

2. In conjunction with the sale of the water system, the Township has enacted an ordinance (Ordinance 2025-11) which grants to the Company a franchise to provide water service to the Lake Tamarack portion of Hardyston. The ordinance was introduced on October 29, 2025, and adopted on December 10, 2025. A copy of the ordinance is attached as Exhibit B.¹ Under the terms of the municipal consent, the Company is authorized to construct, maintain, manage and operate a water works in the Lake Tamarack portion of the Township for the purpose of providing water service to Lake Tamarack portion of the Township. Pursuant to *N.J.S.A.* 48:2-14, Aqua seeks the Board's approval of the Township's municipal consent by no later than June 30, 2026. Aqua acknowledges the accelerated nature of this timing request but notes that this timing will put Aqua in a better position to accomplish various needed system improvements during the remainder of the construction season.

3. As noted above, Aqua-NJ has agreed to acquire the Lake Tamarack water system assets. Although Board approval of the asset acquisition does not appear to be required, a copy of the water system Assets Purchase Agreement is attached as Exhibit A. As described more fully therein, Aqua-NJ has agreed to pay the Seller \$113,000 to purchase the water system assets. Seller has indicated that the proceeds of the sale transaction will be used to discharge any outstanding debts, as well as the costs of this transaction. Any remaining funds would go to Seller's owner, the Lake Tamarack Association.

4. Aqua-NJ is not seeking Board approval at this time of the recovery of the costs of this transaction or of any possible acquisition adjustment. Rather, Aqua-NJ will address those matters in its next base rate proceeding. Upon closing of the assets purchase, Seller intends to abandon service to the Lake Tamarack portion of Hardyston, and seeks Board approval pursuant to *N.J.S.A.* 48:2-24, to the extent deemed necessary, of this action.

¹ Please note that the Ordinance references a separate Franchise Agreement. Aqua-NJ will present a draft Franchise Agreement to the Township for the Township's consideration and will supplement this filing accordingly.

5. Presently, Lake Tamarack customers receive service on an unmetered basis and pay a flat annual rate of \$560. Fees for water service are paid in equal amounts of \$280 in February and August of each year. Aqua-NJ intends to install remote-read meters for all customers but will maintain the current flat rate until meters are installed. The Company anticipates it will take approximately four to five months to install meters. Once meters are installed, the Company proposes to provide water service to customers located in the Township pursuant to its then-current Board-approved General Metered Service rates. Aqua-NJ notes that Lake Tamarack is not a public utility and its rates have not been the subject of review by the Board or other regulatory bodies. By transitioning Lake Tamarack customers to Aqua-NJ's then current Board-approved rates, the Board can assure itself and customers that the rates charged for water service are just and reasonable and commensurate with the level of service provided to customers. Aqua-NJ does not propose to provide public fire service in the Lake Tamarack service area and has not proposed a public fire rate. It is the intention of the Company that the system will be included in, and served by, the Company's Northern Division located in Phillipsburg.

6. Approval of Aqua-NJ's request in this matter is in the public interest. Aqua-NJ will be able to bring significant operational, financial, technical and managerial resources to bear in serving the customers located in Lake Tamarack. For example, Aqua-NJ has approximately \$1.3 million in capital investments planned for the system over the next ten years.² The upgrading and/or addition of these facilities will be a significant benefit to the residents of the Township.

7. As noted above, Lake Tamarack is located immediately adjacent to Aqua's existing Summit Lake system. Aqua-NJ will operate the Lake Tamarack system from its Northern Division located in Phillipsburg. Aqua-NJ employees will monitor the Lake Tamarack system on

² Aqua-NJ plans to make the following system investments over the next several years (all values are estimates and subject to change and further refinement): meter installations (\$197k), corrosion control and pH adjustments (\$425k), valve and standpipe repairs/replacements/maintenance (\$110k), SCADA installation (\$75k), and PFAS treatment (\$500k).

a regular basis and make regular visits to the system.³ Customer service will be provided by Aqua's existing customer service function and will provide a level of customer service that does not currently exist given the size of the Seller. In addition, emergency assistance will be available 24/7 and customers will be provided with an emergency contact number to report any service emergencies. This represents a level of service, resources, and responsiveness that are not currently available to customers of Lake Tamarack. These features, coupled with Aqua-NJ's operational, technical and managerial expertise, and ability to make capital investments, demonstrate that the approval of the municipal consent is in the public interest and should be expeditiously approved by the Board.

8. All correspondence regarding this Petition should be addressed to the undersigned with copies to the following:

Natalie Chesko
Aqua New Jersey, Inc.
10 Black Forest Road
Hamilton, NJ 08691
nchesko@aquawater.com

Lake Tamarack Water Corporation
Attn: Anne-Marie Wilhelm
P.O. Box 341
Stockholm, NJ 07460
gdislove@yahoo.com

Daniel A. Benkendorf, Esq.
Askin & Hooker, LLC
200 Woodport Road, Suite A
Sparta, NJ 07871
dan@askinlaw.com

³ Lake Tamarack previously had one part-time employee who has resigned. The former employee was not entitled to any pension or other benefits. Currently, Aqua is acting as the Operator in Charge of the system, with assistance from a contractor.

