the Township or by any broker or any other person representing or purporting to represent the Township, which are not expressly set forth in this Contract, whether or not any such representations, warranties or statements were made in writing or verbally.

(F) Other Limitations of Local, State, and Federal Laws and Regulations. The Buyer accepts the terms of this Agreement subject to the terms and limitations of all applicable local, State, and federal laws, statutes, rules and/or regulations.

(G) Source of Funds. The funds comprising the Purchase Price to be delivered to the Township in accordance with this Contract are not derived from any illegal activity.

(H) Not a Blocked Person. The Buyer is not a, and is not acting directly or indirectly for or on behalf of any, person, group, entity or nation named by Executive Order of the United States Treasury Department as a terrorist, “Specifically Designated
National and Blocked Person,” or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control and the Buyer is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity or nation.

Section 3.2. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** All of the representations and warranties made by the Buyer are true and correct as of the date of this Agreement and shall be true and correct and deemed repeated as of Closing, subject to the Disclosure Statement as same may be modified by the terms of this Agreement.
ARTICLE IV

BASIC TRANSACTION

Section 4.1. PURCHASE AND SALE OF ASSETS. Subject to the terms and conditions of this Agreement, at the Closing referred to in Section 4.6, the Township will sell to the Buyer, and Buyer will buy from the Township, all of the Township’s rights, title, and interest in the Wastewater System as further described in Exhibit A for the consideration specified below in Section 4.3.

Section 4.2. EXCLUDED ITEMS. Except as specifically described in Exhibit A, in no event shall the Wastewater System include personal property, office equipment, office supplies, vehicles, cash, securities, and the accounts receivable of the Township relating to the Wastewater System up to and including the Closing Date.

Section 4.3. PURCHASE PRICE. The Buyer agrees, subject to the terms and conditions set forth in this Agreement, to pay to the Township, at the Closing referred to in Section 4.6, the sum of [$(____)] (the “Purchase Price”). Upon the execution of this Agreement, the Buyer shall pay the Deposit to be held by Escrow Agent pursuant to the terms of the Escrow Agreement, with any interest or earnings to follow the Deposit, and which Deposit shall be credited against the Purchase Price. Subject to the terms and conditions of this Agreement, the balance of the Purchase Price less the Deposit, increased or decreased by the items to be apportioned pursuant to Section 4.8 of this Agreement (such sum, before the apportionments referred to herein is referred to as the “Closing Balance” and after such apportionments is referred to as the “Adjusted Closing Balance”) shall be paid on the Closing Date by wire transfer in federal funds to a bank account designated in writing by the Township at least five (5) business days prior to the Closing Date.

Section 4.4. TOWNSHIP TRANSACTION EXPENSE. Notwithstanding any obligations of the Township set forth in the Agreement to solely bear its expenses and costs in connection herewith, and in addition to the Purchase Price provided for in Section 4.3, the Buyer agrees to pay the Township $100,000 for costs and expenses incurred and reasonably anticipated to be incurred by the Township in connection with the sale of the Wastewater System, including, but not limited to, outside attorney, engineering, inspection, and other consultant costs (collectively the “Transaction Costs Payment”). The Buyer agrees to pay the Township one-third ($33,333) of the Transaction Costs Payment upon the passing of the Township Ordinance approving the sale of the Wastewater System, which amount shall be non-refundable. The Buyer agrees to pay the Township the remaining two-thirds ($66,667) of the Transaction Costs Payment upon Closing.

Section 4.5. ADDITIONAL OBLIGATIONS. In addition to the payment of the amounts set forth in Sections 4.3 and 4.4 hereof, the Buyer agrees to:

(A) assume responsibility for all claims and liabilities relating to the Wastewater System that arise post-Closing;
(B) assume and meet all contractual commitments of the Township on and after the Closing Date in connection with the contracts set forth in Exhibit E (collectively, (A) and (B) constitute the “Assumed Liabilities”);

(C) comply with the Rate Stabilization Covenant set forth in Section 8.3;

(E) provide the customers of the Wastewater System with continuous, safe and reliable service in accordance with applicable laws and regulations, and the Buyer’s tariff as approved by the BPU;

(F) maintain or expand the Wastewater System in conformance with existing Township land use and zoning ordinances, master plan, and historic district standards, as applicable;

(G) connect at least 95% of existing properties (as of the Closing Date) within the Township to the Wastewater System as described in Section 8.7;

(H) make the required capital improvements pursuant to Section 8.4; and

(I) make application for the transfer, effective at the Closing, of all wastewater system permits and approvals issued to the Township prior to Closing by the NJDEP or any other local, State or federal agency.

Section 4.6. THE CLOSING. The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of Pidgeon & Pidgeon, P.C. forty-five (45) days after the satisfaction of the last condition to be satisfied pursuant to Article VII herein (the "Closing Date"). The Parties may mutually agree in writing to have the Closing at another time or place.

Section 4.7. DELIVERIES AT THE CLOSING. At the Closing:

(A) The Township will execute, acknowledge (if appropriate), and deliver to the Buyer:

(i) a bargain and sale deed associated with the Wastewater System without covenant against grantor’s acts, in recordable form, duly executed by Township;

(ii) an assignment of easements in the form attached hereto as Exhibit F, to convey all easement rights associated with the Wastewater System, subject to the Permitted Encumbrances;

(iii) a Bill of Sale in the form attached hereto as Exhibit C;

(iv) an Assignment and Assumption Agreement in the form attached hereto as Exhibit B;

(v) a General Assignment in the form attached hereto as Exhibit G;

(vi) a Settlement Statement;
(vii) a certified copy of the appropriate Township resolution(s) and/or ordinances authorizing the transactions contemplated hereunder;

(viii) a signed certification by the Township that the warranties and representations in Article II are true and correct as of the Closing Date;

(ix) originals or copies of all governmental permits and licenses for the System, or any component thereof, in the Township’s possession, to the extent transferable;

(x) Any other tax information regarding the Township that the Settlement Agent (as that term is used in Section 6045 of the Code) is required to report to the Internal Revenue Service pursuant to the Code;

(xi) Such other resolutions, instruments, affidavits and documents as may be reasonably necessary to effectuate the transaction.

(B) Buyer will execute, acknowledge (if appropriate) and deliver to Township:

(i) an assignment of easements in the form attached hereto as Exhibit F, to convey all casement rights associated with the Wastewater System, subject to the Permitted Encumbrances;

(ii) an Assignment and Assumption Agreement in the form attached hereto as Exhibit B;

(iii) a General Assignment in the form attached hereto as Exhibit G;

(iv) a Settlement Statement;

(v) Certified copy of appropriate corporate resolution(s) authorizing the transactions contemplated hereunder;

(vi) a signed certification by Buyer that the warranties and representations in Article III are true and correct as of the Closing Date;

(vii) Any tax information regarding Buyer that the Settlement Agent (as that term is used in Section 6045 of the Code) is required to report to the Internal Revenue Service pursuant to the Code;

(viii) The Purchase Price;

(ix) The balance of the Transaction Costs Payment ($66,667); and

(x) Such other documents, resolutions, instruments, affidavits and documents as may be reasonably necessary to effectuate the transaction.

Section 4.8. APPORTIONMENTS. At the Closing, real estate taxes, if any, for the fee parcels constituting Wastewater System assets to be transferred to the Buyer and all other
operating expenses for the Wastewater System allocable to periods before and after the Closing Date, shall be apportioned for the Wastewater System as of 11:59 p.m. on the day preceding the Closing Date.

Section 4.9. **SETTLEMENT STATEMENT.** At the Closing, the parties shall jointly execute the Settlement Statement setting forth all adjustments to the Purchase Price and the basis for same. In the event that any adjustments or apportionment cannot be apportioned or adjusted at the Closing by reason of the fact that final amounts have not been ascertained, or are not available as of such date, the parties hereto agree to apportion or adjust such items on the basis of their best estimates of the amounts known at the Closing and to re-prorate any and all of such amounts promptly when the final amounts are ascertained, which obligation shall survive the Closing.
ARTICLE V

PRE-CLOSING COVENANTS

Section 5.1. PRE-CLOSING COVENANTS. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

(A) General. Each of the Parties will use its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Transaction Documents.

(B) Access to Books. Upon reasonable prior notice, the Township will give the Buyer, its accountants, engineers, counsel and other representatives full access during normal business hours throughout the period from the date of this Agreement through the Closing Date to all of the Township’s records, books, and properties with respect to the Wastewater System, including, without limitation, all customer usage data and will furnish the Buyer copies, including in electronic format reasonably acceptable to the Buyer, at the Buyer's expense, of such documents or portions of documents related to the ownership, operation and maintenance of the Wastewater System as the Buyer may reasonably request, provided such documents and electronic media are in the Township’s possession or in the possession of third parties under contract with the Township.

