

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF CROSSROADS)
UTILITIES, LLC (“CROSSROADS”) AND LMH)
UTILITIES CORP. (“LMH”) FOR APPROVAL AND)
AUTHORIZATION OF: (A) THE ACQUISITION)
BY CROSSROADS OF LMH’S WASTEWATER)
UTILITY PROPERTY (THE “LMH SYSTEM”) IN)
DEARBORN COUNTY, INDIANA PURSUANT TO)
THE PURCHASE AGREEMENT THEREFOR;) CAUSE NO. 45833
(B) APPROVAL OF ACCOUNTING AND RATE BASE)
TREATMENT; (C) APPROVAL OF THE APPLICATION)
OF LMH’S EXISTING RATES AND CHARGES AFTER)
CLOSING; (D) APPROVAL OF CROSSROADS’)
RULES AND REGULATIONS)
FOLLOWING CLOSING; (E) APPLICATION OF)
LMH’S DEPRECIATION ACCRUAL RATES TO SUCH)
ACQUIRED PROPERTIES; AND (F) THE APPROVAL OF)
THE TRANSFER OF LMH’S CERTIFICATE OF)
TERRITORIAL AUTHORITY TO CROSSROADS.)

VERIFIED PRE-FILED DIRECT TESTIMONY OF MICHAEL MYERS

SUBMITTED ON BEHALF OF

CROSSROADS UTILITIES, LLC

January 3, 2023

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND RELATIONSHIP TO**
2 **THE PETITIONER**

3 A. My name is Michael Myers. I serve as the President and Board Member of Crossroads
4 Utilities, LLC.

5 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

6 A. I have served in numerous roles within the utility management, corporate development,
7 design, construction and operations arena for over 20 years. I started my career working
8 for the North Carolina Department of Environment and Natural Resources in 1994 as an
9 engineer. As an engineer, I received recognition as the Department's Most Outstanding
10 Employee in 1997. I served as an operation and engineering manager for the Southeastern
11 region for Aqua America, a publicly traded private utility, where I spearheaded such
12 initiatives as the Non-Viable Utility Incentive, Distribution Improvement Surcharge
13 (DISC) and Wastewater Improvement Surcharge (WISC). In 2004, working with American
14 States Water, I led the acquisition and startup of utility operations, maintenance, and
15 management for the largest water and wastewater Utility Privatization contract awarded by
16 the Department of Defense at Fort Bragg, North Carolina. Over the past twenty eight years,
17 I have completed numerous utility industry training and continuing education courses,
18 including Water Quality Modeling/ Manhattan College, Water Quality Standards Institute/
19 US EPA, NPDES Permit Writers Course/ US EPA, NAWC Rate School/ NAWC,
20 Michigan State University, Water Utility Management/University of Florida, Municipal
21 Utility Finance/University of North Carolina, and Irrigation System Design/North Carolina
22 State University, North Carolina Pretreatment Program/ North Carolina Division of Water
23 Quality. I have extensive experience in the management of water and wastewater facilities

1 and personnel in Ohio, Indiana, North Carolina, South Carolina, Florida, Texas, Virginia,
2 and Tennessee. I am experienced in the management of people & budgets, managing over
3 200 employees, annual capital budgets over \$300 million, and annual operating budgets
4 over \$30 million.

5 **Q. IN ADDITION TO YOUR ROLE AT CROSSROADS, ARE YOU INVOLVED IN**
6 **OTHER ASPECTS OF WATER AND WASTEWATER UTILITY OVERSIGHT?**

7 A. Yes. I am the President of Envirolink, Inc., which operates in six (6) states to provide water
8 and sewer utility management services to over 150 utilities. Additionally, I currently
9 provide management oversight of Currituck Water, LLC (“Currituck”) in Currituck, North
10 Carolina which provides water service to approximately 1,700 sewer customers and 150
11 water customers. I also provide management oversight to North Carolina Water & Sewer
12 (“NCWS”), which has 200 water customers in the suburban Raleigh, North Carolina area.
13 Both Currituck and NCWS have ownership structures similar to Crossroads where
14 Crossroads’ affiliate, Longleaf Utilities, LLC and Clear Current, LLC have an ownership
15 interest in the parent company of Crossroads Utility, LLC. Included with my testimony as
16 **Attachment MM-1** is my curriculum vitae.

17 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.**

18 I have Bachelors and Masters of Science Degrees in Biological Engineering from The Ohio
19 State University having graduated with honors in 1992 and 1994, respectively. In addition,
20 I was inducted into the National Engineering Honor Society, National Agricultural Honor
21 Society, and National Agricultural Engineering Honor Society, as well as having received
22 awards for best communicator, best senior project and most outstanding presentation
23 during my time as a student.

1 **Q. WHAT DO THE JOINT PETITIONERS SEEK IN THIS PROCEEDING?**

2 A. Crossroads, along with LMH Utilities Corp. (“LMH”) (together, “Joint Petitioners”), seek
3 Commission approval of an Asset Purchase Agreement (the “Agreement”) whereby
4 Crossroads will acquire the LMH utility assets including all real property, tangible
5 property, intangible property, records, data, and permits necessary to operate the
6 wastewater utility owned by LMH (the “LMH System”). As part of this proceeding,
7 Crossroads seeks Commission approval to include the cost differential (which includes the
8 purchase price and cost of the acquisition as defined by Indiana Code 8-1-30.3-1) as part
9 of Crossroads’ rate base in future rate cases following the acquisition. Crossroads also
10 seeks approval to own, operate, maintain and improve the LMH System and to acquire the
11 service areas currently assigned to LMH in its original and additional CTA proceedings.
12 Additionally, Crossroads seeks authorization of its proposed Rules and Regulations, which
13 are included as **Attachment MM-2** to my testimony. Finally, Crossroads seeks
14 Commission approval to adopt without modification, LMH’s current rates, charges and
15 depreciation accrual rates.

16 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TESTMONY OFFERED IN**
17 **SUPPORT OF CROSSROADS’ REQUEST IN THIS PROCEEDING.**

18 A. In support of the Joint Petition and in addition to my testimony, the parties present the
19 verified, pre-filed testimonies of June Tucker, Gary VerDouw, Chris Lagaly and Zach
20 Tucker. An overview of the basic subject matter of the respective witnesses’ testimony is
21 below:

Witness	Subject
Michael Myers	Overview of Crossroads; technical, managerial and financial abilities; Agreement overview; supporting

	appraisals; additional considerations for Commission approval; LMH System improvements; public interest considerations
June Tucker	Overview of LMH; summary of last Commission base rate order; reasons for sale; public interest considerations
Zach Tucker	Historic and current operating condition of LMH System
Chris Lagaly	Description of LMH System condition; known infrastructure, environmental, or other issues affecting the LMH System; process for determining reasonable and prudent improvements upon completing the acquisition
Gary VerDouw	Analysis of cost differential, rate impact of acquisition on future rates; related ratemaking & depreciation issues

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Background and History

Q. PLEASE DESCRIBE YOUR EXPERIENCE RELATED TO OWNERSHIP AND OPERATION OF WATER AND WASTEWATER UTILITIES.

A. Since approximately 2019, I have served as Manager of Longleaf Utilities, LLC, which presently has an ownership interest in three water/sewer utilities - Currituck, NCWS and Crossroads. For each of these utilities, Longleaf has partnered with an National Utility Infrastructure (“NUI”), an investment fund specializing in the utility industry. NUI brings together a team with deep operational and investment expertise with a wide variety of capital sources — who can help build community resilience and economic opportunity by servicing critical infrastructure. This structure gives Crossroads access to approximately \$3 billion in net assets and a team with decades of demonstrated operational expertise and business leadership. The firm currently manages substantial interests in water and wastewater infrastructure across the country, in addition to portfolio company operations in a wide array of utility, construction, and industrial disciplines. The ownership structure for Crossroads, which is depicted in **Attachment MM-3** to my testimony, is a successful model we have duplicated in other ventures including Currituck and NCWS. Additionally,

1 since approximately 2010, I have served as President of Envirolink, Inc. and its operating
2 subsidiaries, which provide unregulated water and wastewater utility operation and
3 maintenance services as described in more detail below.

4 **Q. WHAT INFORMS THE COMPANY'S DECISIONS TO ACQUIRE WATER AND**
5 **WASTEWATER SYSTEMS?**

6 A. We carefully assess each project for investment, building trusted relationships with local
7 partners and networks, and integrate our team into the communities we serve for the long
8 term. We take a disciplined approach and focus on systems and communities, balancing
9 the staggering cost of infrastructure renewals, replacement, expansion, upgrades and
10 general utility maintenance in a manner that focuses on impact to customer rates. Many of
11 the systems we acquire face pressure from years of deferred maintenance, insufficient
12 capital investment and/or lack of industry experience. This approach eventually leads to
13 either increased infrastructure spending or the consequences of not doing so – including
14 increased environmental and health hazards, service interruptions, and general discontent
15 among customers. Given the speed and ease of broadcasting accurate and inaccurate
16 information, utility providers must adopt new policies and procedures that incorporate a
17 high level of transparency and effective customer relations to insure that customers become
18 aware of the condition and efforts being made by their utility providers. We bring a team
19 with deep financial, managerial and technical resources able to make necessary system
20 improvements, maintain systems to deliver excellent service quality, and manage systems
21 using economies of scale often not possible with small or family owned systems. Our
22 investments span beyond financial – we are invested in the success of communities. We
23 are true community partners, building transparency into our operations, and supporting

1 local priorities while continuing to deliver efficient, reliable, and affordable services to
2 residents.

3 **Q. PLEASE DESCRIBE CROSSROADS, LLC.**

4 A. Crossroads Utilities, LLC (“Crossroads”) is an Indiana limited liability corporation that is
5 in good standing with the Indiana Secretary of State. Crossroads’ Articles of Organization
6 and Certificate of Organization are included with my testimony as Attachment **MM-4**. Jeff
7 Yuknis and I are the managing members of Crossroads. We both serve on the Crossroads
8 Board of Directors, along with Julius Bedford, Thomas Henley, and Dan Gerrity. The
9 biographies of these individuals are included as **Attachment MM-5**. Crossroads was
10 created for the purpose of owning the LMH System upon approval by this Commission
11 and closing on the Agreement.

12 **Q. WHY IS CROSSROADS INTERESTED IN ACQUIRING THE LMH SYSTEM?**

13 A. The acquisition of LMH is attractive to Crossroads because it fits within our broader
14 mission to provide meaningful benefits to communities through the acquisition, operation,
15 management, upgrade and investment in both governmental and non-governmental owned
16 utility assets. Our goal for the LMH System is twofold: (1) to implement best management
17 practices in wastewater management to address the increasing inflow and infiltration issues
18 present today; and (2) to operate and maintain the wastewater infrastructure, including
19 making upgrades and improvements, to provide good quality utility service to the LMH
20 customers. By combining investment with the implementation of best management
21 practices, Crossroads intends to address several longstanding challenges for the LMH
22 System. As I address in more detail below, inflow and infiltration, accurate inventory and

1 mapping of utility assets, upgrade of lift station and optimization of treatment plant assets
2 have been identified as critical needs for current LMH operations.

3 **Q. PLEASE DESCRIBE HOW CROSSROADS INTENDS TO OVERSEE THE**
4 **MANAGEMENT AND OPERATION OF THE LMH SYSTEM.**

5 A. Crossroads, through myself and its Board of Directors, will provide oversight and
6 management of the LMH System. This will include making strategic decisions on asset
7 management and improvements, regulatory compliance and ratemaking, customer service
8 and financial aspects of the LMH System. In response to growing frustration by current
9 LMH ownership, in June 2022, the day-to-day operations and maintenance of the LMH
10 System were turned over to Crossroads' affiliate, Envirolink of Indiana, LLC. Crossroads
11 intends to continue contracting with Envirolink for these functions following approval of
12 the transaction and closing on the Agreement.