WHEREFORE, Petitioner, Aqua New Jersey, Inc., respectfully requests that the Board of Public Utilities:

1. approve the municipal consent as described herein;
2. approve the Company's proposal to use the system's current fixed rates for charges to customers served by the Lake Tamarack water system on an interim basis;
3. authorize the Company to transition Lake Tamarack system customers to the Company's then current Board-approved General Metered Service rates upon the installation of meters;
4. authorize Seller to abandon utility service following the closing of the asset purchase; and
5. grant such other relief as the Board deems necessary, just and reasonable.

Respectfully submitted,
Saul Ewing LLP
Attorneys for Aqua New Jersey, Inc.

By: Colleen A. Foley
Colleen A. Foley

DATED: February 19, 2026

CERTIFICATION

STATE OF NEW JERSEY)
 :
COUNTY OF MERCER)

Natalie Chesko, of full age, being duly sworn, upon his oath deposes and says:

1. I am the President of Aqua New Jersey, Inc., Petitioner in the foregoing Petition, and in that capacity I am authorized to make this Certification on behalf of Aqua New Jersey, Inc. in this matter.

2. I have reviewed the within Petition and exhibits thereto, and the same are true and correct to the best of my knowledge, information and belief.

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

Dated February 18, 2026



Natalie Chesko
President, Aqua New Jersey, Inc.

CERTIFICATION OF SERVICE

Colleen A. Foley, an Attorney at Law of the State of New Jersey, hereby certifies as follows:

1. I am a Partner at the firm of Saul Ewing LLP, attorneys for Petitioner, Aqua New Jersey, Inc., and in that capacity I make the within Certification.
2. On this date, I caused to be filed by electronic mail the attached Petition and exhibits with the Secretary of the New Jersey Board of Public Utilities.
3. On this date, I caused to be served by Federal Express, two (2) copies of the attached Petition on the Clerk, Hardyston Township.
4. On this date, I caused to be served by Federal Express, two (2) copies of the attached Petition on each of the Clerk, Sussex County Board of Chosen Freeholders, and the Administrator, Sussex County.
5. On this date, I caused to be served by electronic mail the attached Petition and exhibits on each of the Division of Rate Counsel and the Department of Law & Public Safety.

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

Saul Ewing LLP
Attorneys for Petitioner
Aqua New Jersey, Inc.

By: Colleen A. Foley
Colleen A. Foley

DATED: February 19, 2026

EXHIBIT A

ASSETS PURCHASE AGREEMENT

between

LAKE TAMARACK WATER CORPORATION

and

AQUA NEW JERSEY, INC.

January 11, 2026

ASSETS PURCHASE AGREEMENT

THIS ASSETS PURCHASE AGREEMENT dated _____, 2025 by and between **LAKE TAMARACK WATER CORPORATION**, a New Jersey Non-Profit Corporation having a mailing address of P.O. Box 341, Stockholm, New Jersey 07460 ("SELLER"), and **AQUA NEW JERSEY, INC.**, a New Jersey corporation, with a business address located at 10 Black Forest Road, Hamilton, NJ 08691 ("AQUA" and "PURCHASER").

RECITALS

A. SELLER owns, maintains and operates a water production and distribution system (the "System") that provides water to the residents within the community commonly referred to as Lake Tamarack located in Hardyston Township, County of Sussex, State of New Jersey (the "Service Area"). Residents within the Service Area are customers of SELLER (each a "Customer" and collectively "Customers"), and each Customer has a separate billing account for water usage from the System (collectively, the "Customer Accounts").

B. AQUA is a regulated public water utility that furnishes water service to the public in various portions of New Jersey.

C. SELLER desires to sell, and AQUA desires to purchase, certain assets, properties and rights of SELLER owned and used in connection with the System, all upon the terms and conditions set forth herein.

NOW, **THEREFORE**, in consideration of the recitals and the covenants, representations, warranties, and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows.

1. SALE AND PURCHASE OF THE ASSETS

Subject to the terms and conditions hereinafter set forth, AQUA shall purchase from SELLER, and SELLER shall sell, assign, transfer, grant, convey and deliver to AQUA at the Closing (hereinafter defined) the Assets.

The Assets are herein defined to be: all of the assets, properties and rights of SELLER (whether tangible, real, personal or mixed), which are held and used in connection with the water production and distribution system located within or otherwise used to provide water service to the Service Area.

The Assets are to be sold free and clear of all mortgages, liens, pledges, security interest, charges, claims, restrictions, , restraints on alienations and encumbrances of any nature whatsoever.

1.1 Assets Further Defined

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights set forth in **Schedule 1.1**, and the following:

- (a) all the land and improvements known as Lot 48 in Block 91, Lot 2 in Block 99, Lot 3 in Block 100 and Lot 7 in Block 84 in Hardyston Township, water mains, pipes, wells, pump houses, storage tanks, standpipes, fire hydrants, portable emergency generator, structures, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by SELLER;
- (b) all water meters installed in Customer's individual home(s), machinery, equipment, and tools, relating to the System owned by SELLER;
- (c) all supplies and inventories relating to the System;
- (d) all rights of SELLER under the contracts listed in Schedule 1.5 relating to the System;
- (e) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the foregoing.