(C) Permits. Prior to the Closing, the Parties shall cooperate to effect the transfer of all Permits related to the operation of the Wastewater System which were granted to the Township by any Governmental Authority, which transfer shall be effective on our after but not before the Closing. The Township shall provide reasonable assistance to the Buyer as reasonably requested by the Buyer with respect to such applications.

(D) Operation of Wastewater System. The Township will:

(i) continue to operate and maintain the Wastewater System;

(ii) maintain the Wastewater System in at least as good order and condition as existed on the date of this Agreement, casualty and normal wear and tear excepted;

(iii) timely comply with the provisions of all leases, agreements, and contracts relating to the Wastewater System; and

(E) BPU Approvals.

(i) The Buyer shall as soon as reasonably practicable after the execution of this Agreement by both Parties, at its sole cost and expense, file or cause to be filed all necessary documentation with the BPU to obtain the approvals required for the sale of the Wastewater System to the Buyer.
(F) **Township Consent.** The Buyer shall be responsible, at its sole cost and expense, with reasonable assistance from the Township, for obtaining BPU approval of the Township Consent pursuant to N.J.S.A. 48:2-14.

(G) **Risk of Loss.** The Parties agree that the Township shall bear the risk of and be responsible for loss with respect to the assets and properties constituting the Wastewater System from the date of this Agreement through the Closing Date. In event that the condition of the Wastewater System is significantly adversely changed from the date of this Agreement to the Closing Date by virtue of fire, casualty, act of God or condemnation, the Township and the Buyer may mutually agree, in writing, to a reduction in Purchase Price or other consideration as compensation for the significant adverse change in the System. If the Township and the Buyer cannot reach agreement within sixty (60) days of the event despite good faith efforts, either party has the option to terminate this Agreement upon written notice to the other Party. If the Buyer terminates the Agreement pursuant to this section, the Township shall promptly, and in no event later than five (5) business days after such termination, repay to the Buyer, the Deposit, and upon such termination this Agreement shall be deemed canceled, null and void and neither Party shall have any further obligation or liability to the other hereunder.

(H) **Customer List and Information; Final Bills.** The Township shall provide or cause to be provided to the Buyer a full and complete customer list for the Wastewater System as of the date of the execution of the Agreement by both parties, together with an electronic data file, in a format reasonably satisfactory to the Buyer, containing such customer information; such list and electronic file are to be updated by the Township and provided to the Buyer within 60 days before the Closing or as otherwise agreed to between the Parties. The Parties shall agree no later than 60 days before the Closing to a process and method for the final billing of the Wastewater System’s customers.

(I) **Publicity.** The Parties agree to cooperate on any formal public announcement or statement regarding this Agreement or the transactions contemplated herein. Each Party shall make a good faith effort to provide the other with advance notice of the proposed content of any public announcement or statement.

(J) **Identification of Contracts to be Assigned.** As set for in Section 4.5(C), the Buyer must assume the Township’s obligations on and following the Closing Date for those agreements set forth in Exhibit E.

(K) **Buyer Access.** The Township shall provide the Buyer, at the Buyer’s sole cost, reasonable access to the Wastewater System from the Contract Date until the Closing Date for purposes including, but not limited to, examination of customer accounts, ordinances, deeds, contracts, maps, and plans; inspection and tests of plant and equipment; and surveys of the real property comprising the Wastewater System and easements. The Buyer hereby agrees to indemnify and hold the Township harmless from any and all claims, demands, suits, actions, damages, liabilities, or expenses with respect to or arising from the Buyer’s access to the
Wastewater System during this period. The Buyer’s rights under this Section shall be exercised during normal business hours, with reasonable notice and shall not interfere with the Township’s continuing operation of the Wastewater System. The Township shall cooperate with the Buyer with respect to such access to ensure a smooth transition in ownership of the Wastewater System.

(L) **Confidentiality.** Any information provided by the Township to the Buyer regarding the Township’s customers and the Wastewater System that is not generally available to the public shall remain confidential.

(M) **Cooperation During Transition.** Generally, the parties shall cooperate to facilitate a smooth transition and the Buyer shall not do anything that will interfere with the Township’s operation and administration of the Wastewater System.

(N) **Referendum Education Campaign.** The Buyer shall provide reasonable assistance to the Township in connection with its public referendum education campaign.
ARTICLE VI

TITLE AND CONDITION OF SYSTEMS

Section 6.1.  **TITLE.** Title to the Wastewater System, including the subdivision of the WWTP lot shall be conveyed by the Township to the Buyer at the Closing free and clear of all Encumbrances, subject only to the Permitted Encumbrances. “Permitted Encumbrances” means any and all:

(A) matters disclosed by the Property Information Materials (as defined in Section 6.2 hereof);

(B) matters that become Permitted Encumbrances in accordance with the provisions of this Article VI;

(C) matters that would be revealed by a physical inspection of or a complete and accurate survey, of the real property comprising the Wastewater System;

(D) rights of way and easements that do not materially interfere with the existing use of the real property comprising the Wastewater System;

(E) zoning and other governmental restrictions;

(F) matters common to any plot or subdivision in which the real property comprising the Wastewater System is located; and

(G) taxes, assessments and other public charges on real property comprising the Wastewater System not due as of the Closing Date, provided, however, in no event shall Permitted Encumbrances include Monetary Liens. With respect to the real property comprising the Wastewater System, Buyer shall within five (5) business days of execution of this Agreement apply for an owner's title insurance policy or policies from a reputable title insurance company licensed to do business in New Jersey (the “Commitment”). Within five (5) business days after receipt of the Commitment, the Buyer shall notify the Township of any objections, other than the Permitted Encumbrances. Any matters set forth on the Commitment and not objected to by the Buyer within said five (5) day period shall become Permitted Encumbrances hereunder. The Township may elect to cure any title defect by so notifying the Buyer. If the Township does not so elect within twenty (20) days after notice of the objection, or if after so electing, the Township fails to cure the defect(s) prior to the Closing, then the Buyer's sole remedy shall be to close without any reduction in the Purchase Price or to terminate this Agreement upon notice to the Township, said notice to be delivered within seven (7) days of the Township’s failure to so elect or, if the Township elects to cure but does not, to be delivered at the Closing. If the Buyer terminates the Agreement pursuant to this section, the Township shall promptly, and in no event later than 5 business days after such termination, repay to the Buyer the Deposit, and upon such termination this Agreement shall be deemed canceled,
null and void and neither Party shall have any further obligation or liability to the other hereunder.

Section 6.2. **PROPERTY INFORMATION MATERIALS.** The Buyer acknowledges that prior to the Buyer's execution of this Agreement, the Township delivered to the Buyer and the Buyer reviewed the materials and information concerning the Wastewater System provided as part of the RFB (collectively, "Property Information Materials"). The Buyer acknowledges and understands that the Property Information Materials may have been prepared by parties other than the Township and that the Township makes no representation or warranty whatsoever, express or implied, as to the content, completeness, or accuracy of the Property Information Materials. The Buyer specifically releases the Township from all claims, demands, causes of action, judgments, losses, damages, liabilities, costs and expenses (including attorney’s fees whether suit is instituted or not) – whether known or unknown, liquidated or contingent (collectively, “Claims”), asserted against or incurred by the Buyer by reason of the information contained in, or that should have been contained in, the Property Information Materials or any inconsistency between such information and any representation or warranty of the Township contained in this Contract. However, the foregoing release shall not apply to any Claims resulting from any intentional misstatements or willful misconduct on the part of the Township.