13 **Q. PLEASE DESCRIBE ENVIROLINK OF INDIANA, LLC.**

14 A. Envirolink of Indiana, LLC provides unregulated operation and maintenance services to
15 water and wastewater utilities in Indiana. Envirolink of Indiana, LLC also currently
16 provides operations and maintenance services to nearby South Dearborn Sanitary District
17 in Dearborn County, Indiana. Envirolink of Indiana, LLC is an affiliate of Envirolink, Inc.,
18 which provide operations and management services to approximately 150 water and
19 wastewater utilities across six (6) states. I lead the management team for Envirolink, Inc.
20 and its affiliates.

21 **Q. WILL CROSSROADS HAVE AN AFFILATE AGREEMENT WITH**
22 **ENVIROLINK OF INDIANA, LLC?**

1 A. Yes. Once the transaction is approved, and before the parties close on the Agreement,
2 Crossroads will enter into an arm's length affiliate agreement with Envirolink of Indiana,
3 LLC for the continued day-to-day operation and maintenance of the LMH System.

4 **Q. DESCRIBE THE HISTORY BETWEEN CROSSROADS AND LMH UTILITIES,**
5 **CORP.**

6 A. Crossroads and LMH began working together in 2021. Envirolink's presence in Dearborn
7 County resulted in LMH reaching out to Envirolink for assistance with LMH's desire to
8 sell the utility. After several meetings and investigations, LMH decided to pursue an
9 agreement whereby LMH agreed to sell and Crossroads agreed to acquire (subject to IURC
10 approval), the wastewater utility assets current owned by LMH.

11 **Q. WHY DID LMH AND CROSSROADS ENTER INTO THE AGREEMENT?**

12 A. As LMH witness June Tucker explains, LMH has always been a family-owned and
13 operated wastewater utility in rural southeastern Indiana. Over the years, ownership and
14 operation of LMH has passed down to a second generation and the current owners are ready
15 to exit the business. Additionally, the LMH System is in need of repairs and upgrades
16 related to inflow and infiltration that the current ownership would prefer be addressed by
17 new ownership.

18 **Q. PLEASE DESCRIBE THE LMH SYSTEM AND ITS CERTIFICATED AREAS.**

19 A. LMH is a public utility subject to Commission's jurisdiction. It serves a rural area with
20 less than 2,000 customers in the area near Bright, Indiana (west of metropolitan Cincinnati,
21 Ohio). As the Joint Petition references, LMH's original CTA has been expanded several
22 times over the years to gradually expand its service area. Included as **Attachment MM-6**
23 to my testimony are the legal descriptions of the real property on which the LMH

1 wastewater treatment plant is situated as well as the legal descriptions for the property
2 included in the CTAs granted to LMH by the IURC over the years. A map showing LMH's
3 current service territory is included as Attachment ZT-2 to Mr. Tucker's pre-filed direct
4 testimony. The Agreement contemplates that upon Commission approval and closing, all
5 of LMH's CTAs will be transferred to and assumed by Crossroads.

6 **Q. DOES CROSSROADS PROPOSE IN THIS PROCEEDING TO SERVE IN ANY**
7 **AREAS OTHER THAN THE LMH CERTIFICATED AREAS?**

8 A. Not at this time.

9 **Q. HAS CROSSROADS EVALUATED THE LMH SYSTEM TO IDENTIFY ANY**
10 **SERVICE ISSUES OR NECESSARY IMPROVEMENTS?**

11 A. Yes. As part of its due diligence, Crossroads reviewed the LMH System records and had
12 an independent engineer inspect the LMH System. Those efforts revealed the need for
13 certain corrective action in the near-term to address fairly significant inflow and infiltration
14 ("I&I") during heavy rainfall that results in overflows. During those events, LMH's current
15 practice is to manually attend to and throttle back the lift stations to avoid problems in other
16 parts of the system. The engineering analysis recommends the installation of automated
17 telemetry that will monitor flow levels and allow for proactive intervention and reduce or
18 avoid overflows. The engineer also recommends performing a CCTV inspection in the
19 collection system to identify the location of I&I and other issues contributing to the
20 overflows, which will then allow for targeted and accurate repairs. The estimated cost of
21 the CCTV and telemetry projects is approximately \$1,224,000. Following this inspection,
22 we will incorporate recommended repairs and improvements to the system improvement
23 plan, with the additional recommendations in the engineer's report. This process will result

1 in a prudent, long-term plan to meet the customers' need for reliability and recognizes the
2 impact on rates. The engineer further recommends adding a unit to the sequencing batch
3 reactor system to maintain the system's efficiency when one unit is dedicated to handling
4 increased flow during heavy rainfall events. This analysis, together with mid and longer
5 term improvements already identified, will enable Crossroads to evaluate and develop a
6 long term and prudent asset management plan.

7 **Q. IS CROSSROADS PREPARED TO TAKE THE CORRECTIVE ACTIONS**
8 **IDENTIFIED IN ITS ENGINEERING ANALYSIS?**

9 A. Yes. Our team has begun evaluating the estimated costs of those improvements. We will
10 work to time our investments to balance the potential rate impacts and urgency of each
11 recommended project to create a prudent asset management plan.

12
13 **Crossroads' Authority & Financial, Technical and Managerial Abilities**

14 **Q. DOES CROSSROADS HAVE THE LAWFUL POWER TO OWN, OPERATE,**
15 **MAINTAIN, AND CONSTRUCT IMPROVEMENTS AS NEEDED FOR THE LMH**
16 **SYSTEM?**

17 A. Yes. Crossroads is an Indiana limited liability company in good standing with the lawful
18 power and authority to own, operate, maintain and construct necessary improvements on
19 the LMH System subject to this Commission's approval.

20 **Q. PLEASE IDENTIFY THE INDIVIDUALS THAT WILL OPERATE THE LMH**
21 **SYSTEM IF THE ACQUISITION IS APPROVED, INCLUDING THEIR**
22 **BACKGROUND AND EXPERIENCE.**

1 A. Upon approval of the Joint Petition and closing on the Agreement, Crossroads will assume
2 ownership and operation of the LMH System. The Crossroads Board of Directors,
3 including myself, will be primarily responsible for the management and financial oversight
4 of the LMH System. The day-to-day operations and maintenance of the LMH System will
5 be overseen by Chris Lagaly and Zach Tucker, who have operated the LMH System for a
6 combined 12 years and both of whom are employed by Envirolink of Indiana, LLC. Both
7 Mr. Lagaly and Mr., Tucker are licensed Indiana operators and are longtime residents of
8 Dearborn County. These individuals are experienced water and wastewater infrastructure
9 and utility industry professionals with a blended understanding of both operations and
10 financials. Further, our dedicated team of operational professionals has decades of
11 experience leading and implementing complex utility and infrastructure projects that
12 leverage private sector resources for the public benefit. This model has been built and
13 pioneered by our team and integrated into communities across the country to unlock
14 resources and opportunities.

15 **Q. DOES CROSSROADS HAVE THE FINANCIAL ABILITY TO OWN, OPERATE,**
16 **MAINTAIN AND CONSTRUCT IMPROVEMENTS AS NEEDED FOR THE LMH**
17 **SYSTEM?**

18 A. Yes. Included with my testimony is Confidential **Attachment MM-7C**, which are the
19 confidential financials of Crossroads. Additionally, as shown on the diagram in
20 **Attachment MM-3**, NUI and Longleaf Utilities have ownership interests in Crossroads
21 and are able to provide additional financial resources to operate, maintain and construct
22 necessary improvements on the system.

1 NUI's founder, Jim Bernhard, and the firm's leadership team bring decades of
2 demonstrated operational experience and business leadership to all aspects of its
3 operations, projects, and partnerships. As founder and former CEO of The Shaw Group,
4 Mr. Bernhard led the company's growth from a small industrial pipe fabrication company
5 into a Fortune 500 global services firm with more than 25,000 employees. As The Shaw
6 Group expanded over the years, the firm developed an industry-leading reputation for
7 executing and delivering complex projects and programs on time and under budget, on a
8 global scale. Much of the firm's growth was powered by mergers, acquisitions, and
9 partnerships that — when combined with trusted banking and financial relationships
10 throughout the world — turned standalone companies into a multi-billion-dollar operation.
11 Mr. Bernhard brings this same approach and expertise to Bernhard Capital Partners and
12 NUI.

13 NUI and its associated funds are backed by more than \$2.5 billion of net assets
14 under management that the leadership team has raised since the firm's inception in 2013.
15 In this short amount of time, NUI's leadership team has grown its position as the highly
16 regarded firm known today, with majority ownership in portfolio companies with more
17 than 20,000 employees throughout the world.

18 **Q. WHAT BENEFITS WILL LMH'S CUSTOMERS SEE AS A RESULT OF**
19 **TRANSFERRING THE LMH SYSTEM TO CROSSROADS?**

20 A. Customers of the LMH System will benefit from economies of scale that Crossroads can
21 provide as it is a part of a larger family of utility companies. For example, Crossroads will
22 support reverse 411 informational announcements, and billing options such as ACH, credit
23 card payments, in -person payment, as well as 24/7 customer support from both local staff

1 and our call center operations located in North Carolina. In addition to the projects
2 referenced above, Crossroads also anticipates that, shortly after closing, Crossroads will
3 implement a much needed initiative to remove sump pump discharge from the sanitary
4 sewer. As part of this initiative, Crossroads anticipates conducting numerous public and
5 individual meetings with affected customers in order to communicate the importance of
6 this work and to collaborate with customers to ease the burden of separating sump pumps
7 from the sanitary sewer. As reflected in **Attachment MM-2**, Crossroads requests approval
8 of its proposed Rules and Regulations, which are identical to the Rules and Regulations
9 the Commission approved for LMH in 2009, except that Crossroads has modified Rule 12
10 to clarify Crossroads' rules for handling unauthorized discharges into the collection
11 system. LMH customers will also benefit from the Crossroads team's depth and breadth
12 of expertise in utility operations. As noted above, Crossroads intends to immediately begin
13 making improvements to the LMH System upon Commission approval of the Joint Petition
14 and closing. These improvements will result in a more efficient and cost-effective system
15 that will provide good quality service for the future.

16
17 **The Asset Purchase Agreement**

18 **Q. PLEASE DESCRIBE THE AGREEMENT.**

19 A. The Agreement is included as **Attachment MM-8** to my testimony. The Agreement
20 provides that Crossroads will purchase all of the assets of the LMH system, including all
21 real property, tangible property, intangible property, records, data, and permits necessary
22 to operate the LMH System (the "Assets"). The Agreement sets forth several conditions

1 for closing, representations and warranties by both LMH and Crossroads, and provides for
2 the inspection of relevant documents during a due diligence period.

3 **Q. HOW DID THE PARTIES ARRIVE AT A PURCHASE PRICE?**

4 A. The parties arrived at the purchase price based on discussions with each other and their
5 respective professionals regarding the Assets, their value, the condition of the LMH
6 System, and the rate base and rates approved by the Commission in LMH's last base rate
7 proceeding.