1.2 Customer Billing

Unless another arrangement is established prior to Closing, SELLER is solely responsible for collection of any cash and receivables due on any of its Customer Accounts prior to Closing, and under no circumstances will AQUA be responsible for the collection or payment of any or all amounts due to SELLER from Customer Accounts prior to Closing. Payments made in advance on Customer Accounts for annual service fees will be apportioned at Closing; fees are currently billed to Customers biannually in February and August; AQUA shall receive a credit from SELLER toward the Purchase Price at Closing for the pro-rated amount of such advance payments adjusted as of the Closing Date.

1.3 Excluded Assets

The Assets shall not include any of the following:

- a. any and all Customer service lines that run from the curb stop area (or, if no curb stop from the edge of road, property line or from the main supplying water) to each of Customer's individual residence(s);
- b. any and all piping and fixtures (excluding SELLER's meters, if any) internal to each of Customer's individual residence(s);
- c. SELLER's cash on hand and account receivables up to the date of Closing.

1.4 Consideration

The Purchase Price for the Assets will be One Hundred Thirteen Thousand Dollars (\$113,000.00) (the "Purchase Price") due from AQUA and payable to SELLER at Closing. There are no initial or additional deposits due from AQUA prior to Closing.

1.5 Contractual Obligations

AQUA shall not assume any obligations of SELLER under any contract, agreement, commitment, lease, certificate, permit or other instrument, whether oral, written, express or implied, except with respect to those contracts and other instruments listed on Schedule 1.5 attached hereto, made part hereof and incorporated herein by reference.

1.6 Non-Assumption of Liabilities

With the exception of the assumption of contractual duties to be performed after the date of Closing under the surviving contracts listed on Schedule 1.5 attached hereto together with the ongoing obligation to provide water service to the Customers of the SELLER served by the System (the "Assumed Obligations"), all liabilities and obligations of SELLER shall remain the sole responsibility of SELLER, including any and all liabilities or obligations under any employee benefit plan, practice or arrangement or pension, retirement or savings plan. Except for the Assumed Obligations, AQUA shall not assume and shall not be liable for any liabilities or obligations of SELLER of any nature whatsoever, whether express or implied, fixed or contingent, whatsoever.

SELLER shall not be liable for any liabilities or obligations of AQUA of any nature whatsoever, whether express or implied, fixed or contingent, whatsoever, related to the System and Customer Accounts attributable to after the time of Closing.

2. CLOSING

Closing hereunder (the "Closing") shall take place by mail or at the offices of AQUA located at 10 Black Forest Road, Hamilton, NJ 08691, or other mutually agreed upon location, commencing at 10:00 a.m. local time, on or before December 31, 2026, or pursuant to written notice from AQUA to SELLER, on such other date that is sixty (60) days after the last required regulatory approval. The date of the Closing is referred to herein as the "Closing Date." The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be Delivered at Closing

At Closing and subject to the terms and conditions herein contained:

- (a) SELLER shall deliver to AQUA all title, assets, properties and rights to the Assets, in mutually agreeable form, including, without limitation, the following:
 - (i) *Deeds*, where applicable, for each fee parcel wherein any production facilities or well(s) are situated;

- (ii) *A Bill of Sale and Assignment*, and other instruments and documents of conveyance and transfer, all in form reasonably satisfactory to AQUA and its counsel, as shall be necessary and effective to transfer and assign to, and vest in AQUA good and marketable title to the Assets;
- (iii) *Easements* (via an assignment or grant), if any currently exist, in a form reasonably satisfactory to AQUA and its counsel, for the water mains and company service lines located outside of any public right-of-ways, and to provide AQUA with access to and the use of the production facilities and entire distribution system;
- (iv) SELLER shall deliver to AQUA, the agreements, opinions, certificates and other documents and instruments referred to in **Section 5** hereof; and
- (v) Releases of liens or satisfaction pieces for all mortgages and liens affecting the Assets, if applicable, including, without limitation, proofs reasonably required by: (A) AQUA to establish clear title to the Assets, or (B) AQUA's title agent to remove such liens and mortgages as exceptions to AQUA's title insurance policy; including but not limited to those certain Infrastructure Loans [DESCRIBE LOANS AND AMOUNTS]
- (vi) UCC-3 termination statements for all security interests in the Assets, if applicable;
- (vii) a complete and accurate list of the names and addresses of all customers of SELLER, both in paper form and in electronic form on a compact disk (CD) that can be downloaded to a personal computer, along with a billing history for each customer;
- (viii) keys to any and all buildings and gates;
- (ix) Resolutions of SELLER required and Secretary's certificate certifying the authenticity of same; and
- (x) SELLER agrees to permit AQUA to maintain a Wellhead Protection Area (Area) around the well(s), if any, and that such Area shall be maintained within a certain area of each such well. SELLER also agrees not to conduct any activities, including, but not limited to the disposition, discharge or storage of hazardous materials that could contaminate any of the wells and render them unusable for potable water supply, nor will SELLER erect, construct or install any buildings or paved surfaces or impervious surfaces within the Area. ;

and simultaneously with such delivery, all such steps shall be taken as may be required to put AQUA in actual possession and operating control of the Assets, to include transfer of any existing permits at Closing.