Section 6.3. **CONDITION OF THE SYSTEMS.** Subject to the terms and conditions of this Agreement, and the representations and warranties contained in the other Transaction Documents, the Buyer has agreed to purchase the Wastewater System in its "AS-IS" condition, including their environmental condition, operating condition, and condition of repair. The Buyer acknowledges that the Buyer has had and/or has been given pursuant to the RFB, an adequate opportunity to make such legal, factual, and other inquiries and investigation as the Buyer deems necessary, desirable, or appropriate with respect to the Wastewater System. The Buyer has satisfied itself on all aspects, without limitation, of the Wastewater System and is not relying on any representation of the Township in connection therewith except for the representations and warranties contained in this Agreement and the other Transaction Documents.
ARTICLE VII

CONDITIONS TO OBLIGATION TO CLOSE

Section 7.1. CONDITIONS TO OBLIGATION OF THE BUYER. The obligation of the Buyer to perform its obligations in connection with the Closing is subject to the satisfaction or waiver by the Buyer of the following conditions:

(A) the representations and warranties set forth in Article II of this Agreement and the other Transaction Documents shall be true and correct in all material respects as of the Closing Date;

(B) the Township shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(C) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement and the Transaction Documents;

(D) the Buyer shall have secured from the Township, the BPU, NJDEP, and all other applicable governmental and quasi-governmental entities, all authorizations and approvals required for the transfer of the Wastewater System to the Buyer, including but not limited to the NJDEP Permits, if necessary (the “Approvals”). The Parties shall use all reasonable efforts to obtain the Approvals and to do so as expeditiously as reasonably possible. In connection with the Approvals, the Buyer shall deliver to the Township or cause to be delivered to the Township, through addition(s) to the applicable service list(s), copies of all correspondences to and from the bodies with whom the applications have been filed or will be filed. The Township covenants to cooperate with the Buyer, at the Buyer’s cost and expense, in the Buyer’s efforts to obtain the Approvals and to promptly consent, when required by law, to all applications for the Approvals filed by the Buyer. The Buyer shall immediately notify the Township in writing of any determinations made by any authority considering any application; and

Section 7.2. CONDITIONS TO OBLIGATION OF THE TOWNSHIP. The obligation of the Township to perform its obligations in connection with the Closing is subject to satisfaction or waiver by the Township of the following conditions:

(A) the representations and warranties set forth in Article III of this Agreement and in the other Transaction Documents shall be true and correct in all material respects as of the Closing Date;

(B) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(C) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or the Transaction Documents;
the Buyer shall have secured from the Township, the BPU, NJDEP, and all other applicable governmental and quasi-governmental entities, all authorizations and approvals required for the transfer of the Wastewater System to the Buyer, including but not limited to the NJDEP Permits, if necessary (the “Approvals”). The Parties shall use all reasonable efforts to obtain the Approvals and to do so as expeditiously as reasonably possible. In connection with the Approvals, the Buyer shall deliver to the Township or cause to be delivered to the Township, through addition(s) to the applicable service list(s), copies of all correspondences to and from the bodies with whom the applications have been filed or will be filed. The Township covenants to cooperate with the Buyer, at the Buyer’s cost and expense, in the Buyer’s efforts to obtain the Approvals and to promptly consent, when required by law, to all applications for the Approvals filed by the Buyer. The Buyer shall immediately notify the Township in writing of any determinations made by any authority considering any application; and

the Township shall have obtained any necessary consents and releases for the assignment and assumption of the assumed liabilities as defined in Exhibit B.

Section 7.3. SCHEDULE FOR CLOSING CONDITIONS. The Buyer shall promptly initiate and complete its conditions of Closing set forth in Section 7.1, provided, however, that all such conditions must be met no later than the date that is nine (9) months following the date of this Agreement. In the event that all such Closing conditions are not completed by such date notwithstanding the Company’s good faith efforts, the Township shall have the right to terminate this Agreement and keep the Deposit and the $33,333 portion of the Transaction Costs Payment that had been paid to the Township upon the passing of the Township Ordinance approving the sale.
ARTICLE VIII
POST-CLOSING OBLIGATIONS OF BUYER

Section 8.1. CONTINUATION OF WASTEWATER SERVICES. The Buyer shall continue to provide services in accordance with the Customer Service Standards and the Customer Service Plan described in Exhibit J and shall guarantee the collection, conveyance, and treatment of wastewater to the customers of the Wastewater System in a manner that meets all local, state, and federal laws and regulations relating to the collection, conveyance and treatment of wastewater and shall operate and maintain the Wastewater System to provide safe, reliable and adequate service.

Section 8.2. MAINTENANCE, REPAIRS, AND REPLACEMENT. The Buyer shall perform, at its own expense, all maintenance, repair, and replacement of the machinery, equipment, structures, improvements, and all other property and components constituting the Wastewater System. The Buyer shall provide or make provisions for all labor, materials, supplies, equipment, spare parts, and services which are necessary for the normal and ordinary maintenance of the Wastewater System and shall conduct predictive, preventive, and corrective maintenance of the Wastewater System as required by applicable law.

Section 8.3. RATE STABILIZATION COVENANT. [NOTE: To be developed based on Buyer’s Bid.] Covenant will reflect that rates will not be increased for at least 2 years from the closing (based on 2018 sewer rates) and rates will not be raised more than 9% in total over the three (3) years after that. Any future base rate increases shall be included in Buyer’s base rate cases periodically filed with the BPU. The Buyer shall use good faith efforts to minimize rate increases to Township customers by spreading costs of the Wastewater System across its statewide customer base to the extent permitted by law.

Section 8.4. CAPITAL IMPROVEMENTS TO LIFT SEWER BAN. As soon as reasonably practicable and no later than two years following Closing, the Buyer shall begin to undertake the capital improvements necessary to allow the Township to lift the existing sewer ban as described in Exhibit K. All capital improvements necessary to lift the sewer ban shall be completed within five years from Closing.

Section 8.5. SERVICE TO TOWNSHIP FACILITIES. The Buyer shall provide wastewater service to Township-owned facilities at no cost to the Township at the same volume levels as existed as of the Closing Date.

Section 8.6. CAPACITY FOR AFFORDABLE HOUSING UNITS. In accordance with the requirements of N.J.A.C. 5:93-4.3, the Buyer shall reserve and set aside new sewer capacity of 100,000 gpd on a priority basis, when it becomes available, for the low

1 While the Second Round COAH rules, including N.J.A.C. 5:93-4.3, have expired, the Township’s court-approved settlement agreement with Fair Share Housing Center cited N.J.A.C. 5:93-4.3(c), because the Supreme Court in Mount Laurel IV (In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1 (2015)) held that because COAH had failed to adopt Fourth Round rules, “previous methodologies employed in the First and Second Round Rules should be used to establish present and prospective statewide and regional affordable housing need.”
and moderate income housing that is included in the Township’s Housing Element and Fair Share Plan.

Section 8.7. **CONNECTION OF NON-SEWERED PROPERTIES WITHIN THE TOWNSHIP.** The Buyer shall extend the Wastewater System to connect the non-sewered properties of the Township to the Wastewater System so that at least 95% of the existing properties (as of the Closing Date) within the Township are connected to the Wastewater System no later than five years following Closing.

Section 8.8. **PERMITTED CAPACITY OF WWTP.** The Buyer is required, within five years from Closing, to complete all permitting and capital work to expand the permitted capacity of the WWTP so that the WWTP will be able to accommodate future growth of the Township as described below. The capacity of the plant shall be sufficient to serve the existing customers, accommodate additional flows from COAH/Affordable Housing obligations and associated non-COAH/Affordable Housing units (estimated 100,000 gpd), accommodate additional flows from redevelopment plans (estimated 30,000 gpd) and accommodate additional flows from the Purchaser’s obligation to connect at least 95% of the existing properties to the Wastewater System (estimated 64,000 gpd). The Buyer shall be required to meet the obligations described herein to the maximum extent allowable by the NJDEP and otherwise permitted by applicable laws and regulations. In addition, as allowed by future changes to the NJDEP regulations, the Buyer shall use commercially reasonable efforts to accommodate additional flows from approved development and redevelopment programs in Long Hill Township.

Section 8.9. **SENIOR DISCOUNT PROGRAM.** The Buyer shall continue the Township’s current senior citizen discount program for all residents age sixty-five (65) and older who are enrolled in the Township’s program as of the Closing Date. The existing senior citizen discount is set forth in Exhibit D.

Section 8.10. **CITIZENS ADVISORY PANEL.** The Buyer shall allow citizens of the Township to volunteer to serve on a citizens advisory panel for customer service issues.

Section 8.11. **PAVING.** The Buyer shall pave curb to curb on streets where sewer connection repairs or replacements are being performed. The Buyer shall coordinate its paving schedule with other Township construction projects.
ARTICLE IX

REMEDIES FOR BREACHES OF THIS AGREEMENT

Section 9.1. PRE-CLOSING DEFAULT BY THE BUYER. In the event that the Buyer materially breaches or defaults under this Agreement before the Closing hereunder, and such material breach or default continues for ten (10) business days after written notice from the Township to the Buyer specifying such material breach or default, the Township shall have the right as its sole remedy to terminate this Agreement and retain the Deposit and the $33,333 portion of the Transaction Costs Reimbursement paid to the Township upon the passing of the Ordinance approving the sale as liquidated damages. The Township’s rights and remedies pursuant to this Section 9.1 shall survive any termination of this Agreement by the Township as a result of the Buyer’s default.