8 **Cost Differential and Appraisals**

9 **Q. WILL THERE BE A "COST DIFFERENTIAL" FOLLOWING THE**
10 **ACQUISITION AS DESCRIBED BY INDIANA CODE 8-1-30.3-1?**

11 A. Yes.

12 **Q. PLEASE DESCRIBE YOUR UNDERSTANDING OF THE DEFINITION OF A**
13 **"COST DIFFERENTIAL" IN THE ACQUISITION STATUTE.**

14 A. As applied to this transaction, Indiana Code § 8-1-30.3-1 defines a "cost differential" as
15 the difference between: the cost to Crossroads of acquiring the LMH System, including the
16 purchase price, incidental expenses, and other costs of acquisition; minus the difference
17 between: (A) the cost of the utility property when originally put into service by LMH;
18 minus (B) contributions or advances in aid of construction plus applicable accrued
19 depreciation.

20 **Q. IS THE TERM "UTILITY PROPERTY" DEFINED BY STATUTE?**

21 A. Yes, Indiana Code 8-1-30.3-4 defines utility property as property of a utility company that
22 is the subject of an acquisition. For purposes of this proceeding, the utility property is the
23 LMH System identified in Section 2.1 of the Agreement.

1 **Q. HAS CROSSROADS CALCULATED THE “COST DIFFERENTIAL” IN THIS**
2 **PROCEEDING?**

3 A. Yes. Mr. VerDouw’s testimony includes the calculation of the cost differential.

4 **Q. HOW DOES THE COMMISSION DETERMINE WHETHER THE COST**
5 **DIFFERENTIAL IS REASONABLE?**

6 A. As applied to this transaction, Indiana Code 8-1-30.3-5(b) provides that there is a rebuttable
7 presumption that a cost differential is reasonable to the extent the purchase price does not
8 exceed the appraised value as determined under Indiana Code 8-1-30.3-5.5.

9 **Q. IS CROSSROADS PRESENTING APPRAISALS THAT COMPLY WITH**
10 **INDIANA CODE 8-1-30.3-5.5?**

11 A. Yes. Crossroads has secured three (3) appraisals performed by qualified and disinterested
12 appraisers as defined by Indiana Code 8-1-30.3-5.5, including two appraisals by an
13 engineer registered under Indiana Code 25-31 and one performed by an appraiser licensed
14 under Indiana Code 25-34.1-8. The appraisers are disinterested as required by the statute
15 because their fees for the appraisal services were fixed before the individuals performed
16 the appraisals; none of the appraisers are employees of any party to the acquisition; none
17 of the appraisers are state or municipal or employees; and none of the appraisers have
18 affiliated interests to the parties to the acquisition. The appraisals are attached to my
19 testimony as **Attachment MM-9**. The LMH System appraised at approximately \$12
20 million according to Banning Engineering; and at \$4 million according to William R.
21 Schreiner and Lloyd W. Stoner.

1 **Q. DID AT LEAST TWO OF THE APPRAISERS AGREE ON AN APPRAISED**
2 **VALUE AND PROVIDE A SIGNED APPRAISAL AS REQUIRED BY INDIANA**
3 **CODE 8-1-30.3-5.5(d)?**

4 A. Yes. The appraisals of Mr. Schreiner and Mr. Stoner agree on an appraised value of \$4
5 million, using a “fair market value in continued use, with an earnings analysis, as is, on a
6 going concern basis.”

7 **Additional Considerations for Acquisition Approval**

8 **Q. IN ADDITION TO CONSIDERING THE REQUIRED APPRAISALS OF THE**
9 **LMH SYSTEM, WHAT ELSE MUST THE COMMISSION EVALUATE BEFORE**
10 **INCLUDING THE COST DIFFERENTIAL AS PART OF CROSSROADS’ RATE**
11 **BASE IN FUTURE RATE CASES FOLLOWING THE CLOSING ON THE**
12 **ACQUISITION?**

13 A. Indiana Code Sections 8-1-30.3-5(d)(1)–(8) establish the additional considerations the
14 Commission must evaluate in determining whether to authorize the inclusion of the cost
15 differential as part of rate base for future cases. I discuss those considerations in turn
16 below.

17 1) *Used & Useful Utility Property.* As required by Section 5(d)(1), the LMH System
18 is used and useful by LMH in order to render service to the certificated LMH areas.
19 Said differently, LMH uses each and every component of the LMH System that
20 Crossroads is acquiring in order to provide service to the LMH System customers.

21 2) *LMH’s Size and Ability to Serve.* Because LMH serves fewer than 8,000 customers,
22 LMH meets the criteria of Section 5(d)(2) and Indiana Code 8-1-30.3-6 LMH for

1 being too small to capture economies of scale or not furnishing or maintaining
2 adequate, efficient, safe, and reasonable service and facilities.

3 3) *Improvements.* In accordance with Section 5(d)(3), Crossroads will improve
4 certain economies of scale and make reasonable and prudent improvements to
5 LMH's plant and operations so that LMH's customers will receive adequate,
6 efficient, safe, and reasonable service. As is described in more detail above and as
7 referenced by Mr. Tucker and Mr. Lagaly, the LMH System needs improvements
8 and Crossroads is willing and able to commence work to implement necessary
9 repairs and improvements. As required by Indiana Code 8-1-30.3-5(e), Mr. Lagaly
10 and I provide testimony including a statement of known infrastructure,
11 environmental, or other issues affecting the LMH System, and the process for
12 determining reasonable and prudent improvements upon completing the
13 acquisition. When complete, these projects will ensure that customers of the LMH
14 System receive excellent wastewater service.

15 4) *Arm's Length Negotiations.* As required by Section 5(d)(4), the Agreement is the
16 result of a mutual agreement made at arm's length. LMH and Crossroads initiated
17 discussions in 2021, which continued over the course of several months. Each party
18 was represented by separate and unaffiliated engineers, attorneys and financial
19 advisors.

20 5) *Reasonable Purchase Price.* Section 5(d)(5) requires the Commission to find that
21 the actual purchase price is reasonable. Notably, the purchase price is much lower
22 than the appraised value assigned by all of the appraisers. The parties believe the
23 purchase price is reasonable because it compensates LMH for the rate base

1 approved by the Commission in LMH's last base rate case, reflects increased values
2 identified in the appraisals, and if approved, will not result in unreasonable future
3 rate increases. In his direct, pre-filed testimony, Mr. VerDouw also opines that the
4 purchase price is reasonable given the appraised values and as compared to other
5 Indiana wastewater system acquisitions.

6 6) *Non-Affiliation.* As required by Section 5(d)(6), Crossroads and LMH are not
7 affiliated and share no ownership interests.

8 7) *No Unreasonable Future Rate Increase.* In accordance with Section 5(d)(7),
9 Crossroads confirms through Mr. VerDouw's testimony that rates will not increase
10 unreasonably in future general rate cases solely as a result of acquiring the utility
11 property from the offered utility. Since Crossroads does not have existing Indiana
12 rate base, Section 5(d)(7) provides that the Commission shall proceed to consider
13 evidence of: (A) the anticipated dollar value increase; and (B) the increase as a
14 percentage of the average bill. Mr. VerDouw's testimony includes an analysis of
15 the potential dollar value and percentage increase that Crossroads reasonably
16 predicts would result solely from the acquisition at various levels of approved rate
17 base. Crossroads is seeking approval to include in rate base the entire purchase
18 price including the cost differential. However, Crossroads is not seeking a rate
19 increase at this time, and anticipates that it will wait to initiate a request for a rate
20 increase until it has a demonstrated record of service and is substantially complete
21 with at least some of the LMH System improvements described by Mr. Lagaly. We
22 are very mindful of balancing the rate impact on customers and the timing for
23 recovering Crossroads' costs. Crossroads has voluntarily elected to defer seeking

1 any rate adjustment so that it can integrate itself into the community, work on the
2 upgrades and demonstrate its capabilities without the burden of immediate rate
3 increases.

4 8) *Addition of Cost Differential to Rate Base.* Section 5(d)(8) provides that the cost
5 differential will be added to Crossroads' rate base to be amortized as an addition to
6 expense over a reasonable time with corresponding reductions in the rate base. Mr.
7 VerDouw discusses Crossroads' proposal to effectuate this provision.

8 **Required Notices**

9 **Q. WILL JOINT PETITIONERS NOTIFY CUSTOMERS OF THE LMH SYSTEM OF**
10 **THE PROPOSED ACQUISITION?**

11 A. Yes, Joint Petitioners will provide notice via a bill insert to the LMH System customers of
12 this Joint Petition filed with the Commission.

13 **Q. HAVE CROSSROADS AND LMH MET WITH THE OUCC TO EXPLAIN THE**
14 **AGREEMENT AND REQUESTED RELIEF?**

15 A. Yes, Crossroads and LMH met with representatives of the OUCC on December 22, 2022
16 and provided a copy of the Joint Petition and the case-in-chief testimony.

17 **Q. WILL CROSSROADS AND LMH NOTIFY ANY OTHER AUTHORITIES OR**
18 **STAKEHOLDERS?**

19 A. Yes, Crossroads and LMH will notify the Indiana Department of Environmental
20 Management as required by its administrative rules to transfer LMH's IDEM permits to
21 Crossroads effective on the closing date.

22

1 **Recommendation and Conclusion**

2 **Q. WHY IS THE ACQUISITION IN THE PUBLIC INTEREST?**

3 A. The acquisition is in the public interest because it will allow the current owners of the LMH
4 System to exit the business while leaving the LMH System in the hands of capable new
5 ownership that will maintain good service quality, make necessary improvements to
6 preserve good service quality proactively, all at a reasonable purchase price that is below
7 the appraised value of the LMH System, which will not unreasonably increase rates as
8 required by Indiana law.

9 **Q. WHAT DO YOU RECOMMEND TO THIS COMMISSION?**

10 A. I respectfully recommend that the Commission approve the acquisition of the LMH System
11 by Crossroads at the purchase price set forth in the Agreement, to include all of the Assets
12 provided in the Agreement, and that the Commission approve the purchase price including
13 the cost differential as calculated by Mr. VerDouw as part of Crossroads' rate base in future
14 rate cases following the acquisition. Additionally, I recommend that the Commission
15 authorize Crossroads to own, operate, maintain and improve the LMH System and to
16 acquire the service areas currently assigned to LMH in its original and additional CTA
17 proceedings. I also recommend that the Commission authorize Crossroads' proposed rules
18 and regulations. Finally, I recommend that the Commission authorize Crossroads to adopt
19 LMH's current rates, charges, and depreciation accrual rates.

20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes.

VERIFICATION

I hereby verify that the foregoing is true and accurate to the best of my knowledge and belief.

DATED: January 3, 2023



Michael Myers

MICHAEL MYERS
4900 Homewood Court, Suite 108
Raleigh, NC27609
mmyers@envirolinkinc.com

Over 20 years of experience in utility industry serving as manager of water and wastewater facilities and personnel in Ohio, Indiana, North Carolina, South Carolina, Virginia, and Tennessee with oversight of over 200 employees, annual capital budgets over \$300 million, and annual operating budgets over \$30 million.

Professional Experience

Longleaf Utilities, LLC (2019 – present)

- **Member, Crossroads Utilities, LLC**
Provide management oversight of Indiana wastewater utility seeking authorization to acquire the property and utility assets of LMH Corporation serving approximately 1,300 customers in Dearborn County, Indiana. Duties include strategic oversight of operational, financial and managerial activity of utility.
- **Member, Currituck Water, LLC**
Provide management oversight of North Carolina utility serving approximately 1,700 wastewater customers and 150 water customers in Currituck, North Carolina. Duties include strategic oversight of operational, financial and managerial activity of utility.
- **Member, North Carolina Water & Sewer**
Provide management oversight of North Carolina Water & Sewer utility serving approximately 200 water customers in suburban Raleigh, North Carolina. Duties include strategic oversight of operational, financial and managerial activity of utility.