2.2 Transfer Taxes and Ad Valorem Taxes on Real Property

AQUA and SELLER will each pay one-half (1/2) of the transfer tax on the Purchase Price as recited in paragraph 1.4 of the real property included in the Assets. The ad valorem taxes for each of the four (4) lots shall be prorated at closing.

2.3 Transfer of Utilities

Where applicable, the parties will cooperate to transfer utility service including, but not limited to, telephone and electric, as of the Closing Date. In the event service cannot be transferred in the name of AQUA as of the Closing Date, the bills shall be pro-rated as of the Closing Date.

2.4 Taxes and Corporate Clearance Certificate

At least thirty (30) days prior to Closing, PURCHASER shall, if applicable, notify the New Jersey Department of Treasury, Division of Taxation, Bulk Sales Unit (the "Division") of the sale of the Assets and SELLER shall cooperate in providing the information needed so Purchaser can file the notice required by N.J.S.A. 54:50-38 et seq, the state form known as the Notification of Sale, Transfer or Assignment in Bulk (the "Bulk Sales Notice"). Closing shall not occur until a response is received from the Division. In the event the Division issues a demand for payment and escrow letter, said escrow amount (the "Bulk Sales Escrow") shall be held at Closing from Seller's proceeds by the settlement agent, and the demand payment shall be remitted to the Division at Closing. Settlement agent is also authorized to remit any further demands for payment from the Division from the Bulk Sales Escrow, and the Bulk Sale Escrow shall be released to Seller upon the issuance of a Tax Clearance Letter from the Division. If the amount of the Bulk Sale Escrow exceeds Seller's proceeds at closing, Seller shall fund the balance of the Bulk Sale Escrow from Seller's funds..

2.5 Termination

a. Events of Termination. This Agreement may, by notice given in the manner hereinafter provided, be terminated and at any time prior to the Closing:

(i) By the mutual consent of the SELLER and AQUA;

(ii) By either the SELLER or AQUA if:

A. the Closing shall not have occurred on or prior to the Outside Date. "Outside Date" means 365 days after AQUA's application to the Board of Public Utilities (the "BPU") for approval of any franchise to serve the Service Area is accepted as complete and a statutory consideration period is initiated, provided that:

a. AQUA shall have the one-time right to extend the Outside Date for up to one hundred eighty (180) days if, in AQUA's sole discretion, any such amount of time up to one hundred eighty (180) days is necessary to obtain the required BPU approval; or

b. If there is litigation pending on such date in which a party thereto seeks to prevent the consummation of the transaction described in this Agreement, or to frustrate a material term contained in this Agreement (specifically including, without limitation, litigation involving the proceedings before the BPU as contemplated by this Agreement,) the Outside Date will be extended to the date that is sixty (60) days following the unappealable resolution of such litigation, or

B. any Governmental Authority shall have issued a final unappealable order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the material transactions contemplated by this Agreement and such order, decree, ruling or other action has become final and non-appealable; provided, however, that the party seeking termination pursuant to this clause is not in breach in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement;

(iii). By the SELLER (if SELLER is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by AQUA pursuant to the terms of this Agreement or of any representation or warranty of AQUA contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following written notice thereof by the SELLER to AQUA or if such breach cannot be cured and (ii) would result in a condition to Closing of this Agreement not being satisfied (which condition has not been waived by the SELLER in writing); or

(iv). By AQUA (if AQUA is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by the SELLER pursuant to the terms of this Agreement or of any representation or warranty of the SELLER contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following written notice thereof by AQUA to the SELLER or if such breach cannot be cured and (ii) would result in a condition to Closing set forth in this Agreement not being satisfied (which condition has not been waived by AQUA in writing).

b. This Agreement may not be terminated after issuance of final unappealable orders for the governmental approvals outlined in this Agreement.

c. Effect of Termination. If this Agreement is terminated by the SELLER or AQUA pursuant to Section 2.5a.(i) or (ii), written notice thereof will forthwith be given to the other and all further obligations of the parties hereto under this Agreement will terminate without further action by either party and without liability or other obligation

of either party to the other party hereunder; provided, however, that no party will be released from liability hereunder if this Agreement is terminated and the transactions abandoned by reason of any willful breach of this Agreement.

2.6. SELLER's Employees. SELLER does not employ any full-time employees associated with the System and AQUA will not be required to offer employment to any current employee(s) of the SELLER. SELLER has one (1) part-time employee who completes the daily chlorine residuals.

2.7. Further Assurances. SELLER, from time to time after the Closing, at AQUA's request, and without compensation, will execute, acknowledge and deliver to AQUA such other instruments of sale, conveyance, assignment and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as AQUA may reasonably require in order to vest in AQUA, and/or to place AQUA fully in possession of, all of the Assets.