Section 9.2. PRE-CLOSING DEFAULT BY THE TOWNSHIP. In the event that the Township materially breaches or defaults under this Agreement before Closing and such material breach or default continues for ten (10) business days after written notice from the Buyer to the Township specifying such material breach or default the Buyer shall have the right as its sole remedy to either seek to enforce the Agreement by an action for specific performance (but not an action for damages) or to terminate this Agreement and have the Deposit returned. The Buyer's rights and remedies pursuant to this section shall survive any termination of this Agreement by the Buyer as a result of the Township’s default.

Section 9.3. POST-CLOSING DEFAULTS. In the event that either party materially breaches or defaults under this Agreement or the Transaction Documents after the Closing, and such material breach or default continues for ten (10) business days after written notice from the non-defaulting party to the defaulting party specifying such material breach or default, the non-defaulting party shall have the right to seek any available remedies at law or equity.
ARTICLE X

ESCROW AGENT

Section 10.1. **ESCROW.** The Deposit shall be held by the Escrow Agent, in trust, for the benefit of the Parties as their interests appear hereunder under the Escrow Agreement attached hereto and incorporated herein by reference as **Exhibit I.**
ARTICLE XI

NON-BINDING MEDIATION; FORUM FOR DISPUTE RESOLUTION

Section 11.1. RIGHTS TO REQUEST AND DECLINE NON-BINDING MEDIATION. Either party may request non-binding mediation of any dispute arising under this Agreement. The non-requesting party may decline the request in its sole discretion. If there is concurrence that any particular matter shall be mediated, the provisions of this Article shall apply. The costs of such non-binding mediation shall be divided equally between the Township and the Buyer.

Section 11.2. PROCEDURE. The mediator shall be a professional engineer, attorney or other professional mutually acceptable to the parties who has no current or on-going relationship to either party. The mediator shall have full discretion as to the conduct of the mediation. Each party shall participate in the mediator’s program to resolve the dispute until and unless the parties reach agreement with respect to the disputed matter or one party determines in its sole discretion that its interests are not being served by the mediation.

Section 11.3. NON-BINDING EFFECT. Mediation is intended to assist the parties in resolving disputes over the correct interpretation of this Agreement. No mediator shall be empowered to render a binding decision.

Section 11.4. RELATION TO JUDICIAL LEGAL PROCEEDINGS. Nothing in this Article shall operate to limit, interfere with, or delay the right of either party under this Article to commence judicial legal proceedings upon a breach of this Agreement by the other party, whether in lieu of, concurrently with, or at the conclusion of any non-binding mediation.

Section 11.5. FORUM FOR DISPUTE RESOLUTION. It is the express intention of the parties that all legal proceedings related to this Agreement or to the Wastewater System or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in the applicable State courts located in Morris County, New Jersey.
ARTICLE XII

INDEMNIFICATION

Section 12.1. INDEMNIFICATION BY THE BUYER. The Buyer shall indemnify, defend and hold harmless, including paying all attorneys’ fees, the Township, and its elected officials, employees, representatives, agents, consultants and contractors (each, a “Township Indemnitee”), from and against any and all third-party claims, demands, suits, actions, damages, liabilities or expenses arising from (or alleged to arise from or in connection with: (1) the operation of the Wastewater System subsequent to the Closing Date; (2) any failure by the Buyer to perform its obligations under this Agreement; and (3) the negligent acts, errors or omissions or willful misconduct of the Buyer or any of its officers, directors, employees, agents, representatives or subcontractors in connection with this Agreement.

Section 12.2. INDEMNIFICATION BY THE TOWNSHIP. To the extent permitted by law, the Township shall indemnify, defend and hold harmless the Buyer from and against any and all third-party claims, demands, suits, actions, damages, liabilities or expenses arising from (or alleged to arise from or in connection with: (1) the operation of the Wastewater System prior to the Closing Date; and (2) the willful misconduct of the Township in connection with this Agreement.

Section 12.3. THIRD PARTY CLAIMS. An Indemnitee shall give the Indemnitor notice of any matter which an Indemnitee has determined has given or could give rise to a right of indemnification under this Agreement (an “Indemnified Claim”) within sixty (60) days of such determination, stating the amount of the Losses, if known, the method of computation thereof, and containing a reference to the provisions of this Agreement from which such right of indemnification is claimed or arises. If the Indemnitor acknowledges in writing that its obligation to indemnify the Indemnitee hereunder against any Losses that may result from such Indemnified Claim, then the Indemnitor shall be entitled to assume and control the defense of such Indemnified Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnitee within five (5) days of the receipt of such notice from the Indemnitee. In the event the Indemnitor exercises the right to undertake any such defense against any such Indemnified Claim as provided above, the Indemnitee shall cooperate with the Indemnitor in such defense and make available to the Indemnitor, at the Indemnitor’s expense, all witnesses, pertinent records, materials and information in the Indemnitee’s possession or under the Indemnitee's control relating thereto as is reasonably required by the Indemnitor. Similarly, in the event the Indemnitee is, directly or indirectly, conducting the defense against any such Indemnified Claim, the Indemnitor shall cooperate with the Indemnitee in such defense and make available to the Indemnitee, at the Indemnitor’s expense, all such witnesses, records, materials and information in the Indemnitor’s possession or under the Indemnitor's control relating thereto as is reasonably required by the Indemnitee. No such Indemnified Claim may be settled by the Indemnitor without the prior written consent of the Indemnitee which shall not be unreasonably withheld. If the Indemnitor fails to acknowledge its indemnity obligation within the time period provided above then the Indemnitee may undertake its own defense without waiving its right to seek indemnity hereunder, including reimbursement of any defense costs incurred.
Section 12.4. **NO OTHER DAMAGES.** Other than in connection with third party claims, in no event shall either Party be liable to the other for any reason under this Agreement or any other Transaction Document for any form of special, incidental, indirect, consequential, or punitive damages of any kind (whether or not foreseeable), even if informed in advance of the possibility of such damages, and whether arising in contract, tort (including negligence), or otherwise.
ARTICLE XIII

MISCELLANEOUS

Section 13.1. THIRD PARTY BENEFICIARIES. Neither this Agreement nor any Transaction Document shall confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 13.2. ENTIRE AGREEMENT. This Agreement (including the other Transaction Documents), constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter of any such agreement or document.

Section 13.3. SUCCESSION AND ASSIGNMENT. This Agreement and each Transaction Documents shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Neither party shall assign this Agreement to any Person without the other party’s prior written consent.

Section 13.4. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

Section 13.5. HEADINGS. The article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 13.6. NOTICES. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Township:

Municipal Clerk
Township of Long Hill
915 Valley Road
Gillette, New Jersey 07933

Copy to:

John R. Pidgeon, Esq.
Pidgeon & Pidgeon P.C.
600 Alexander Road
Princeton, New Jersey 08540

If to Buyer:
Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it is actually received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

Section 13.7. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New Jersey without giving effect to any choice or conflict of law provision or rule (whether of the State of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New Jersey.

Section 13.8. AMENDMENTS AND WAIVERS. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and the Township. No waiver by any Party of any default, misrepresentation, breach of warranty, or breach of covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, breach of warranty, or breach of covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 13.9. SEVERABILITY. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 13.10. EXPENSES. Subject to the Township’s retention of the $33,333 portion of the Transaction Costs Payment paid to the Township upon the passing of the Ordinance approving the sale (except as provided in Section 6.1), in the event the Closing does not occur, other than by reason of a material default by one of the Parties, each Party shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 13.11. CONSTRUCTION. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.
Section 13.12. **VARIATIONS IN PRONOUNS.** All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

Section 13.13. **INCORPORATION OF EXHIBITS AND SCHEDULES.** The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

Section 13.14. **TRANSFER TAXES.** The Buyer shall be responsible for all transfer taxes or other taxes applicable to the transaction, if any.

Section 13.15. **TIME IS OF THE ESSENCE.** Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement.

Section 13.16. **REVIEW OR AUDIT BY OFFICE OF THE STATE COMPTROLLER.** In accordance with N.J.S.A. 52:15C-14(d), Buyer shall maintain all documentation related to products, transactions or services under this Agreement for a period of five years from the Closing Date. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

*(Signature Page Follows)*
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement of the date first above written.

TOWNSHIP OF LONG HILL

By: ________________________________
Name: ______________________________
Title: ______________________________

[BUYER]

By: ________________________________
Name: ______________________________
Title: ______________________________
EXHIBIT A

DESCRIPTION OF THE WASTEWATER SYSTEM
Please refer to Sections 2 and 3 of the R&V Evaluation report which can be viewed and downloaded from the Township website: http://longhillnj.gov/ for a comprehensive description of the Wastewater System.
EXHIBIT B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the “Assignment and Assumption Agreement”) is made and entered into on [__] by and between the Township of Long Hill, a public body corporate and politic in Morris County in the State of New Jersey (the “Assignor”) and [__], a [New Jersey] Corporation with principal corporate offices at [__] (the “Assignee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement of Sale (as defined below).