President, Envirolink, Inc. (2010 – present)

Lead management of operations in six states through various company subsidiaries to provide unregulated water and wastewater utility operation and maintenance services to approximately 150 water and wastewater utilities.

American States Water (2004)

Led the acquisition and startup of utility operations, maintenance and management for utility privatization contract awarded by United States Department of Defense, Fort Bragg, North Carolina.

Aqua America

Operation and engineering manager, Southeastern region; spearheaded initiatives including the Non-Viable Utility Incentive, Distribution Improvement Surcharge (DISC) and Wastewater Improvement Surcharge (WISC).

North Carolina Department of Environment & Natural Resources (1994)
Engineer, awarded Most Outstanding Employee - 1997

Education

The Ohio State University

Bachelor of Science, Biological Engineering (1992, with honors)

Masters of Science, Biological Engineering (1994)

National Engineering Honor Society

National Agricultural Honor Society

National Agricultural Engineering Honor Society

Best communicator, best senior project, most outstanding presentation

Water & Wastewater Training

Water Quality Modeling/ Manhattan College

Water Quality Standards Institute/ US EPA

NPDES Permit Writers Course/ US EPA,

NAWC Rate School/ NAWC, Michigan State University

Water Utility Management/University of Florida

Municipal Utility Finance/University of North Carolina

Irrigation System Design/North Carolina State University

North Carolina Pretreatment Program/ North Carolina Division of Water Quality

RULES AND REGULATIONS OF
CROSSROADS UTILITIES, LLC
SEWAGE DISPOSAL SERVICE USERS

APPLICATION

The Rules and Regulations of the Company, as amended and supplemented from time to time, shall govern all sewage disposal service ("service") rendered or to be rendered by the Company, shall be binding upon every customer, and shall constitute a part of the terms and conditions of every contract for sewage disposal service, whether expressly incorporated therein, or not.

DEFINITIONS

The following words, as used in these Rules and Regulations, have the following meanings:

(a) "Commission" means the Indiana Utility Regulatory Commission;

(b) "Company" means Crossroads Utilities, LLC, an Indiana limited liability company;

(c) "Customer" or "Customers" means the person or entity which has been, is being, or is to be supplied with sewage disposal service by the Company;

(d) "Lateral Sewer" means the sewer pipe owned by Company and located in a dedicated way or utility easement which accepts sewage from the service lines and delivers it to Company's collection system;

(e) "Service Line" means a sewer pipe which accepts sewage from the premises serviced and delivers it to a Lateral Sewer;

(f) "Tap" means a fitting owned by the Company and inserted in the Lateral Sewer at the point where the Service Line is attached;

(g) "Service Area" means a rural area in the State of Indiana for which Company has a certificate of territorial authority from the Commission to render sewage disposal service to the public.

RULES

Rule 1. Contracts for Service. A contract for service in the form prescribed by Company shall be executed by each Customer before Company commences service to the Customer. The Customer executing such contract shall be liable for and shall pay for all service rendered under the terms of said contract unless and until Company shall release him from the terms thereof, or is properly notified to discontinue service for his account. All charges for services from one property or location to another do not in any manner affect or limit his liability for charges incurred at a previous location. No promises, agreements or representations of any agent, employee or authorized representative of the Company shall be binding upon the Company unless the same shall have been incorporated in a written contract. Unless a contract for service has been executed, sewage may not be emitted from the premises into Company's system. Anyone violating this rule shall be required to pay Company its monthly service charge for any month or fraction thereof that sewage was emitted from the same premises into Company's system and to reimburse Company for all expenses incurred by it in terminating such unauthorized use of its system.

Rule 2. Service. Service furnished is for the use of the Customer on his designated premises and shall not be resold or, without written consent of Company, be extended by any Customer to serve additional lots, premises or improvements. Service shall be rendered to all Customers of Company in accordance with the rates

and charges of the Company on file with the Commission in effect from time to time.

Rule 3. Charges Prior to Notification of Occupancy. The contractor, builder or developer shall be liable for the minimum monthly charge for service from time of construction until such contractor, builder or developer notifies company, in writing, that the premises are occupied.

Rule 4. Deposits. The Company may require a reasonable deposit from the Customer to secure the payment of charges for service, if the Customer is determined to be uncreditworthy under the standards of Rule 15 of the Commission, 170 I.A.C. 8.5-2-3. Such deposit shall be in an amount approximating the Customer's minimum charge for two (2) billing periods, unless the charges to the Customer for such periods are expected to be in excess of the minimum, in which case the deposit shall approximate the estimated charge for two (2) billing periods. Every such deposit held by the Company more than twelve (12) months shall bear simple interest at the rate of six percent (6%) per annum, payable annually upon demand or upon termination of service. The deposit, plus interest, will be refunded when service has been discontinued and all charges for service have been paid in full, or when the Customer establishes credit worthiness in accordance with said Rule 15, whichever shall first occur. Interest shall not be paid after discontinuance of service to the Customer if the Company has made reasonable effort to return the deposit to the Customer. Refund of deposit and interest will be made upon surrender of the deposit receipt or, in case receipt is lost, upon the execution by the depositor or his proper representative of an affidavit sufficient to show that he is the person entitled to the deposit and interest.

Rule 5. Bills. Each bill for service shall be due upon receipt and payable at the Company's designated office within seventeen (17) days after receipt by the Customer. There will be no abatement of charges unless the Company has been notified in writing to permanently discontinue service no less than seventy-two (72) hours before such service is to be discontinued. The late payment charge shall be calculated on ten percent (10%) of the first Three Dollars (\$3.00), and three percent (3%) on all over Three Dollars (\$3.00).

Rule 6. Interruption of Service. The Company will undertake to exercise reasonable care and diligence to treat and dispose of sewage emitted from Customer's premises. The Company reserves the right, however, to suspend service for repairs and improvements which are, in its opinion, necessary. It will undertake to keep such interruptions at a minimum and to notify Customer of impending interruptions whenever possible. If an interruption is not the result of a Customer's act or of the conditions of Customer controlled equipment and continues for more than two (2) days after notice to the Company, the Customer's bill for the period in which the interruption occurred will be credited on a pro-rata basis for the interruption. The Company shall not be responsible, and shall in no way be liable, for failures or interruptions in service, or for any loss or damage or inconvenience resulting therefrom.

Rule 7. Discontinuance of Service. A Customer's service may be discontinued by the Company for any of the following:

- (a) Tampering or knowingly permitting tampering with any Service Line, meter, meter seal or any of the Company's

facilities or equipment without proper authority from the Company;

(b) Vacancy of property;

(c) Failure to pay any bill or charge within Seventeen (17) days after receipt;

(d) Failure to provide free and non-hazardous access to the property so that representatives of the Company may take meter readings, make necessary inspections, and maintain, replace or remove any of the Company's facilities;

(e) Continued violation of any of these rules and regulations or any amendments thereof;

(f) Placing or permitting any deleterious substance to enter into the sewer system which might adversely affect the ordinary treatment of sewage in the treatment plant;

(g) Interference with, or damaging or destroying, any sewage disposal facilities belonging to the Company;

(h) Installation of new pipe and fittings or altering or removing existing pipe or fittings without written permission from the Company;

(i) Permitting any condition to exist about the premises that does, or might, cause pollution of the public water supply;

(j) An order to discontinue service by the Indiana State Board of Health or by any other authority or agency having jurisdiction over such matters.

Written notice that service will be discontinued, absent corrective measures satisfactory to the Company, for any of the reasons set forth in subparagraphs (c), (d), (e) and (f) hereof will be mailed to the Customer at his address appearing on the Company's records seven (7) days prior to discontinuance of service. Service may be discontinued without notice for any of the

reasons set forth in subparagraphs (a), (b), (g), (H), (i) and (j). The Company shall not be liable for any damage to a customer's property resulting from a disconnection or reconnection.

Rule 8. Resumption of Service. When the Company has discontinued service to a premises, the Customer shall not reinstate or cause reinstatement of service without written permission from the Company.

Service, once discontinued, will be renewed when the conditions under which such service was discontinued are corrected and upon the payment of all charges due from the Customer for service and of a reconnection charge equal to the expenses of the Company incurred in disconnecting and reconnecting such person from its system.

Rule 9. Meter Readings and Inspections. Company personnel shall have access to Customer's premises at all reasonable times to read meters, to inspect Company's property, to check for unsafe conditions and for all other purposes connected with the service.

Rule 10. Connections to System. No customer shall be allowed to connect to Company's system until the Indiana Utility Regulatory Commission approved tap-on fee is paid to the Company. If any person shall do so without making such payment, Company shall have the right to disconnect such Customer and refuse to connect him to Company's system until after such tap-on fee has been paid and Company has been reimbursed for its expense incurred in disconnecting such person from its system. No person shall do any form of work on or in connection with lines or facilities of Company without written permission from the Company. Twenty-four (24) hours notice to Company will be required prior to making any

inspection of a new connection. In no event shall underground work be covered until Company has inspected and approved the same. Before requesting an inspection by Company, the sewer contractor shall have the work in such state that the inspection can be made at the scheduled time.

Rule 11. Taps. Service Lines, Taps and connections to Company's Lateral Sewers shall be made only in accordance with plans and specifications approved by Company, and shall include such appurtenances and facilities as Company may require. Any such connection shall be made only under direct authority from, and under the supervision by, an officer of or employee designated by Company for such purpose. All clean-outs or inspection pipes shall be installed at the expense of the Customer.

Rule 12. Service Line Repairs. All Service Lines repairs and maintenance are the responsibility of Customer. The Customer shall also be responsible for cleaning of any Lateral Sewers which become clogged or blocked as a result of debris or waste entering such Lateral Sewer from the Customer's Service Line as a result of the Customer's actions.

Rule 13. Company Property. All pipe, tile and equipment furnished by Company, which may at any time be on or in the Customer's premises, shall be and remain the property of the Company, unless otherwise expressly provided, and the Customer shall protect such property from loss or damage caused by the Customer or his agents.

Rule 14. No Connection to Septic Tanks. Connections between septic tanks and the Company's sewer lines are prohibited.

Rule 15. Storm Water and Other Prohibited Substances. No person receiving sewer service shall discharge, cause to be discharged, allow to be discharged or permit to be discharged any storm water, surface water, roof run-off, surface drainage, groundwater drainage, footing drainage, window well drainage, driveway drainage, garage floor drainage, patio drainage, downspout drainage, crawl space drainage, non-sanitary basement floor drainage, non-sanitary sump pump drainage, Cooling Water, unapproved industrial process water, or any other non-sanitary sewage drainage (each of which is an "Unauthorized Discharge") into the Company's collection sewer or into the Customer sewer lateral so as to reach said collection sewer. No person receiving sewer service shall connect, cause to be connected, allow to be connected or remain connected or permit to be connected or remain connected, any sump pump or other pumping device for draining window wells, footings, patios, garages, driveways, downspouts, crawl spaces or other non-sanitary drainage areas, or any footing, window well, driveway, patio, garage, downspout or other non-sanitary sewage drain to the collection sewer or to any building sewer service line which connects to said collection sewer. The Customer shall provide the Company's employees free and reasonable access to the Premises or property served for purposes including, but not limited to, inspection of drains, sump pump discharges, down spouts, footing and basement drainage, and surface draining, and the performance of non-destructive tests (for example, smoking, dye testing, etc.) to determine compliance with these Rules Governing Sewer Service. All employees of the Company whose duty compels them to enter the Customer's premises, or property shall, upon request, show their credentials or other evidence of authority. Except as otherwise prohibited in the Commission's Rules, the Company may discontinue service rendered under any application, contract or agreement with seven (7) days prior written notice to the Customer for failure to abide by Company's Rules or other good reason, including, but not limited to:

- (1) For failure to protect and maintain the Customer sewer lateral or other fixtures on the Customer's property in a condition satisfactory to the Company, and consistent and the provisions of the Indiana Plumbing Code.
- (2) For failure to abide by Company's Rules prohibiting Unauthorized Discharges into Company's collection sewer.
- (3) For failure to provide the Company's employees free and reasonable access to the Customer's premises or property served for purposes of connection inspections or other inspections or for

obstructing the way of ingress to Customer or Company laterals, fixtures, or other appliances.