3. CONDUCT OF PARTIES PENDING CLOSING

3.1 SELLER agrees that, with respect to the Assets, pending the Closing and except as otherwise agreed to in writing by AQUA:

- (a) The business of SELLER shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order such that they will be in proper working order and in the same condition as of the date of this Agreement at Closing. Nothing herein shall obligate SELLER to replace or upgrade the existing System in any way prior to Closing except to comply with any applicable permits, regulations and as stated herein.
- (b) SELLER will use its best efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) SELLER shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) SELLER will promptly advise AQUA in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) SELLER will promptly advise AQUA in writing promptly after SELLER receives knowledge of the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to AQUA, or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of SELLER.
- (f) SELLER will conduct its business in such a manner that at the Closing the representations and warranties of SELLER contained in this Agreement shall be true

as though such representations and warranties were made on and as of such date. Furthermore, SELLER will use its best efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date.

(g) SELLER will give AQUA full access to and the right to inspect, during normal business hours upon 48-hour notice to SELLER, all of the premises, properties, assets, records, contracts and other documents relating to its business and operations, and shall permit them to consult with the officers, employees, and agents of SELLER.

(h)

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of SELLER under this Agreement are subject to the fulfillment or satisfaction, or waiver by SELLER, prior to or at the Closing, of each of the following conditions precedent:

4.1 Closing Certificate; Performance by AQUA

AQUA shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and SELLER shall have been furnished with a certificate or certificates of AQUA dated the Closing Date, signed by an officer of AQUA, certifying, in such detail as SELLER may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties made by AQUA in this Agreement are true and correct as of Closing, except such as have been rendered incorrect because of events which occurred after the date hereof, as disclosed in writing by AQUA to SELLER within a reasonable time after the event occurred.

4.2 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or in the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

4.3 AQUA Authorizations. AQUA shall have furnished SELLER with certified copies of all proceedings of AQUA, including a signed and certified copy of the appropriate document(s) authorizing the transactions hereby contemplated.

4.4 Government Approvals. The Parties shall have obtained any and all governmental agency approvals required for the transfer of the System including, but not limited to, the BPU, the NJDEP, and Hardyston Township as outlined in Section 5.5 below.

4.5 Satisfaction of SELLER. All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been completed prior to the Closing Date.

5. **CONDITIONS PRECEDENT TO AQUA'S OBLIGATIONS**

All obligations of AQUA under this Agreement are subject to the fulfillment or satisfaction, or waiver by AQUA, prior to or at the Closing, of each of the following conditions precedent:

5.1 **Satisfaction with Operational and Real Estate Title Issues**

AQUA shall be satisfied with its review of the real estate and the assets and the quality of title to be conveyed to AQUA from SELLER as determined within the forty five (45) days of the date of this Agreement ("Due Diligence Period"). The Assets shall be free and clear of all liens, indentures, restraints on alienation and encumbrances as of the date of Closing.

5.2 **Closing Certificate; Performance by SELLER**

SELLER shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and AQUA shall have been furnished with a certificate or certificates of SELLER dated the Closing Date, signed by the appropriate officials of SELLER, certifying, in such detail as AQUA may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties are true and correct as of Closing.

5.3 **Litigation Affecting Closing**

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5.4 **SELLER Authorizations**

SELLER shall have furnished AQUA with copies of the appropriate document(s) of SELLER authorizing the transactions hereby contemplated, as AQUA reasonably shall require.

5.5 **Governmental Approvals**

AQUA shall have received, at its cost and expense of AQUA, all governmental authorizations needed for the transfer of the Assets, including, but not limited to: (1) adoption and approval of an Order from the New Jersey Board of Public Utilities ("BPU"), and the New Jersey Department of Environmental Protection ("NJDEP") authorizing: (a) the transfer of the Assets as contemplated by this Agreement; (b) AQUA to provide water service to the residents in the Service Area; and (c) SELLER to abandon such Service Area; (2) necessary authorizations from any applicable local government or agency thereof, i.e., Hardyston Township and/or Hardyston Township Municipal Authority, including but not limited to a grant of franchise or certificate of territorial authority to provide such water services in the Service Area. Such governmental authorizations, orders,

authorizations and approvals by the BPU, NJDEP or applicable local government or agency shall be in form and substance satisfactory to AQUA in its sole discretion. Seller, at no cost to SELLER, shall assist AQUA in obtaining all required approvals from regulatory agencies.

5.6 Material Damage

The Assets shall not be, or be threatened to be, materially adversely affected by fire, explosion, earthquake, disaster, accident, cessation or interruption of utility or other services, flood, drought, lack of water supply, contamination of water supply, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy, or any other event or occurrence. Notwithstanding the foregoing, AQUA is aware that the NJDEP has issued non-compliance violations to SELLER for failed testing parameters as disclosed in Section 6.2

5.7 Satisfaction of AQUA

All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been approved prior to the Closing Date by AQUA in the exercise of its reasonable judgment.