WHEREAS, Assignor and Assignee are parties to a certain Agreement of Sale, dated [__], 2019 (the “Agreement”), providing for the sale by the Assignor of the assets constituting the Wastewater System to the Assignee; and

WHEREAS, the Assignor and the Assignee have agreed that on or prior to the Closing, the Assignor shall assign, and Assignee shall assume, the Assumed Liabilities, as more fully described herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

Section 1. ASSIGNMENT AND ASSUMPTION. Subject to the terms and conditions of the Agreement of Sale, the Assignor hereby assigns, sells, transfers, and sets over (collectively, the “Assignment”) to the Assignee all of Assignor's rights, obligations, and liabilities relating to the Assumed Liabilities as more particularly set forth on Schedule I attached hereto and made a part hereof. Subject to the terms and conditions of the Agreement, the Assignee hereby accepts the Assignment and will assume, observe, and perform all of the duties, obligations, terms, provisions, and covenants contained therein. The Assignee shall also pay and discharge all of the obligations and liabilities of the Assignor to be observed, performed, paid, or discharged in connection with the Assumed Liabilities. To the extent that the Assignment contemplated by this Section 1 constitutes or would be deemed to constitute a grant, sale, assignment, transfer, conveyance, or delivery, or an attempted grant, sale, assignment, transfer, conveyance, or delivery to the Assignee of any Assumed Liabilities, and such transaction would be prohibited by any applicable law or would require any governmental or third party authorizations, approvals, consents, or waivers, and such authorizations, approvals, consents, or waivers have not been obtained prior to the date hereof, this Assignment and Assumption Agreement shall not constitute a grant, sale, assignment, transfer, conveyance, or delivery, or an attempted grant, sale, assignment, transfer, conveyance, or delivery thereof. Following the date hereof, the parties shall cooperate and use commercially reasonable best efforts to obtain promptly such authorizations, approvals, consents, or waivers, and to obtain novations or other agreements if appropriate and, after obtaining such, to complete the transactions contemplated hereby. Pending such authorization, approval, novation, consent, or waiver, the parties shall cooperate with each other in any reasonable and lawful arrangement designed to provide the economic costs and benefits of the Assumed Liabilities to the Assignee. To the extent possible,
performance obligations of Assignor with respect to any such Assumed Liabilities shall be deemed to be subcontracted to the Assignee.

Section 2. FURTHER ASSURANCES. The Assignor and the Assignee each covenants and agrees to execute and deliver, at the request and expense of the other party hereto, such further instruments of transfer and assignment and to take such other action as such the other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment and Assumption Agreement.

Section 3. MISCELLANEOUS. This Assignment and Assumption Agreement constitutes an agreement solely among the parties hereto and is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, on any person other than the parties hereto and their respective successors, assigns, and legal representatives, nor shall person other such person otherwise constitute a third party beneficiary under or by reason hereof. This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument. This Assignment and Assumption Agreement shall be governed by and construed in accordance with the internal laws of the State of New Jersey without reference to choice of law principles thereof. This Assignment and Assumption Agreement may only be amended or modified in writing, signed by the party against whom enforcement of such amendment or modification is sought. In the event that the Closing does not occur, this Assignment and Assumption Agreement shall become null and void and the Assumed Liabilities shall remain the sole obligation of Assignor.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TOWNSHIP OF LONG HILL

By: ______________________
Name: 
Title: 

[BUYER]
By: ______________________
Name: 
Title: 

B-3
SCHEDULE I TO ASSIGNMENT AND ASSUMPTION AGREEMENT

All obligations relating to the Wastewater System accruing and arising on or after the Closing Date, including, but not limited to all obligations accruing or arising out of the Township Consent.

All contractual commitments of the Township contained in the assumed contracts listed in Exhibit E accruing and arising after the Closing Date.
EXHIBIT C

FORM OF BILL OF SALE

THIS BILL OF SALE dated as [__], 2019 from the Township of Long Hill, a public body corporate and politic in Morris County in the State of New Jersey (the “Township”) and [__], a [New Jersey] Corporation with principal corporate offices at [__] (the “Buyer”).

WITNESSETH

WHEREAS, by an Agreement of Sale, dated [__], 2019 (the “Agreement”), between the Township and the Buyer, the Township has agreed to convey to the Buyer certain assets, properties, and rights defined, described, and referred to in the Agreement (collectively, the “Wastewater System”) which include those assets listed on the document attached hereto as Schedule I to Exhibit C, with the exception of those items expressly set forth on the document attached hereto as Schedule II to Exhibit C; and

WHEREAS, pursuant to due authorization, the Township is presently executing and delivering this Bill of Sale to the Buyer for the purpose of selling and assigning to and vesting in the Buyer all of the right, title, and interest currently held by the Township in and to the Wastewater System;

NOW THEREFORE, in consideration of the purchase price provided in the Agreement and other good and valuable consideration, and intending to be legally bound, the Township hereby grunts, sells, conveys, assigns, transfers, sets over to, and vests in the Buyer, its successors and assigns, all of its right, title and interest, legal and equitable, in and to the Wastewater System.

TO HAVE AND TO HOLD the same, including the appurtenances thereof, unto the Buyer, its successors and assigns, forever, to its and their own proper use and behoof.

Section 1. SALE OF SYSTEMS AS IS. Except as specifically set forth in the Agreement, the Wastewater System is being transferred “AS IS”, “WHERE IS”, and “WITH ALL FAULTS” as of the date of this Bill of Sale, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose merchantability or any other warranty, express or implied. Except as specifically set forth in the Agreement, the Township specifically disclaims and Buyer waives any warranty, guaranty or representation, oral or written, past or present, express or implied, concerning the Wastewater System. The Buyer is hereby thus acquiring the Wastewater System based solely upon the Buyer’s own independent investigations and inspections of that property and not in reliance upon any information provided by the Township or the Township’s agents or contractors. The Township has made no agreement to alter, repair, or improve any portion of the Wastewater System.

Section 2. APPLICABLE LAW. This instrument shall be governed by and enforced in accordance with the laws of the State of New Jersey.
IN WITNESS WHEREOF, the Township has caused this Bill of Sale to be duly executed as of the date first above written.

Township of Long Hill, a public body corporate and politic in Morris County in the State of New Jersey

By: ________________________________

RECEIPT OF THE FOREGOING
BILL OF SALE
ACKNOWLEDGED AS OF
[______], 2019.

[BUYER]

By: ________________________________
SCHEDULE I TO EXHIBIT C

INCLUDED ASSETS

All assets that comprise the Wastewater System as described in Exhibit A. The Included Assets shall not include the Excluded Assets set forth in Schedule II to Exhibit C.
SCHEDULE II TO EXHIBIT C

EXCLUDED ASSETS

Personal property
Office equipment
Office supplies
Vehicles
Cash, securities, bank accounts and the accounts receivable of the Township relating to the Wastewater System up to and including the Closing Date.
TOWNSHIP OF LONG HILL
ORDINANCE #418-18

AN ORDINANCE CONCERNING SEWER USER RATES AND
AMENDING CHAPTER XXII OF THE TOWNSHIP CODE ENTITLED “SEWERS”

BE IT ORDAINED by the Township Committee of the Township of Long Hill in the
County of Morris, New Jersey that Chapter XXII of the Township Code entitled “Sewers” is
hereby amended as follows:

Section 1. Section 22-23 entitled “User Rates” is hereby amended to read as follows:

22-23 USER RATES.

The following sewer service and usage fees are hereby established effective January 1, 2018,
and shall remain in full force and effect until revised by ordinance duly adopted by the Township
Committee:

a All residential sewer users shall be charged a service fee of $175.00 per year per unit.
b All commercial and industrial sewer users shall be charged a service fee of $175.00 per year
   per unit.
c Residential sewer users that are metered shall be charged a sewer usage fee at the rate of
   $18.27 per thousand gallons.

1. The gallons used shall be the total water metered (Actual Usage) for the six (6)
   winter months preceding the billing year. By example, in the billing year of 2017, the
   gallons are determined from the six (6) months January through March and October
   through December 2016. The months excluded are: April through September 2016.

2. Water consumption figures for each user will be obtained from the water company
   servicing the premises or by the Township Sewer department if the meter is not serviced by
   the water company.