Company may cause such connection to be disconnected and charge such Customer a reasonable fee for its expense in doing so. Failure to pay such charge within seventeen (17) days after mailing or an invoice therefor shall subject the Customer to the same penalties provided herein for failure to pay service charges. Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following into a sanitary sewer:

(a) Liquid or vapor having a temperature higher than 150 degrees F.;

(b) Water or waste which may contain more than 208 parts per million, by weight, of fat, oil or grease;

(c) Gasoline, benzenes, naphtha, fuel oil or other inflammable or explosive liquid, solid or gas of any type;

(d) Garbage that has not been properly shredded;

(e) Ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewage treatment plant;

(f) Waters or waste having a pH lower than (5.0) or higher than (9.0), or having any other corrosive property capable of causing damage or hazard to structures, equipment, facilities and personnel of the sewage treatment plant;

(g) Waters or waste containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant;

(h) Waters or wastes containing suspended solids of such character and quantity that unusual attention or

expenses are required to handle such materials at the sewage treatment plant;

(i) Noxious or malodorous gas or substance capable of creating a public nuisance.

Rule 16. Special Interceptors. Grease, oil and sand interceptors shall be provided by Customer when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts or any flammable wastes, sand or other harmful ingredients. However, such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, water tight and equipped with easily removable covers which, when bolted in place, shall be gas tight and water tight. Where installed, all grease, oil and sand interceptors shall be maintained in continuously efficient operation by the Customer, at his expense.

Rule 17. Special Approval for Waste. The admission into Company's sewers of any wastes or waters having:

(a) A five-day biochemical oxygen demand greater than 208 parts per million weight, or

(b) Containing more than 240 parts per million weight of suspended solids, or

(c) Containing any quantity of substance having the characteristics described in Rule 15(a) through (i) or in subparagraphs (a) or (b) of this Rule 17, or

(d) Having an average daily flow greater than two percent (2%) of the average daily sewage flow of the Service Area, shall be subject to the prior review and written approval of the Company. The Customer shall provide, at this sole expense, such preliminary treatment as may be necessary to:

- (i) Reduce the biochemical oxygen demand to 208 parts per million and the suspended solids to 240 parts per million by weight, or
- (ii) Reduce objectionable characteristics or constituents to within the maximum limits provided for in Rule 15, or
- (iii) Control the quantities and rate of discharge of such waters or wastes.

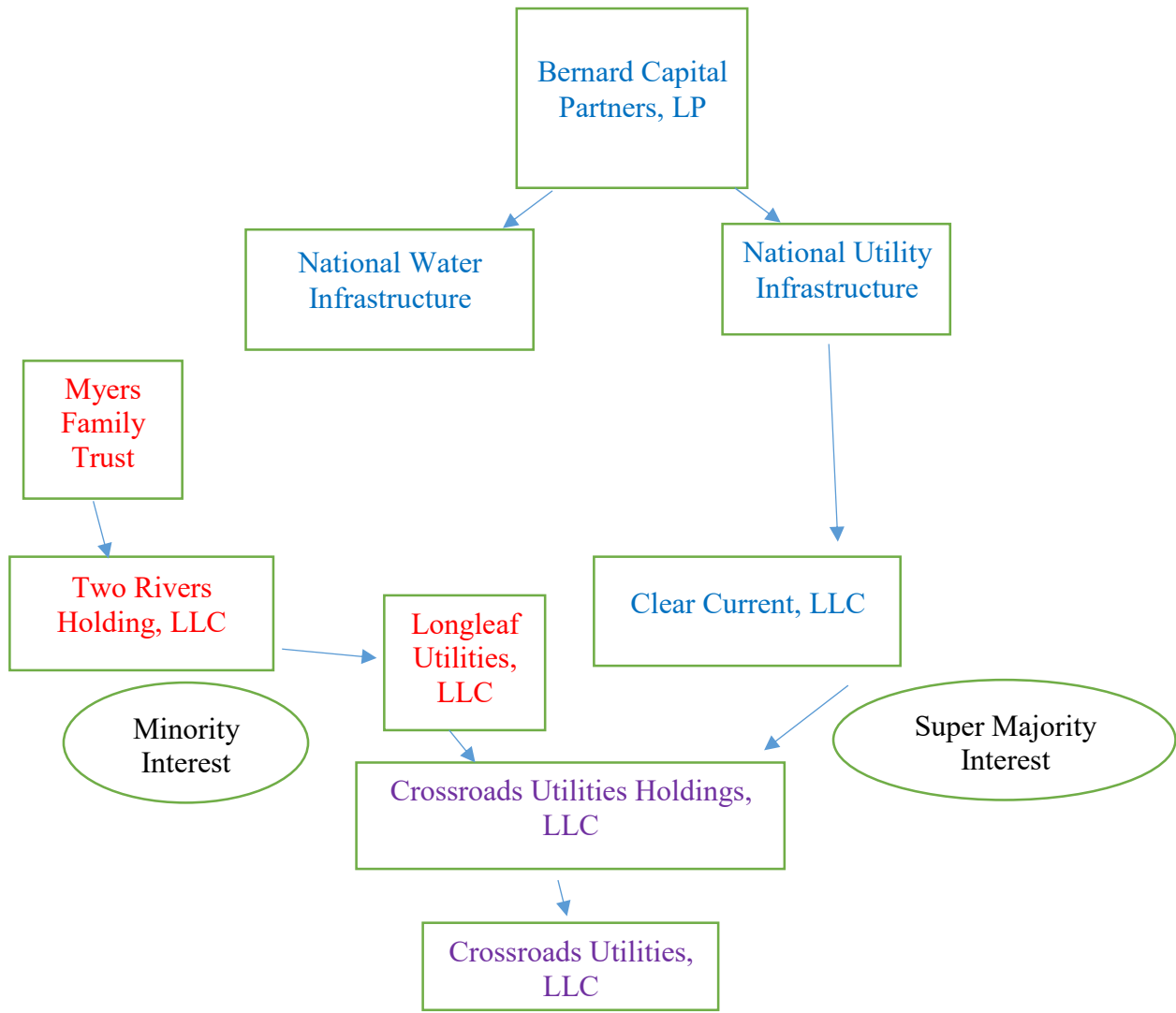
Plans, specifications or other pertinent information relating to proposed preliminary treatment facilities shall be submitted for approval by the Company and the appropriate governmental agencies. No construction of such facilities shall be commenced until said approvals have been obtained in writing. Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Customer, at his sole expense, according to methods approved by the Company.

Rule 18. Means of Observation. No statement contained in these Rules and Regulations shall be construed as preventing any special arrangement between the Company and any industrial Customer, whereby an industrial waste of unusual strength or character may be accepted by the Company for treatment, subject to

payment therefor by the industrial Customer of a rate or charge determined by the Company and approved by the Commission.

Rule 19. Circumstances Beyond Control. The Company shall not be held liable for any failure or delay in performing any of the functions undertaken by it in connection with rendering service, when such failure or delay is caused by strike, acts of God, unavoidable accident or any other event, natural or otherwise, beyond the Company's control. Company shall not be liable for damage caused by interruption in or failure of service or by water escaping from piping on Customer's property. The Company shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot or civil commotion, vandalism, acts of others, acts or failure to act by any local governmental authority to enforce or provide proper surface drainage or ditches for surface water run-off, or other circumstances over which Company has no control; provided, the Company has used reasonable care in installing and maintaining his system in accordance with acceptable standards in the sewer utility business.

Rule 21. Existing Law. These Rules and Regulations are subject to all laws of the State of Indiana and Rules and Regulations of the Commission applicable to the rendering of sewage disposal service in rural areas.



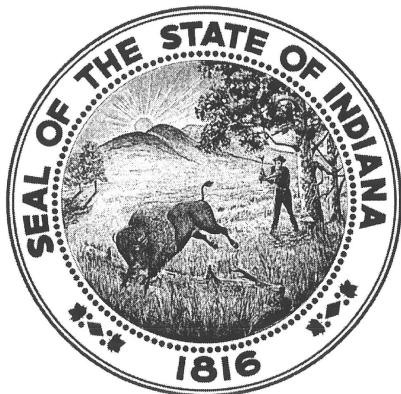
Joint Ownership – Myers Family Trust, Bernhard Capital Partners
 Sole Ownership – Myers Family Trust
 Sole Ownership Bernhard Capital Partners

State of Indiana
Office of the Secretary of State

Certificate of Organization
of
CROSSROADS UTILITIES, LLC

I, HOLLI SULLIVAN, Secretary of State, hereby certify that Articles of Organization of the above Domestic Limited Liability Company have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Code.

NOW, THEREFORE, with this document I certify that said transaction will become effective Wednesday, February 16, 2022.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, February 16, 2022.

A handwritten signature in cursive script that reads "Holli Sullivan".

HOLLI SULLIVAN
SECRETARY OF STATE

202202161566294 / 9318709

To ensure the certificate's validity, go to <https://bsd.sos.in.gov/PublicBusinessSearch>

Crossroads Utilities, LLC Management Biographies

<p>Jeff Yuknis Chairman, Crossroads Utilities, LLC</p> <p>23 Years of Experience</p>	<p>Jeff Yuknis is Chairman of the Board of Crossroads Utilities, LLC and Managing Director at Bernhard Capital Partners/National Utility Infrastructure [NUI]. He serves as a member of the Investment Committee and is involved in all areas of the Firm’s investment activities. Jeff has nearly two decades of experience in the industry, having most recently served as Vice President for Exelon, a Fortune 100 company involved in every stage of the energy business: power generation, competitive energy sales, transmission, and delivery. His 16-year career at Exelon spanned leadership positions in all aspects of the electric value chain. His experience includes responsibility as COO of Exelon Transmission Company and COO of Exelon Microgrid Company.</p> <p>In addition to power and utility marketing, power purchase restructuring and mergers and acquisitions, Yuknis has led engineering-focused functions with the responsibility of identifying and pursuing grid upgrade projects designed to deliver system efficiencies and lower costs to customers. Yuknis has been a leader in deal origination, mergers and acquisitions analysis and modeling, due diligence processes, business case development, new business establishment, and business operations.</p>
<p>Michael Myers Board Member and President, Crossroads Utilities, LLC</p> <p>27 Years of Experience</p>	<p>Mr. Myers serves on the Crossroads Utilities, LLC Board and has extensive experience overseeing regulated water and wastewater companies. Mr. Myers has been involved in engineering, construction, operation and management of water and wastewater facilities ranging from a few customers to over 100,000 residents. Mr. Myers was directly responsible for the startup and management of the largest Water and Wastewater Department of Defense Public-Private Partnership in the United States at that time.</p> <p>Mr. Myers has extensive experience in the management of water and wastewater facilities and personnel in Ohio, Indiana, North Carolina, South Carolina, Virginia, and Tennessee. He is experienced in the management of people & budgets, managing over 200 employees, annual capital budgets over \$300 million, and annual operating budgets over \$30 million.</p>
<p>Julius Bedford Board Member, Crossroads Utilities, LLC</p>	<p>Julius Bedford is a member of Crossroad Utilities, LLC’s Board and vice president at Bernhard Capital Partners, where he serves as a lead analyst in conducting financial analysis and reviewing financial performance of prospective firm investments, as well as the firm’s portfolio companies. Much of his work is rooted in the utility and public infrastructure sectors, where he routinely analyzes and guides the optimal performance of</p>