5.8 Due Diligence and Satisfaction with Operational Issues

AQUA shall be satisfied, within forty-five (45) days following the execution of this Agreement, with the results of its due diligence inspections of the overall operational functionality and condition of the Assets and Systems that AQUA may elect to perform, and at Closing that there has been no material deterioration therein between the expiration of such forty-five (45) period and Closing.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 SELLER hereby represents and warrants to AQUA as follows:

- (a) Organization. SELLER is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey.
- (b) System Ownership. SELLER holds good and marketable title and the exclusive right, title and interest to the Assets and facilities comprising the System.
- (c) Current Operations. SELLER has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the business of the System as it has been and is now being conducted and to own and operate the System.
- (d) Legal Authority. SELLER has the full power and lawful authority to transfer to AQUA the rights, title and interest in and to the System upon approval by the BPU, NJDEP, and approval of franchise by the Township of Hardyston and/or the Hardyston Township Municipal Authority.

- (e) Due Authorization; Valid and Binding. SELLER has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related agreements constitute the valid and binding obligation of SELLER.
- (f) No Approvals or Violations. This Agreement does not require any further approvals of any other party except as otherwise stated herein, does not violate any law, ordinance or regulation, does not conflict with any order or decree, and does not conflict with or result in a breach of any contract, lease or permit to which SELLER is a party.
- (g) Party to Decree. SELLER is not party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality relating to the System or the Assets.
- (h) List of Assets. **Schedule 1.1** contains a true and complete list of the Assets.
- (i) Customer Records. The data contained in the Customer records provided to AQUA is true and accurate.

6.2 Except as set forth on **Schedule 6.2**, SELLER hereby represents and warrants to AQUA as follows:

- (a) Undisclosed Liabilities. There are no liabilities or obligations of SELLER, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility either accrued, absolute, contingent or otherwise.
- (b) No Other Parties. No person other than SELLER owns or has any interest in any equipment or other tangible assets or properties currently utilized or necessary to the operations or business of the SELLER's Assets.
- (c) Rights to Facilities. SELLER has good and valid rights to occupy and to obtain access to the areas where the distribution lines and other facilities of the Assets are located.
- (d) Compliance with Law. SELLER is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets or properties is subject and has not failed to obtain, or to adhere to the requirements of, any certificate, license, permit or other governmental authorization necessary to the ownership of its assets and properties or to the conduct of its business. Notwithstanding the foregoing, AQUA acknowledges and agrees that SELLER received two (2) Notices of Violation from the NJDEP dated April 22, 2025 and April 30, 2025, respectively, ("NOVs").

6.3 Except as set forth in Schedule 6.3, SELLER hereby represents and warrants to and with AQUA as follows with respect to compliance with environmental laws:

- (a) Compliance with Law. To the best of SELLER's actual knowledge, SELLER has been and is in compliance with all Environmental Laws (as hereinafter defined).
- (b) Adequacy of Permits. To the best of SELLER's actual knowledge after diligent inquiry and investigation, SELLER has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under the Environmental Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under the Environmental Laws.
- (c) Environmental Conditions. To the best of SELLER's actual knowledge after diligent inquiry and investigation, there are no past or present events, conditions, circumstances, activities, practices, incidents, actions or plans pertaining or relating to the Assets which may impede or prevent continued compliance with the Environmental Laws or which may give rise to any civil or criminal liability under the Environmental Laws.

As used in this Agreement, the following terms shall have the following meaning:

The term "Environmental Laws" shall include all federal, state and, local environmental laws and regulations, including, without limitation, the Clean Water Act ("CWA"), also known as the Federal Water Pollution Control Act ("FWPCA"), 33 U.S.C. § 1251 et seq., the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. §§ 136 et seq., the Safe Drinking Water Act ("SDWA"), 42 U.S.C. §§ 300 (f) et seq., the Surface Mining Control and Reclamation Act ("SMCRA"), 30 U.S.C. §§ 1201 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat., 1613, the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901, the Atomic Energy Act ("AEA"), Act of August 30, 1954, Ch. 1073, 68 Stat. 919 (codified as amended in scattered sections of 5 U.S.C. and 42 U.S.C.). Any reference to a legislative act or regulation shall be deemed to include all amendments thereto and all regulations, orders, decrees, judgments, opinions directives or notices issued thereunder.

The term "Environmental Condition" shall mean any condition or circumstance related to the Assets, whether created by SELLER or any other party, which (1) required or requires abatement or correction under an Environmental Law, or (2) has given or may give rise to any civil or criminal liability under an Environmental Law, or (3) has created or may create a public or private nuisance, including the presence of asbestos, PCB's, hazardous substances, petroleum products, radioactive waste or radon, on, in or about the Assets.

All seller representations in this Agreement are made to the best of SELLER's knowledge, information and belief after diligent inquiry and investigation.