3. If the meter is not read or incorrectly read for one or more months of the usage
   period as determined by the Sewer Utility Collector, the amount charged for those months
   shall be equal to the approximate average monthly usage among other billable months
   during the same period.

d Commercial and industrial sewer users that are metered shall be charged a sewer usage fee at
the rate of $18.27 per thousand gallons.
1. The gallons used shall be the total water metered (Actual Usage) for the six (6) winter
   months preceding the billing year. By example, in the billing year of 2017, the gallons are
determined from the six (6) months January through March and October through
   December 2016. The months excluded are: April through September 2016.
2. Water consumption figures for each user will be obtained from the water company
servicing the premises or by the Township Sewer department if the meter is not serviced by the water company.

3. If the meter is not read or incorrectly read for one or more months of the usage period as determined by the Sewer Utility Collector, the amount charged for those months shall be equal to the approximate average monthly usage among other billable months during the same period.

e. Sewer Users that are not metered shall be charged a usage fee as follows:
   
   Residential units: $575 per unit
   
   Commercial or Industrial units: $1200 per unit

f. If a user has multiple water sources, the usage fee shall be the combined total of each source as specified in subsection 22-23c or d. if metered and subsection 22-23e. if unmetered. Only one service fee shall be applied.

g. The Township Committee may require a water meter to be installed by any sewer user utilizing a well or other private water system at the property owner’s expense.

h. Each user who is a resident of this Township and who was sixty-five (65) years of age or older during the prior calendar year shall be entitled annually, upon submission of a claim on proper forms, to a deduction of forty ($40.00) dollars from his or her sewer use charge as established hereinabove.

Section 2. Any and all other ordinances or parts thereof in conflict or inconsistent with any of the terms hereof are hereby repealed to such extent as they are so in conflict or inconsistent.

Section 3. In case any article, section or provision of this ordinance shall be held invalid in any court of competent jurisdiction, the same shall not affect any other article, section or provision of this ordinance except insofar as the article, section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 4. This ordinance shall take effect immediately upon final passage and publication as required by law.
NOTICE

The foregoing ordinance having been introduced and passed on first reading by the Township Committee of the Township of Long Hill, in the County of Morris on Wednesday, April 25, 2018, will be considered for final passage and adoption at a public hearing held at a meeting beginning at 7:30 p.m. on Wednesday, May 9, 2018 at the Municipal Building, 915 Valley Road, Gillette, New Jersey when and where or at such time and place to which said meeting may be adjourned, all persons interested will be given an opportunity to be heard concerning said ordinance.

Deborah Brooks
Township Clerk

First Reading and Introduction: _____ April 11, 2018
1st Publication: _____ April 19th
Second Reading and Adoption: _____ May 9th, 2018
2nd Publication: _____ May 17, 2018
EXHIBIT E

LIST OF WRITTEN CONTRACTS TO WHICH THE TOWNSHIP IS A PARTY WHICH RELATE TO THE SYSTEMS

[Note to Bidders: To be identified.]
EXHIBIT F

FORM OF ASSIGNMENT AND GRANT OF EASEMENTS, RIGHTS OF WAY, AND OTHER PROPERTY

THIS ASSIGNMENT is made this day of [], 2019 between the TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey (the “Grantor”), and [Buyer], a [New Jersey Corporation] (the “Grantee”), having an address at [__].

WHEREAS, pursuant to an Agreement of Sale (the “Agreement”) dated [], 2019 and a Bill of Sale contemporaneously herewith, the Grantor has granted, sold, conveyed, assigned, transferred, set over, and vested in Grantee, its successors, and its assigns, all of the Grantor's right, title, and interest in the Wastewater System as defined in the Agreement.

WITNESSETH, that Grantor for and in consideration of the sum of One Dollar ($1.00) lawful money of the United States of America, and other valuable consideration, unto it well and truly paid by Grantee at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has assigned, granted, bargained, sold, aliened, enfeoffed, released, and confirmed, and by these presents does assign, grant, bargain, sell, alien, enfeoff, release, and confirm unto Grantee, its successors and assigns:

ALL Grantor's right, title and interest in and to any and all: (a) those certain rights of way, easements, licenses, and other rights and interests created or evidenced by those instruments listed in Schedule I to Exhibit F and made a part hereof, as well as any and all other easements and rights of way owned by Grantor which are rights in real property related to the provisions of water and wastewater service (collectively, the “Easements”); (b) any rights of way or easements that may be located in private property without written instruments where rights may have arisen from the passage of time, the operation of law, or otherwise; (c) all rights of Grantor to easements that may be shown on subdivision or development plans; and (d) all rights, liberties, privileges, hereditaments, and appurtenances whatsoever thereunto belonging, or in and otherwise appertaining, and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, property, claim, and demand whatsoever in and to the same and every part thereof (all of the foregoing being herein referred to as the “Premises”);

TOGETHER WITH all of Grantor's occupancy rights and privileges to use, maintain, replace, and repair all water mains and appurtenant facilities located in the public rights-of-way of State highways and Townships roads.

TOGETHER WITH all of Grantor's rights of ingress, egress, and regress to and from said Easements, water and wastewater mains and appurtenances, at any and all times for the purpose of operating the Wastewater System and laying, relaying, installing, operating, inspecting, maintaining, repairing, altering, removing, renewing, and replacing the Wastewater System and their appurtenances;
TO HAVE AND TO HOLD the Easements and Premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the Grantee, its successors and assigns, to and for the only proper use and behoof of the Grantee, its successors and assigns, forever.

This Grant and all of the covenants herein contained shall inure to the benefit of and shall be binding upon Grantor, its successors and assigns, and Grantee, its successors or assigns.

The Grantee accepts and assumes any and all obligations under and arising in connection with the Easements and shall indemnify the Township in connection with the Grantee’s failure or improper performance of such obligations.

IN WITNESS WHEREOF the Grantor has caused this Assignment and Grant to be duly executed the day and year first above written.

[SEAL]

TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey

Attest: ________________________________  By: ________________________________

Name
Title:
On this, the ___ day of 2019, before me, a Notary Public in and for said County, personally appeared __________________________, who acknowledged himself to be the _____________ of the Township of Long Hill, a public body corporate and politic in Morris County in the State of New Jersey, and that he, as such ________________, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of __________________________ by himself as ____________________.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

________________________________________
Notary Public
My Commission Expires:
[SEAL]
SCHEDULE I TO EXHIBIT F

LIST OF EASEMENTS GRANTED TO OR OBTAINED BY THE TOWNSHIP

Easements granted to or obtained by the Township of Long Hill herewith as described herein.
EXHIBIT G

FORM OF GENERAL ASSIGNMENT

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT, dated [__], 2019, by and between the TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey (the “Assignor”) and [Buyer], a [_________] corporation having a mailing address at [_____] (the “Assignee”).

WHEREAS, Assignor and Assignee entered into an Agreement of Sale dated [__], 2019 (the “Agreement”) for the sale and purchase of the Wastewater System (as defined in the Agreement); and

WHEREAS, in connection with such sale and purchase, and as provided in the Agreement, Assignor desires to assign, transfer, set over, and deliver to Assignee all of Assignor's right, title, and interest in and to all assignable permits, licenses, plans, warranties, and guarantees benefiting the Wastewater System (each issuer of any such permit, license, plan, warranty, or guarantee is hereinafter referred to as an “Issuer”), including, without limitation, items described on Schedule I to Exhibit G attached hereto (the “Assigned Rights”), and

WHEREAS, Assignee desires to accept the Assigned Rights.

NOW, THEREFORE, in accordance with the Agreement and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties do hereby covenant and agree as follows:

Section 1. ASSIGNMENT. Assignor does hereby assign, transfer, set over, and deliver unto Assignee all of the Assignor’s right, title, and interest in and to the Assigned Rights. Assignor agrees that upon Assignee’s request, it shall, without charge, execute such further reasonable documents as any Issuer may require to evidence this assignment, provided that no such document imposes any obligation or liability upon Assignor for any obligations or liabilities accruing on or after the date of this Assignment.

Section 2. BINDING ASSIGNMENT. This Assignment shall be: (i) binding upon, and inure to the benefit of the parties to this Assignment and their respective heirs, legal representatives, successors and assigns and (ii) construed in accordance with the laws of the State of New Jersey without regard to the application of choice of law principles.

Section 3. COUNTERPARTS. This Assignment may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, this General Assignment has been signed, sealed and delivered by the parties as of the date first above written.

G-1
WITNESS:  

______________________________

ASSIGNOR:

TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey

Accepted this ___ day of _______, 20___.