10 Years of Experience	complex power, utility, water, wastewater, and other critical assets. Prior to joining BCP, Julius served as an Associate at Rockland Capital, LLC in Houston, Texas. His responsibilities included the evaluation and analysis of investment transactions in the power sector. In addition, Julius worked as an Analyst with Barclays in their Power and Utilities investment banking group. Julius received his B.A. in Economics from Dartmouth College.
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Dan Gerrity, P.E. Board Member, Crossroads Utilities, LLC 30 Years of Experience	Daniel Gerrity, P.E. is a member of Crossroads Utilities, LLC’s Board and has been a consulting engineer for more than 30 years designing and managing water and wastewater projects in over a dozen states. Mr. Gerrity is a Managing Director at Bernhard Capital Partners working on public utility acquisitions. Throughout his career, he has overseen over \$2 billion of water and wastewater improvements in large U.S. cities and small municipalities with particular focus on hurricane and natural disaster recovery. Mr. Gerrity is experienced in managing both capital and engineering consulting budgets during his career, some exceeding \$750 million. Mr. Gerrity has spent his professional career almost entirely in the public sector providing guidance to elected officials and senior public servants relative to environmental issues. Mr. Gerrity received his M.S. in Civil Engineering from Louisiana State University in 1993 and B.S. in Civil Engineering from Bucknell University in 1991. He is a member of the Water Pollution Control Federation, American Society of Civil Engineers, American Water Works Association, and Water Environment Federation.
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Thomas Henley Board Member, Crossroads Utilities, LLC 25 Years of Experience	Thomas Henley is a member of Crossroad Utilities, LLC’s board and Managing Director at Bernhard Capital Partners/National Utility Infrastructure. He serves as a member of the Investment Committee and is involved in all areas of the Firm’s investment activities. Prior to joining the team, Thomas served as Senior Managing Director at the UAW Retiree Medical Benefits Trust as a leader of the investment team and a member of the Investment Committee. Thomas has over 25 years of experience in private equity investing, both domestically and internationally. Transacting deals in excess of \$75 billion, Thomas has worked on a wide number of transactions that include many highly visible private equity transactions. Thomas earned an MBA from the Anderson Graduate School of Management at UCLA where he received a Chevron Fellowship in Finance, and a B.S. from Stanford University with a degree in Petroleum Engineering. Thomas currently sits on the Board of Directors of Lazarus Energy Holdings, an aggregator of energy assets.
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<p>Chris Lagaly Operations Manager, Envirolink of Indiana, LLC</p> <p>19 Years of Experience</p>	<p>Chris Lagaly has served as Operations Manager of Indiana for Envirolink, Inc. since 2019. In this capacity, Mr. Lagaly oversees the operations and maintenance of two Indiana systems in Dearborn County: the South Dearborn Regional Sewer District and LMH Utilities. From 2003 to 2019, Mr. Lagaly served in various roles with the South Dearborn Regional Sewer District including laborer, operator, maintenance and foreman.</p> <p>Mr. Lagaly holds a Class IV Wastewater Certification issued by the Indiana Department of Environmental Management in 2013. He was credentialed by the Indiana Industrial Operators Association as a Certified Pretreatment Coordinator in 2013.</p>
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<p>Zach Tucker Operations Manager, Operations Manager in Charge of LMH System, Envirolink of Indiana, LLC</p> <p>11 Years of Experience</p>	<p>Operations Manager, 2022 to present. Operations Manager in Charge of LMH System. Indiana Class II Wastewater Operator license, 2014. LMH Utilities Corporation - Manager of daily operations, 2011 to May, 2022. Indiana University, Bachelor of Arts, 2009.</p>
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LMH UTILITIES
SUMMARY OF LEGAL DESCRIPTIONS FOR CTA

IURC CAUSE & APPROVAL	LEGAL DESCRIPTION
CAUSE NO. 38965 APPROVED: AUG 22 1990	All of Section 27, 34, and 35 in Township 7 North, Range 1 West, and all of Sections 2 and 3 in Township 6 North, Range 1 west, all in Dearborn County, Indiana.
CAUSE NO. 39649 APPROVED: JUN 30 1993	1. A Certificate of Territorial Authority be issued to LMH Utilities Corporation to provide sewage utility service in territory described as all of Section 4 and the northern one-half of Sections 11 and 12 of Township 6 North, all in Dearborn County, Indiana. This Order shall serve as the sole evidence of the authority covered by such Certificate of Territorial Authority.
CAUSE NO. 40004 APPROVED: MAY 3 1995	1. Petitioner shall be and is hereby authorized to serve the expanded territory set out in its Petition filed with the Commission on July 15, 1994. This Order shall be the sole evidence of the authority covered by such Certificate of Territorial Authority. Section 1 of Miller Township, Dearborn County, Indiana. <p style="text-align: right;">FILED JUL 15 1994</p>
CAUSE NO. 41413 APPROVED: MAY 24 2001	1. Petitioner's request to expand its Certificate of Territorial Authority to include sections 9, 10 and the south ½ of section 12 of Miller Township in Dearborn County, Indiana is hereby approved.

CROSSROADS UTILITIES, LLC

FINANCIALS

[TO BE SUPPLIED UPON A RULING ON MOTION FOR CONFIDENTIAL TREATMENT]

ASSET PURCHASE AGREEMENT

This **Asset Purchase Agreement** ("Agreement") is made and entered into this 8TH day of MARCH, 2022 ("Effective Date") by and between **Crossroads Utilities, LLC**, an Indiana limited liability company ("Buyer"), and **LMH Utilities Corporation** ("Seller"). Hereinafter, the Buyer and Seller may be individually referred to as a "Party" or jointly as the "Parties".

RECITALS:

A. Seller owns and operates a wastewater system in Dearborn County, Indiana that provides service to customers located within its service area, which is depicted on Exhibit A attached hereto and incorporated herein (the "Service Area") (collectively referred to as the "Business").

B. Buyer desires to acquire and Seller desires to sell the Assets of Seller relating to the Business pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants contained herein and in exchange for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLE 1 **Definitions and Related Matters**

For purposes of this Agreement and all documents executed in connection with this Agreement, the capitalized terms shall have the meanings assigned to them herein or in Schedule 1.

ARTICLE 2 **Purchase and Sale of Assets; Closing**

2.1 Transfer and Description of Assets. Subject to and upon all other terms and conditions of this Agreement, effective as of the Effective Time on the Closing Date, Seller shall sell, convey, transfer, assign and deliver to Buyer free and clear of all Encumbrances with the exception of the Permitted Encumbrances, and Buyer shall acquire from Seller, all of Seller's right, title and interest in and to all of Seller's assets, other than the Excluded Assets, regardless of where located, which are part of the System, including but not limited to the following:

(a) all Real Property including any easements, rights-of-way or rights granted to the Seller in furtherance of the operation of the Business including but not limited to that described in Schedule 2.1;

(b) all Tangible Personal Property, as defined in Schedule 1 Definitions;

(c) all data and Records related to Seller's operation of the Business, including, but not limited to, the customer list which shall include the service and billing address of all customers of the Seller and, subject to applicable Law, copies of all Records described in Section 2.2(b);

(d) all Permits and all pending applications therefor, renewals thereof or exemptions therefrom which are necessary or advisable in the operation of Seller's Business, including but not limited to those listed in Schedule 3.8; and

(e) all of the intangible rights and property of Seller utilized by Seller in the operation of the Business.

All of the foregoing shall be hereinafter referred to collectively as the "Assets".

2.2 Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.1 or elsewhere in this Agreement, the following Assets of Seller are not part of the sale and purchase contemplated hereunder, are excluded from the Assets, and shall remain the property of Seller after the Closing:

- (a) all insurance policies and rights thereunder;
- (b) all personnel Records and other Records that Seller is required by Law to retain in its possession;
- (c) all office furniture and equipment, including computers, used in the operation of the Business;
- (d) all rights in connection with and assets of the employee benefit plans and employment or independent contractor Contracts;
- (e) all rights of Seller under the Transaction Documents;
- (f) cash, cash equivalents and short-term investments;
- (g) accounts receivable arising prior to the Effective Time; and
- (h) Customer Service Connections, which shall remain the property of the customer.

All of the foregoing shall be hereinafter referred to collectively as the "Excluded Assets".

2.3 Consideration. The consideration for the Assets (the "Purchase Price") will be the sum of One Million Seven Hundred Twelve Thousand One Hundred Seventy Three Dollars (\$1,712,173). The Assets shall be in substantially the same condition as they are as of the date hereof and shall be in such condition to permit Buyer to operate the Business in the manner in which it is currently conducted. Payment of the Purchase Price is conditioned upon the receiving the Approvals described in Section 5.1(d).

2.4 Liabilities. The Buyer shall not be responsible for any of the Liabilities of Seller, including any that may arise after Closing, and any such Liabilities shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller. Seller shall transfer and convey the Assets in marketable fee simple or title free and clear of all liens, Encumbrances, liabilities, debts, assessments, claims, judgments, and current federal, state or county taxes, except those tax obligations expressly set forth in this Agreement to be prorated. Buyer is not assuming, will not be responsible for, and will not pay any of Seller's liabilities, known or unknown, including debts, assessments, judgments, or federal, state or county taxes, except those tax obligations expressly set forth in this Agreement to be prorated.

2.5 Closing. The purchase and sale provided for in this Agreement will take place at a location and time of day agreed upon by the parties (the "Closing"). The date of the Closing shall be no later than forty-five days after the Indiana Utility Regulatory Commission (the "IURC") issues an Order approving the Contemplated Transaction and the terms and conditions contained in 5.1 (d) herein, or at such later date as is agreed upon by the parties ("IURC Approval"). Closing shall be effective as of 12:01 am local time (the "Effective Time") on the actual date of Closing (the "Closing Date"). Possession of the Assets shall be delivered to Buyer on the date of Closing. Buyer, at Closing, will immediately assume ownership and operation of the Assets and be responsible for payment of all costs of the operation and maintenance, which arise after the Closing. Effective on the Closing Date, Buyer shall be responsible for having the electricity and other utility services placed in its name. Seller shall cooperate fully with Buyer, at no cost to Seller, to avoid any undue difficulties or interruptions of service after the date of Closing. From and after the Effective Date of this Agreement, Seller will not dispose of or encumber the Assets. After the Effective Date and prior to the Closing Date, Seller will not, without giving written notice to Buyer, enter into new agreements with developers for expansion of the System. Seller and Buyer each represent to the other that no Party is entitled to a commission upon the Closing and transfer of the System.

2.6 Closing Costs, Proration and Obligations. Seller shall pay the following costs: all costs related to releasing any existing deeds of trust, mechanic's liens, or similar type Encumbrances affecting the Assets; the cost for preparation of any deeds and bills of sale; one-half of the state documentary stamps and surtaxes in connection with recordation of the deed; and Seller's attorney's fees and costs. Buyer shall pay the following costs: the title examination fees and premiums; all expenses incident to any loan obtained by Buyer; preparation of any loan documents and the recording fees charged for recordation of such loan documents; one-half of the state documentary stamps and surtaxes in connection with recordation of the deed; Buyer's attorney's fees and costs; the cost of any title insurance policy and endorsements required by Buyer or Buyer's lender; any other closing costs otherwise provided for herein; and any other costs customarily paid by purchasers of real property in Dearborn County, Indiana.