7. REPRESENTATIONS AND WARRANTIES OF AQUA

7.1 AQUA hereby represents and warrants to SELLER as follows:

- (a) Organization. AQUA is a corporation duly organized and validly existing and in good standing under the laws of the State of New Jersey.
- (b) Due Authorization; Valid and Binding. AQUA has the full power and lawful authority to execute this Agreement and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement by all necessary proceedings. This Agreement constitutes the valid and binding obligations of AQUA.
- (b) Financial Wherewithal. AQUA has the financial wherewithal to complete the purchase of the Assets as contemplated hereunder and upon completion of Closing, to operate and manage the Assets and System at, or exceeding, the level of service provided by the SELLER prior to Closing.
- (c) Party to Decree. AQUA is not party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality that would prohibit its purchase of the System or the Assets.
- (d) AS-IS, WHERE-IS. Except as expressly set forth in this Agreement to the contrary, AQUA is expressly purchasing the Assets and the System in their existing condition "AS-IS, WHERE-IS AND WITH ALL FAULTS". Except as expressly set forth in this Agreement to the contrary, AQUA acknowledges that is not relying upon any representation of any kind or nature made by SELLER with respect to the Assets or the System and AQUA has completed and relied on its own due diligence of the Assets and the System.
- (e) AQUA acknowledges and agrees that SELLER received two (2) Notices of Violation from the NJDEP dated April 22, 2025 and April 30, 2025, respectively, ("NOVs").

8. INDEMNIFICATION

8.1 Indemnification of SELLER

From and after the Closing, AQUA will reimburse, indemnify and hold SELLER and its officials and employees harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) the provision of water services by AQUA for periods following Closing;
- (b) issues of regulatory compliance and claims by third parties for events that occur following the date of Closing that are not attributable to events that occurred prior to Closing.;

- (c) the failure of AQUA to perform any of its covenants following Closing; and/or
- (d) the enforcement of this **Section 8**.

8.2 Indemnification of AQUA

From and after the Closing, SELLER will reimburse, indemnify and hold AQUA and its affiliates, and their officers, directors and employees, harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) any liabilities or obligations of SELLER of any nature whatsoever except for those liabilities and obligations of SELLER which AQUA specifically assumes pursuant to this Agreement;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of SELLER under this Agreement, or from any misrepresentation in, or omission from, any **Schedule** or information furnished to AQUA pursuant to this Agreement or in connection with the execution or performance of this Agreement;
- (c) the provision of water services by SELLER for periods prior to Closing;
- (d) issues of regulatory compliance and claims by third parties for events for events that are attributable to events that occurred that occurred prior to Closing;

related to the SELLER's Assets to the extent such claims, actions, etc., involve activities or events that occurred or originated prior to the effective time of Closing

- (e) SELLER's tax liability; and/or
- (f) the enforcement of this **Section 8**.

8.3 General

Each party shall provide the other party with reasonable notice of any claims arising under this **Section 8**. The indemnification rights of the parties under this **Section 8** are independent of and in addition to such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentation, breach of warranty, or failure to fulfill any agreement or covenant hereunder.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations, warranties and agreements made by the parties in this Agreement or in any agreement, document, statement or certificate furnished hereunder or in connection with the negotiation, execution and performance of this Agreement shall survive the Closing for eighteen months from Closing. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party shall be entitled to rely upon the representations, warranties and agreements set forth herein and therein

10. MISCELLANEOUS

10.1 Contents of Agreement; Parties in Interest; etc.

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto.

10.2 Binding Effect

All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of SELLER or AQUA.

10.3 Notices

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by telegram or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to AQUA:

AQUA New Jersey, Inc.,
10 Black Forest Road
Hamilton, NJ 08691
Attention: President

If to SELLER:

Lake Tamarack Water Corporation
P.O. Box 341
Stockholm, NJ 07460

With a copy to:

Askin & Hooker, LLC
200 Woodport Road, Suite A
Sparta, NJ 07871
Attn: Daniel A. Benkendorf, Esq.

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed. Emails between the Parties' counsels shall be sufficient notice hereunder, except all termination notices shall follow the above notice provisions.

10.5 New Jersey Law to Govern

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New Jersey, without giving effect to any conflicts of laws provisions.

10.6 No Benefit to Others

The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their legal representatives, successors and assigns, and they shall not be construed as conferring any rights on any other persons.

10.7 Headings, Gender, etc.

All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

10.8 Exhibits and Schedules

All Exhibits, Attachments and Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement.

10.9 Cooperation/Further Assurances

SELLER from time to time after the Closing, at AQUA's request, and without additional compensation, will execute, acknowledge and deliver to AQUA such other instruments of sale, conveyance, assignment and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as AQUA may reasonably require in order to vest in AQUA, and/or to place AQUA fully in possession of, all of the Assets.

10.10 Severability

Any provision of this Agreement that is invalid or unenforceable in any jurisdiction or under any circumstance shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction or under any circumstance shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstance, unless, in either event, the involved or unenforceable provision causes this Agreement to fail of its essential purpose.

10.11 Counterparts

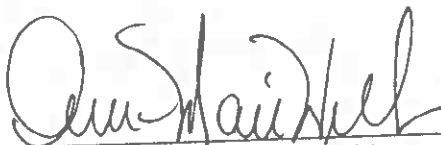
This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

10.12 Each party shall bear its own costs and expenses including but not limited to the legal fees of each party.

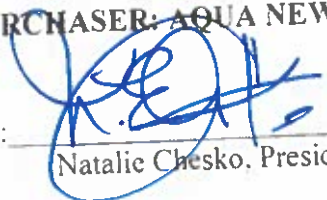
10.13. Waive of Trial by Jury. In the event a dispute survives the Closing or termination of this Agreement, EACH OF SELLER AND AQUA HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH OF SELLER AND AQUA MAY HAVE TO A TRIAL BY JURY.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first written.