By: ____________________________
   Name
   Title:

WITNESS:

By: ____________________________

ASSIGNEE:

[BUYER]

By: ____________________________
   Name
   Title:
SCHEDULE I TO EXHIBIT G

LIST OF ASSIGNED RIGHTS

PERMITS:

New Jersey Pollutant Discharge Elimination System Discharge to Surface Water Permit – NJDEP Permit #NJ0024465

Sludge Permit – NJDEP Permit #NJG0212024

Air Quality Permit #25815

Back Flow Permit #1328
EXHIBIT H

DISCLOSURE SCHEDULE TO THE AGREEMENT OF SALE

[NOTE: Disclosures to be reflected in this exhibit prior to execution of Agreement.]

BETWEEN TOWNSHIP OF LONG HILL AND [BUYER]

These schedules are to be read in their entirety. Nothing in these schedules is intended to broaden the scope of any representation or warranty contained in the Agreement of Sale (the “Agreement”). The disclosure of any item, explanation, exception, or qualification in these schedules is disclosure of that item for all purposes for which disclosure is required under the Agreement, and is disclosed in all appropriate schedules irrespective of whether any cross-reference is made or whether no schedule is provided with respect to any representation or warranty. Capitalized terms used and not otherwise defined in these schedules shall have the meanings ascribed to them in the Agreement.

Schedule 2.1(A)

Organization of Township

[ ]

Schedule 2.1(B)

Authorization of Transaction

[ ]

Schedule 2.1(C)

Title

[ ]

Schedule 2.1(D)

Litigation

[ ]

Schedule 2.1(E)

Default

[ ]

Schedule 2.1(F)
Reimbursement Obligation

[]

Schedule 2.1(G)

System Compliance

[]

Schedule 2.1(H)

Tariff

[]

Schedule 3.1(A)

Organization of Buyer

[]

Schedule 3.1(B)

Authorization of Transaction

[]

Schedule 3.1(C)

Litigation

[]

Schedule 3.1(D)

Warranties

[]

Schedule 3.1(E)

Right to Inspect

[]

Schedule 3.1(F)
Other Limitations of Local, State, and Federal Laws and Regulations

[ ]

Schedule 3.1(G)

Source of Funds

[ ]

Schedule 3.1(H)

Blocked Person

[ ]
EXHIBIT I

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of [__] (this “Escrow Agreement”), by and among TOWNSHIP OF LONG HILL, a public body corporate and politic in Morris County in the State of New Jersey (the “Township”), [BUYER], a [_______] corporation (the “Buyer”), and PIDGEON & PIDGEON, P.C. (the “Escrow Agent”).

WITNESSETH

WHEREAS, the Buyer has executed and delivered to the Township an Asset Agreement of Sale, dated as of [__] (the “Agreement”), pursuant to which the Buyer will purchase from the Township, and the Township will sell to the Buyer, the Wastewater System as defined in the Agreement;

WHEREAS, it is contemplated under the Agreement that the Buyer will deposit or cause to be deposited into escrow the sum of 10% of the Purchase Price (the “Escrow Amount”) in cash upon its execution of the Agreement, to be held and disbursed by the Escrow Agent in accordance with the terms herein; and

WHEREAS, Escrow Agent is willing to act as the Escrow Agent hereunder.

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

Section 1. APPOINTMENT AND AGREEMENT OF ESCROW AGENT. The Buyer and the Township hereby appoint the Escrow Agent to serve as, and the Escrow Agent hereby agrees to act as the escrow agent upon the terms and conditions of this Agreement.

Section 2. ESTABLISHMENT OF THE ESCROW FUND. Pursuant to Section 2.4 of the Agreement, the Buyer shall deliver to the Escrow Agent on the date hereof the Escrow Amount. The Escrow Agent shall hold the Escrow Amount and all interest and other amounts earned and/or accrued thereon (the “Escrow Fund”) in escrow pursuant to the terms of this Escrow Agreement and the Agreement.

Section 3. PURPOSE OF THE ESCROW FUND. The Escrow Amount will be held by the Escrow Agent as a deposit made by the Buyer to be credited against the Purchase Price to the Township pursuant to Section 2.4 of the Agreement.

Section 4. PAYMENTS FROM THE ESCROW FUND.

(A) At the Closing, upon written request of the Buyer and the Township, the Escrow Agent shall pay in full to the Township in immediately available funds all such amounts in the Escrow Fund. The Buyer and Township agree that such amount shall be credited against the Purchase Price in favor of the Buyer at the Closing.
(B) In the event that the Agreement is terminated as described in Section 9.2 of the Agreement of Sale, the Buyer shall provide written notice to the Escrow Agent of such termination specifying in reasonable detail the nature and basis for such termination. The Escrow Agent shall, upon receipt of such notice, deliver a copy of such notice to the Township’s Representative. If within ten (10) Business Days after delivery of such notice, the Escrow Agent has not received a written objection from the Township or the Township’s Representative, the Escrow Agent shall promptly transfer the Escrow Fund to the Buyer, by wire transfer in immediately available funds. If the Escrow Agent has received an objection within the stated time period, then Escrow Agent will proceed as described in Section 5 below.

(C) In the event that the Agreement is terminated as described in Section 9.1 of the Agreement, the Township shall provide written notice to the Escrow Agent of such termination specifying in reasonable detail the nature and basis for such termination. The Escrow Agent shall, upon receipt of such notice, deliver a copy of such notice to the Buyer. If within ten (10) Business Days after delivery of such notice, the Escrow Agent has not received a written objection from the Buyer, the Escrow Agent shall promptly transfer the Escrow Fund to the Township by wire transfer in immediately available funds. If the Escrow Agent has received an objection with the stated time period, then Escrow Agent will proceed as described in Section 5 below.

Section 5. OBJECTION TO A TERMINATION NOTICE. Either party, after receipt of a notice from the Escrow Agent that the other party is claiming a right to payment of the Escrow Fund pursuant to a termination right under the Agreement, may at any time within the ten (10) Business Days after receipt of said notice object by delivering to the Escrow Agent a writing specifying in reasonable detail the nature and basis for such objection. Upon receipt of such an objection, the Escrow Agent shall deliver a copy of such objection to the party seeking payment of the Escrow Fund. Unless the Escrow Agent thereafter receives, a statement from the objecting party that it is withdrawing its objection, the Escrow Fund shall be held by the Escrow Agent and shall not be released except in accordance with either: (i) written instructions jointly executed by an authorized officer of the Buyer and the Township's Representative or (ii) the final non-appealable judgment of a court.

Section 6. MAINTENANCE OF THE ESCROW FUND; TERMINATION OF THE ESCROW FUND.

(A) The Escrow Agent shall maintain the Escrow Fund in a non-interest bearing account in [Bank] until the earlier of:

(i) the time at which there shall be no funds in the Escrow Fund; or

(ii) the termination of this Escrow Agreement.

(B) Notwithstanding any other provision of this Escrow Agreement to the contrary, at any time prior to the termination of the Escrow Fund, the Escrow Agent shall, if so instructed in a writing jointly signed by the Buyer and the Township’s Representative, pay from the Escrow Fund, as instructed, to the Township or the Buyer, as directed in such writing, the amount of cash so instructed.
(C) Escrowee shall not be responsible for any interest on the Deposit except as is actually earned, or for the loss of any interest resulting from the withdrawal of the Deposit prior to the date interest is posted thereon or for any loss caused by the failure, suspension, bankruptcy or dissolution of the institution in which the Deposit is deposited.

(D) In the event that the Escrow Agent is uncertain as to its duties or rights hereunder or receives instructions from any party hereto with respect to the Escrow Fund which, in its reasonable opinion, are in conflict with any of the provisions of this Escrow Agreement or any instructions received from one of the other parties to this Escrow Agreement, the Escrow Agent shall be entitled to refrain from taking any action other than to keep the Escrow Fund in question until: (i) such time as there has been a “Final Determination” (as defined herein) with respect to the Escrow Fund or (ii) deposit the Escrow Fund in escrow into any Court of competent jurisdiction at any time and thereafter shall have no further obligations or liabilities to anyone under this Escrow Agreement. For purposes of this Section, there shall be deemed to have been a "Final Determination" of the rights of the applicable parties with respect to the Escrow Fund at such time as any of the applicable parties shall file with the Escrow Agent: (i) an official certified copy of a court order, together with an opinion of counsel of the party filing the foregoing, in form and substance acceptable to the Escrow Agent and its counsel, stating that the court order is a final determination (and not subject to appeal in a federal or state court of competent jurisdiction) of the rights of the parties hereto with respect to the Escrow Fund, that the time to appeal from said court order has expired, and that said court order is binding upon the applicable parties or (ii) a fully executed agreement or consent by and among the applicable parties which provides for disposition of the Escrow Fund in accordance with Article XII of the Agreement.