Seller and Buyer shall prorate taxes for the System on a calendar year basis as of the Closing Date, with such prorations to include, but not be limited to, property taxes, real estate taxes, taxes imposed by special assessment or assessments by a Governmental Authority that are assessed or charged in the calendar year in which Closing occurs. Seller shall be responsible for all such taxes for any calendar year prior to the calendar year of Closing. All monthly wastewater treatment fees shall be prorated between Seller and Buyer as of the Closing Date to the extent collected by Seller. By way of illustration only, if Closing occurs on the seventeenth day of a month with thirty days, a customer fee paid on the first day of that month shall be divided on a prorated basis between Seller and Buyer so that Seller retains 17/30 (56.7%) of said fee; and Buyer is entitled to 13/30 (43.3%) of said fee. Any fees received from a customer after Closing shall be applied as follows: (a) first to the fees owing for the month in which Closing occurred, (b) next to pay fees then due and payable for any month(s) following the month in which Closing occurred, and (c) last, to fees owing for any month(s) prior to the month in which Closing occurred, until the customer is current. For a period of 180 days following Closing, Buyer shall bill customers for fees accrued prior to Closing and shall use reasonable efforts to collect from customers any fees owing with respect to the period prior to Closing. To the extent any such fees are collected, subject to (a), (b) and (c) above, such amounts, net of reasonable costs of collection, shall be paid to Seller no later than 30 days following the date such amounts were received by Buyer. Buyer shall not be obligated to expend any funds or to commence legal proceedings to collect any delinquent fees. All other income, operating expenses and utility charges shall be prorated between Seller and Buyer as of the Closing Date. Buyer's obligation under this Section 2.6 shall survive Closing.

(a) At Closing, or prior thereto, Seller shall deliver to Buyer the following documents, duly executed:

(i) a Bill of Sale for all of the Assets that are Tangible Personal Property in a commercially reasonable form acceptable to Buyer;

(ii) an assignment of all of the Assets that are intangible personal property in a commercially reasonable form acceptable to Buyer;

(iii) for each interest in Real Property identified on Schedule 3.4, a recordable limited warranty deed or such other appropriate document or instrument of transfer or approval, as the case may require, each in a commercially reasonable form satisfactory to Buyer and its legal counsel. Notwithstanding the fact that the same may not be listed on Schedule 3.4, Seller must provide easements or other transferable property rights to Buyer for all facilities used in the Business, which are not located on or in public rights-of-way, and must provide assignments of public rights-of-way Permits with only those conditions acceptable to Buyer for all facilities located in municipal, county or state owned public rights-of-way;

(iv) copies of all System Records;

(v) Non-exclusive assignments of all of Seller's interests in any easements and rights-of-way for access and operation of the System; assignment of all rights of Seller under any Permits or agreements related to the System, including rights for future wastewater system expansion and any future connection charges, tap fees, or impact fees which are to be paid by developers to Seller under any agreements; and such other assignments, certificates of title, documents and other instruments of

transfer and conveyance as may be reasonably requested by Buyer, each in a commercially reasonable form satisfactory to Buyer;

(vi) a certificate as to the accuracy of Seller's representations and warranties as of the date of this Agreement and as of Closing in accordance with Section 5.1(a) and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before Closing in accordance with Section 5.1(b);

(vii) a closing statement;

(viii) necessary certificates as to state and federal income tax matters including evidence satisfactory that Buyer and Seller have complied with requirements of applicable tax Governmental Authorities.

(ix) a certificate of the company secretary of Seller, dated as of the Closing, certifying: (A) that attached are true copies of the duly adopted resolutions of the Seller's governing body authorizing the execution of this Agreement and the sale of all Assets; and (B) the incumbency, signatures and authority of the officer or officers of Seller executing this Agreement or any agreement contemplated hereby on behalf of Seller;

(x) such other instruments as are contemplated by this Agreement to be executed and delivered by Seller or reasonably required by Buyer, any Governmental Authority, or Buyer's title insurance company; and

(xi) a legal opinion of Seller's legal counsel, affirmatively opining to the due authorization and execution of this Agreement by Seller and the enforceability thereof.

(b) At or prior to Closing, Buyer shall deliver to Seller, the following documents, duly executed, or funds:

(i) The Purchase Price, by wire transfer or other immediately available funds to an account specified by the Seller;

(ii) a certificate as to the accuracy of Buyer's representations and warranties as of the date of this Agreement and as of Closing in accordance with Section 5.2(a) and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before Closing in accordance with Section 5.2(b);

(iii) a certificate of the company secretary of Buyer, dated as of the Closing, certifying: (A) that attached are true copies of the duly adopted resolutions of the Buyer's board of directors authorizing the execution of this Agreement and the purchase of all Assets; and (B) the incumbency, signatures and authority of the officer or officers of Buyer executing this Agreement or any agreement contemplated hereby on behalf of Buyer; and

(iv) a certificate of existence issued by the Secretary of State of Indiana with respect to Buyer, dated not earlier than thirty (30) days prior to Closing.

2.7 **Title and Survey Review.**

(a) Survey. Buyer, at its sole cost and expense, may order an ALTA minimum standard detail survey of the Real Property ("Survey"). The Survey shall (i) be certified to Buyer and Title Company, and (ii) be in a form satisfactory to Title Company to delete standard survey exceptions.

(b) Title Commitment. Buyer, at its sole cost and expense, within ten (10) Business Days of the Effective Date shall order a commitment (hereinafter referred to as the "Title Commitment") for an Owner's Policy of Title Insurance (ALTA standard form of owner's policy) (the "Policy") which shall have

attached thereto legible copies of all documents set forth in the Commitment as affecting the Real Property. The Title Company shall agree to insure in the name of Buyer fee simple title to the Real Property free and clear of all mortgages, liens, the preprinted ALTA Schedule B-1 exceptions (provided a Survey is ordered) and other Encumbrances except Permitted Exceptions, upon execution and delivery of the Deed.

(c) **Survey and Title Objections.** On or before the expiration of the Due Diligence Period, Buyer shall notify Seller in writing of any conditions on the Real Property reflected on the Survey, or exceptions identified in the Title Commitment to which Buyer objects ("Objections"). If such written notice is not delivered to Seller prior to the expiration of the Title Review Period, then the Survey and Title Commitment shall be deemed approved by Buyer and any exceptions stated in the Title Commitment or states of fact shown on the Survey, or would be shown had a Survey been ordered, shall be deemed Permitted Exceptions. If any Objection by Buyer has not been remedied by the later of (i) fifteen (15) Business Days after Seller's receipt of said Objections or (ii) the expiration of the Due Diligence Period ("Cure Period"), Buyer, at its election, may either (i) accept the (a) Survey, showing such condition "as is," and "where is" and (b) the Title Commitment subject to such exceptions, or (ii) terminate this Agreement, or (iii) extend the Cure Period for a period that Buyer deems reasonable for remedying any such condition, but not to exceed twenty (20) Business Days. If such condition is not remedied within the Cure Period, Buyer may again elect (i) or (ii) above.

ARTICLE 3 Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Buyer:

3.1 Organization. Seller is a corporation duly organized and validly existing under the Laws of the State of Indiana, with full power and authority to conduct the Business as it is now being conducted and to own and operate its Assets.

3.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes, and the Transaction Documents (when executed and delivered) will constitute, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a Party and to perform its obligations hereunder and thereunder, and such action has been or will be duly authorized by all necessary action by Seller's governing body;

(b) Neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transaction will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of: (A) any provision of the Organizational Documents of Seller; or (B) any resolutions adopted by the governing body of Seller;

(ii) subject to obtaining the IURC Approval, contravene, conflict with or result in a violation of or give any Governmental Authority or other Person the right to challenge any of the Contemplated Transaction or to exercise any remedy or obtain any relief under any Laws or any Order to which Seller or any of the Assets may be subject;

(iii) subject to obtaining the IURC Approval, contravene, conflict with or result in a violation of any of the terms or requirements of or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any Permit or other authorization by a Governmental Authority that is held by Seller or that otherwise relates to the Business or any of the Assets;

(iv) contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person, or give any Person the right to declare a default or exercise any remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract,

indenture, mortgage, note, lease or other instrument or document of which Seller is a Party or by which any of the Assets are bound; or

(v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Assets, except as contemplated by this Agreement.

3.3 Assets. Seller has good and marketable title to all of the Assets. At Closing, with the exception of the Permitted Encumbrances, the Assets will be free and clear of any and all Encumbrances whatsoever, including any liens, loans or grants from any federal or state agency for the purchase or construction of the Assets. Except as described in Schedule 3.3, none of the Assets are leased or on loan by Seller to any third Party. The Assets constitute all property necessary for the operation of the Business in the manner Seller currently operates.

3.4 Real Property; Easements. To Seller's best Knowledge and belief, Seller has good and marketable title to, or a valid and binding leasehold interest in, those parcels and tracts of land and those easements or rights-of-way used in the operation of the Business, together with all fixtures, fittings, buildings, and other improvements erected therein or thereon and all appurtenances thereto (the "Real Property"). The Real Property includes but is not necessarily limited to the property described in Schedule 3.4.

3.5 Tangible Personal Property. Tangible Personal Property is all such property as defined in Schedule 1, Definition of Tangible Personal Property.

3.6 Contracts. Set forth on Schedule 3.6 is a complete and correct list of all Contracts related to the Business to which Seller is a Party and the assignment of which Buyer agrees to accept. Seller has delivered or caused to be delivered to Buyer correct and complete copies of each Contract (including all amendments thereto), a description of the terms of each Contract which is not in writing, and all documents affecting the rights or obligations of any Party thereto. Where required by any of the Contracts, Seller has notified the counterparty of the Assignment and sought the counterparty's Consent. The Contracts have not been modified or amended except as disclosed on Schedule 3.6. Each Contract is valid and enforceable against Seller in accordance with its terms and is in full force and effect, and, to Seller's Knowledge, each Contract constitutes a legal, valid and binding obligation of the other parties thereto, enforceable against them in accordance with its terms. To Seller's Knowledge, no default and no event which, with the giving of notice, lapse of time, or both, would be a default has occurred under any Contract, except as set forth in Schedule 3.6, and such Schedule 3.6 shall be updated at Closing to reflect any Customers that default in the interim. Except as set forth in Schedule 3.6, to Seller's Knowledge there are no setoffs, counterclaims or disputes existing or asserted with respect to such Contracts, and Seller has not made any agreement with any other Party thereto for any deduction from or increase to any amount payable thereunder. To Seller's Knowledge, there are no facts, events or occurrences which in any way impair the validity or enforcement of any Contract or tend to reduce or increase the amounts payable thereunder. Seller has not, directly or indirectly, by operation of Law or otherwise, transferred or assigned all or any part of its right, title or interest in and to any Contract to any other Person. There are no Proceedings pending nor, to Seller's Knowledge, threatened against any Party to any of the Contracts which relate to the subject matter of the Contracts. Seller agrees to continue to operate the System as requested by Buyer from the Effective Date until ninety (90) days following Closing in the same manner and with the same operations personnel used prior to the Effective Date. From Closing until ninety (90) days thereafter, or such other time as may be mutually agreed (the "Transition Period"), Seller shall operate the System as requested by Buyer on mutually agreeable, fair and reasonable terms governed by a Transition Period Operations Agreement.

3.7 Environmental Matters.

Except as set forth on Schedule 3.7(a):

(a) Seller has not received any actual or threatened Order, notice or other communication from any Governmental Authority or private citizen acting in the public interest of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation

to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Assets or any other properties (whether real, personal or mixed) in which Seller has or has had an interest or with respect to the Real Property or any other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(b) There are no pending or, to Seller's Knowledge, threatened claims of any nature resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting the Assets or any other properties (whether real, personal or mixed) in which Seller has or had an interest.