SELLER: LAKE TAMARACK WATER CORPORATION

By: 
Anne-Marie Wilhelm, President

PURCHASER: AQUA NEW JERSEY INC.

By: 
Natalie Chesko, President

Schedule 1.1 – Assets

Real Property:

1. 55 Tamarack Trail (Block 91, Lot 48)
2. 97 Lakeshore Drive East (Block 99, Lot 2)
3. 32 Lakeshore Drive West (Block 100, Lot 3)
4. 12 Ridgeview (Block 84, Lot 7)

Assets:

Well No. 3 and associated well house
Well No. 6 and associated well house
Well No. 7 and associated well house
Valves No. 1-20
Two (2) Storage Tanks
Two (2) Stand Pipes
Five (5) Fire Hydrants
Portable generator in well house of Well No. 3

Schedule 6.3 – Non-Compliance

NONE

Schedule 6.2 – Liabilities and Violations

Liabilities

1. Infrastructure Loan(s) with State of New Jersey

Violations

1. NJDEP Violation No. 56014 dated 4/22/25
2. NJDEP Violation No. 56015 dated 4/30/25

Schedule 1.5 – Contractual Obligations

NONE

Schedule 1.6 – Assumed Contracts

NONE

EXHIBIT B

TOWNSHIP OF HARDYSTON

ORDINANCE NO. 2025-11

AN ORDINANCE OF THE TOWNSHIP OF HARDYSTON, COUNTY OF SUSSEX AND STATE OF NEW JERSEY, AUTHORIZING THE TOWNSHIP TO EXECUTE AN AGREEMENT BETWEEN THE TOWNSHIP OF HARDYSTON AND AQUA NEW JERSEY, INC. GRANTING TO AQUA NEW JERSEY, INC. THE FRANCHISE TO SERVE AND MUNICIPAL CONSENT AND PERMISSION TO CONSTRUCT, OPERATE, AND MAINTAIN WATER FACILITIES IN THE TOWNSHIP RIGHTS OF WAY IN THE LAKE TAMARACK SERVICE AREA

WHEREAS, Aqua New Jersey, Inc., currently provides water services pursuant to rates and tariffs approved by the New Jersey Board of Public Utilities; and

WHEREAS, Lake Tamarack Water Company currently provides water services to the Lake Tamarack Service Area of Hardyston Township; and

WHEREAS, it has come to the attention of the Township Council that Aqua New Jersey, Inc. wishes to purchase from the Lake Tamarack Water Company the rights to provide water services to the Lake Tamarack Service Area; and

WHEREAS, the Township Council has determined that the provision of such services is best accomplished by a method which does not involve public funds and which minimizes municipal financial responsibility and liability; and

WHEREAS, Aqua New Jersey, Inc. has significant experience as the operator of water and wastewater utilities which have been approved by the New Jersey Board of Public Utilities; and

WHEREAS, the Township Council has determined that it is in the best interests of the Township's residents to authorize the provision of centralized water services in the Lake Tamarack Service Area to Aqua New Jersey, Inc.; and

WHEREAS, the Township Council has determined that it has the authority to authorize the attached Franchise Agreement:

Agreement Between the Township of Hardyston and Aqua New Jersey, Inc., Granting the Franchise to Serve and Municipal Consent and Permission to Construct, Operate and Maintain Water Facilities in the Township Rights of Way

(hereinafter referred to as "Franchise Agreement").

NOW, THEREFORE BE IT ORDAINED by the Township Council of the Township of Hardyston, County of Sussex, State of New Jersey, as follows:

1. That the attached Franchise Agreement referenced herein is hereby approved and the Mayor and Township Clerk are hereby authorized to execute the attached Franchise Agreement between the Township and Aqua New Jersey, Inc.
2. That any other Township officials and professionals are hereby authorized and directed to take all actions necessary in order to effectuate the intentions of this Ordinance.

3. That all other Ordinances or parts of Ordinances inconsistent herewith are hereby repealed to the extent of such inconsistencies.
4. That if any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.
5. That this Ordinance shall take effect immediately upon final passage and publication in accordance with the law.

ATTEST:



Dana Vitz, Deputy Municipal Clerk



Brian Kaminski, Mayor

NOTICE

PLEASE TAKE NOTICE that notice is hereby given that the above ordinance was introduced and passed at the regular meeting of the Hardyston Township Council held at the Municipal Building, 149 Wheatsworth Road, Hardyston, New Jersey, on October 29, 2025. The same came up for final adoption at a meeting of the Township Council of the Township of Hardyston held on December 10, 2025, and after all persons present were given the opportunity to be heard concerning the same, it was finally passed, adopted and will be in full force and effect in the Township according to law.


Dana Vitz, Deputy Municipal Clerk