Section 7. ASSIGNMENT OF RIGHTS TO THE ESCROW FUND; ASSIGNMENT OF OBLIGATIONS; SUCCESSORS. This Agreement may not be assigned by operation of law or otherwise without the express written consent of each of the parties hereto (which consent may be granted or withheld in the sole discretion of such parties); provided, however, that the Buyer may assign this Escrow Agreement to an Affiliate of the Buyer without the consent of the other parties. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns.

Section 8. ESCROW AGENT.

(A) Except as expressly contemplated by this Agreement or by joint written instructions from the Buyer and the Township, the Escrow Agent shall not sell, transfer, or otherwise dispose of all or any portion of the Escrow Fund in any manner, except pursuant to an order of a court of competent jurisdiction.

(B) The duties and obligations of the Escrow Agent shall be determined solely by this Escrow Agreement, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Escrow Agreement.

(C) In the performance of its duties hereunder, the Escrow Agent shall be entitled to rely upon any document, instrument, or signature believed by it in good faith to be genuine and signed by any party hereto or an authorized officer or agent thereof (specifically
including the Township’s Representative), and shall not be required to investigate the truth or accuracy of any statement contained in any such document or instrument. The Escrow Agent may assume that any person purporting to give any notice on behalf of a party hereto in accordance with the provisions of this Agreement has been duly authorized to do so.

(D) The Escrow Agent shall not be liable for any error of judgment or any action taken, suffered, or omitted to be taken hereunder except in the case of its gross negligence, bad faith, or willful misconduct. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(E) The Escrow Agent shall have no duty as to the collection or protection of the Escrow Fund or income thereon, nor to preserve any rights pertaining thereto beyond the safe custody of any such funds actually in its possession.

(F) As compensation for its services to be rendered under this Agreement, Escrow Agent shall be reimbursed upon request for all expenses, disbursements, and advances, including reasonable fees of outside counsel, if any, incurred or made by it in connection with the preparation of this Escrow Agreement and the carrying out of its duties under this Escrow Agreement. All such expenses shall be the joint and several responsibility of the Township and the Buyer.

(G) The Buyer and the Township shall reimburse and indemnify the Escrow Agent for and hold it harmless against any loss, liability, or expense, including, without limitation, reasonable attorney’s fees incurred except in connection with gross negligence, bad faith, or willful misconduct on the part of the Escrow Agent arising out of, or in connection with the acceptance or performance of its duties and obligations under this Escrow Agreement.

(H) The Escrow Agent may resign at any time by giving twenty (20) Business Days’ prior written notice of resignation to the Township’s Representative and the Buyer. The Township and the Buyer may remove the Escrow Agent at any time by jointly giving the Escrow Agent ten (10) Business Days’ written notice signed by each of them. If the Escrow Agent is to resign or be removed, a successor Escrow Agent shall be appointed by the Buyer by written instrument executed by the Township’s Representative and the Buyer. Such instrument shall be delivered to the Escrow Agent and to such successor Escrow Agent and, thereupon, the resignation or removal of the predecessor Escrow Agent shall become effective and such successor Escrow Agent, without any further act, deed or conveyance, shall become vested with all right, title, and interest to all cash and property held hereunder of such predecessor Escrow Agent. Such predecessor Escrow Agent shall, on the written request of the Township’s Representative, the Buyer, or the successor Escrow Agent, execute and deliver to such successor Escrow Agent all the right, title, and interest hereunder in and to the Escrow Fund of such predecessor Escrow Agent and all other rights hereunder of such predecessor Escrow Agent. If no successor Escrow Agent is appointed within twenty (20) Business Days of a notice of resignation by the Escrow Agent, the Escrow Agent’s sole responsibility shall thereafter be to hold the Escrow Fund until the earlier of its receipt of designation of a successor Escrow Agent, a joint written instruction by the Township’s Representative and the Buyer, or termination of this Escrow Agreement in accordance with its terms.
(I) The Escrow Agent is acting as a stakeholder only with respect to the Escrow Fund. Upon making delivery of the Escrow Fund in the manner herein provided, the Escrow Agent shall have no further liability hereunder.

(J) The Township and the Buyer acknowledge that the Escrow Agent has represented the Township in connection with, among others things, the Agreement and the matters giving rise to this Escrow Agreement and will continue to represent the Township in connection with such matters and any other matters. Each of the parties to this Agreement waives any right it now has or may have in the future to any claim of conflict as a result of the Escrow Agent’s execution, delivery, and performance of this Agreement or the transactions contemplated hereby and the Escrow Agent’s representation of the Township in any matter including, without limitation, any action, litigation, or representation relating to the Agreement, this Escrow Agreement, and the matters giving rise to each of them.

Section 9. **TERMINATION.** This Escrow Agreement shall terminate on the earlier of: (i) the date on which there are no funds remaining in the Escrow Fund or (ii) the date on which the Escrow Agreement receives a signed notice from the Township and the Buyer that the Escrow Agreement is terminated, including instruction to the Escrow Agent on the disbursement of the Escrow Fund.

Section 10. **NOTICES.** All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to the Buyer:

[___]

With a copy to:

[___]

If to the Township:

Municipal Clerk
Township of Long Hill
915 Valley Road
Gillette, New Jersey 07933

Copy to:

John R. Pidgeon, Esq.
Pidgeon & Pidgeon P.C.
600 Alexander Road
Princeton, New Jersey 08540
Section 11. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Jersey applicable to contracts executed and to be performed entirely within that State.

Section 12. AMENDMENTS. This Agreement may not be amended or modified except: (i) by an instrument in writing signed by, or on behalf of, the Township, the Buyer, and the Escrow Agent or (ii) by a waiver in accordance with this Agreement.

Section 13. WAIVER. Any party hereto may: (i) extend the time for the performance of any obligation or other act of any other party hereto or (ii) waive compliance with any agreement or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition or a waiver of any other terms or conditions of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

Section 14. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect as long as the economic and legal substance of the transactions contemplated by this Escrow Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

Section 15. ENTIRE AGREEMENT. This Escrow Agreement and the Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the Township, the Buyer, and the Escrow Agent with respect to the subject matter hereof.

Section 16. NO THIRD PARTY BENEFICIARIES. This Escrow Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Escrow Agreement.

Section 17. HEADINGS. The descriptive headings contained in this Escrow Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement.
Section 19. TOWNSHIP’S REPRESENTATIVE. The Township hereby appoints its Municipal Clerk as its representative (the “Township's Representative”) and agrees that such appointment give the Township's Representative full legal power and authority to take any action or decline to take any action on behalf of the Township.

Section 20. DEFINITIONS. Terms defined in the Agreement and not otherwise defined herein may be used herein as defined in the Agreement.
IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

TOWNSHIP OF LONG HILL

By: ______________________________
    Name
    Title:

[BUYER]

By: ______________________________
    Name
    Title:

ESCROW AGENT
PIDGEON & PIDGEON, P.C.

By: ______________________________
    Name
    Title:
EXHIBIT J

CUSTOMER SERVICE STANDARDS AND CUSTOMER SERVICE PLAN

1. The Buyer shall maintain the Wastewater System laterals from mains to curb line of property and shall undertake all necessary capital improvements, maintenance, repairs, and replacement to the Wastewater System as shall be required from time to time. Such undertaking shall be made in accordance with prudent industry standards.

2. The Buyer shall maintain buildings and property in a neat and orderly appearance consistent with community standards and shall undertake reasonable measures to protect the health, safety, and welfare of the public with respect to the Wastewater System.

3. The Buyer shall operate the Wastewater System in a manner to minimize odors, dust, spills, and other nuisances. The Buyer shall provide appropriate customer service staffing and response times for any complaints about nuisances or service problems.

4. The Buyer’s employees shall provide a qualified staff and experienced employees and third party contractors who have direct experience in operating similar systems. The Buyer shall maintain the necessary number of employees, staff, and third party contractors to operate, maintain, and manage the Wastewater System.

5. The Buyer shall implement a plan of action protocol for emergency events which shall include notices to the Township and other regulating entities having jurisdiction and for measures which facilitate coordinated emergency response actions, as needed. The Buyer shall maintain a toll-free 24 hour telephone number where users of the Wastewater System can report emergencies.

[Note to Bidders: Customer Service Plan to be included based on Bid.]
EXHIBIT K

CAPITAL IMPROVEMENTS TO LIFT SEWER BAN

[NOTE: To be developed based upon information submitted with Bid].