(c) To Seller's Knowledge, there are no Hazardous Materials present on or in the Real Property. Neither Seller nor, to its Knowledge, any other Person for whose conduct it is or may be held to be responsible has received any citation, directive, inquiry, notice, Order, summons, warning or other communication that relates to Hazardous Activity, Hazardous Materials or any alleged, actual or potential violation or failure to comply with any Environmental Law or of any alleged, actual or potential obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Assets or any other properties (whether real, personal or mixed) in which Seller has or has had an interest or with respect to any other real property to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(d) Neither Seller nor, to its Knowledge, any other Person for whose conduct it is or may be held to be responsible has any Environmental, Health and Safety Liabilities with respect to the Assets or any other properties (whether real, personal or mixed) in which Seller (or any predecessor) has or has had an interest or at any property geologically or hydrologically adjoining the Assets or any other properties (whether real, personal or mixed).

(e) There are no Hazardous Materials present on or in the Environment at the Real Property or, to its Knowledge, at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent and deposited or located in land, water, sumps or any other part of the Real Property or such adjoining property or incorporated into any structure therein or thereon. Neither Seller nor, to its Knowledge, any other Person for whose conduct it is or may be held to be responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Assets or any other properties (whether real, personal or mixed) in which Seller has or has had an interest except in material compliance with all applicable Environmental Laws.

(f) There has been no Release or threat of Release, of any Hazardous Materials at or from the Assets or any other properties (whether real, personal or mixed) in which Seller has or has had an interest, or, to its Knowledge, any geologically or hydrologically adjoining property, whether by Seller or any other Person.

(g) Seller has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by Seller within the last five (5) years pertaining to Hazardous Materials or Hazardous Activities in, on or under the Real Property, said reports, studies, etc. to include without limitation, any and all Phase I environmental reports now or hereafter in the possession of Seller.

3.8 Permits. Set forth on Schedule 3.8 is a complete and correct list of all Permits used by Seller in the operation of the Business. Such Permits constitute all Permits necessary for the operation of the Business and all such Permits are valid and in full force and effect.

3.9 Insurance. Seller maintains and has maintained commercially appropriate insurance necessary for the protection of the Assets, Business, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to remain in full force and effect up to the Effective Time on the Closing Date and the premiums therefor have been paid in full as they become due and payable. There are no pending Proceedings arising out of, based upon or with respect to any of such policies of insurance and to Seller's Knowledge no basis for any such Proceedings exists which will result in an Encumbrance against the Assets, Business, operations, products or services. Seller is not in default with respect to any provisions contained in any such insurance policies and no insurance provider is in default with respect to such insurance policies.

3.10 No Material Adverse Change. Except for this Agreement and any rate increases since the effective date of the appraisal used to determine the value of the System and the impact of CoVid-19 virus, if any, there have been no material adverse changes in the Business or Assets nor, to Seller's Knowledge, are there any events, transactions or other facts which exist or have occurred and which are likely to have a material adverse effect on the foregoing.

3.11 Conduct of Business In Ordinary Course. Since the effective date of the appraisal(s) used to determine the value of the System, Seller has operated the Business in the ordinary course of business.

3.12 Proceedings. Other than as set forth on Schedule 3.12, there are no Proceedings or inquiries pending or, to Seller's Knowledge, threatened against Seller or directly affecting any of the Assets or the Business by or on account of any Person or before any Governmental Authority. Seller has not been charged with, nor to its Knowledge is it under investigation with respect to, any charge which has not been resolved to their favor concerning any violation of any applicable Law with respect to any of the Assets or the Business. No judgment, Order, writ, injunction, decree, assessment or other command of any Governmental Authority affecting Seller or any of the Assets or the Business has been entered which is presently in effect. There is no Proceeding pending, or to Seller's Knowledge threatened, which challenges the validity of this Agreement or the Contemplated Transaction or otherwise seeks to prevent, directly or indirectly, the consummation of the Contemplated Transaction, nor is there any valid basis for any such Proceeding.

3.13 Compliance with Laws. Seller is in substantial compliance with all Laws applicable to the Assets and the operation of the Business and has not committed any violation of any Law applicable to the Assets and/or operation of the Business that could have a material adverse impact on the Business. Seller has not received any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding (i) any actual, alleged, possible or potential violation of, or failure to comply with, any Law or (ii) any actual, alleged, possible or potential obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. The Assets, in their current condition, are capable of complying with all Laws.

ARTICLE 4

Representations and Warranties of Buyer

Buyer hereby makes the following representations and warranties to Seller:

4.1 Organization. Buyer is a duly organized and validly existing limited liability corporation under the Laws of the State of Indiana and at Closing has the power and authority to own, lease and operate its assets and to conduct this Business as it is now being conducted.

4.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a

Party and to perform its obligations hereunder and thereunder, and such action has been duly authorized by all necessary action by Buyer's board of directors.

(b) Neither the execution and delivery of this Agreement, nor the consummation of the Contemplated Transaction nor compliance by Buyer with any of the provisions hereof will result in: (i) a violation of or a conflict with any provision of the Organizational Documents of Buyer; (ii) a material breach of or default under any term, condition or provision of any Contract to which Buyer is a Party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation; or (iv) any Person having the right to enjoin, rescind or otherwise prevent or impede the Contemplated Transaction or to obtain Damages from Seller or to obtain any other judicial or administrative relief.

4.3 Proceedings. There is no Proceeding pending nor, to the Knowledge of Buyer, threatened which challenges the validity of this Agreement or the Contemplated Transaction or otherwise seeks to prevent, directly or indirectly, the consummation of such transactions, nor, to the Knowledge of Buyer, is there a valid basis for any such Proceeding.

ARTICLE 5

Conditions Precedent to Closing

5.1 Conditions Precedent to the Obligations of Buyer. Buyer's obligations to consummate the Contemplated Transaction are subject to the satisfaction in full, unless expressly waived in writing by Buyer, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Seller contained in Article 3 is true, correct and accurate in all material respects from the date of this Agreement and as of the Closing Date shall be true, correct and accurate as though restated on and as of such date (except in the case of any representation and warranty that by its terms is made as of a date specified therein which shall be accurate as of such date);

(b) Covenants. Seller shall have performed and complied with all covenants required by this Agreement to be performed or complied with by them prior to or at the Closing;

(c) Proceedings. No Order shall be in effect and no Proceeding by any Person shall be pending before any Governmental Authority, or before any arbitrator, wherein an unfavorable Order would: (i) prevent consummation of the Contemplated Transaction; (ii) have a likelihood of causing the Contemplated Transaction to be rescinded following consummation; (iii) adversely affect the right of Buyer to own any of the Assets; or (iv) adversely affect the Business prospects, value or condition of any of the Assets or the Business in a material manner;

(d) Approvals. Buyer shall have applied for and received prior to Closing; (i) an Order from the IURC approving: (A) the Contemplated Transaction; (B) the transfer of Seller's System thereunder to Buyer; (C) Buyer's authority to serve the System; (D) the proposed accounting and rate base treatment with respect to the Contemplated Transaction including recognition of the full Purchase Price in net original cost rate base; (E) the application of its depreciation accrual rates to the Assets; (F) the application of rates sufficient for Buyer to recover the full Purchase Price which shall be set forth following the IURC's Order in Exhibit B; and (ii) all other regulatory approvals required by any Governmental Authority to operate the Business within the Service Area. Seller shall cooperate fully with Buyer, at no cost to Buyer, to provide any information, testimony, and documents necessary to obtain regulatory approval of the Contemplated Transaction. In the event the IURC does not issue one or more of the foregoing approvals, the parties may adjust the Purchase Price on mutual agreement or Buyer may terminate this Agreement with no further obligation to the other party.

(e) Closing Deliveries. Seller shall have delivered to Buyer the Closing requirements set forth in Section 2.6(a);

(f) Due Diligence. This Agreement and all obligations of Buyer hereunder are expressly conditioned upon Buyer determining, in its sole and absolute discretion, on or before the two-hundred tenth (210th) day after the Effective Date (the "Due Diligence Period"), that the Assets are physically and economically suitable for its intended use. Buyer and its representatives shall have free and full access to the Real Property for inspections. Seller will, at reasonable times and upon reasonable prior notice, permit Buyer, its attorneys, and its agents, to examine Seller's books, accounts, facilities and System Records. Buyer shall (i) indemnify, defend, protect and hold Seller harmless from claims against Seller because of Buyer's conduct or damage done to the Real Property with respect to Buyer's investigation of the Real Property, (ii) perform all work in a safe manner, (iii) not create any hazardous condition on the Real Property, (iv) not violate any applicable Laws and governmental regulations, (v) obtain all required permits, and (vi) keep the Real Property lien-free. Buyer may notify Seller at any time prior to the expiration of the Due Diligence Period that it is terminating this Agreement, at which time the Agreement shall be terminated;

(g) Inspection Documents. Seller shall deliver to Buyer within 20 days of the Effective Date the Inspection Documents for Buyer's review that Seller has not already provided to Buyer. Buyer shall have 60 days after the Effective Date to review and either approve or disapprove each of the Inspection Documents. If Buyer disapproves any of the Inspection Documents, Buyer shall provide written notice within the 60-day period to Seller of its disapproval, and Buyer shall not be obligated to close this transaction. If Buyer fails to provide written notice of disapproval of any Inspection Document within the 60-day period, Buyer shall be deemed to have approved the Inspection Document.

(h) Local Permits. Buyer's ability to acquire, improve and potentially expand the System may require the issuance or renewal by Dearborn County, Indiana, of certain Permits (the "Local Permits"). Buyer agrees that it shall diligently and in good faith process an application for new or renewed Local Permits to its conclusion. Buyer agrees that it shall provide Seller with copies of all correspondence to and from Dearborn County in connection with the Local Permits and Buyer agrees to keep Seller apprised of its efforts in pursuing approval or renewal of the Local Permits. Seller shall cooperate fully with Buyer, at no cost to Buyer, to provide any information and documents necessary for Seller to obtain or renew any Local Permits. In the event that despite diligent and good faith efforts by Buyer, Dearborn County denies Buyer's application for new or renewed Local Permits, Buyer shall have the right to terminate this Agreement by providing written notice to Seller. In the event that despite diligent and good faith efforts by Buyer, Buyer has not obtained the new or renewed Local Permits by Closing, Seller shall have the right to terminate this Agreement by providing written notice to Buyer. In the event of termination of this Agreement, Buyer and Seller will have no further obligations to the other.

(i) No Adverse Change. Buyer has determined that there has not been any material adverse change in the Business, the Assets, financial condition or Business prospects of Seller and that there is no material adverse change in the relationships maintained by Seller with its employees, suppliers, customers or Governmental Authorities as of Closing;

(j) Survey and Title Approval. Buyer shall have approved, or have been deemed to have approved, Title and Survey as provided in Section 2.7; and

(k) Required Approvals. Buyer shall have obtained approval of the Contemplated Transaction from its members as required by Law.

5.2 Conditions Precedent to Obligations of Seller. The Seller's obligation to consummate the Contemplated Transaction is subject to the satisfaction in full, unless expressly waived in writing by Seller, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in Article 4 is true, correct and accurate as of the date of this Agreement and, as of the Closing Date, shall be true, correct and accurate as though restated on and as of such date (except in the case of any representation and warranty that by its terms is made as of a date specified therein, which shall be accurate as of such date);

(b) Covenants. Buyer shall have performed and complied with all covenants required by this Agreement to be performed and complied with by Buyer prior to or at Closing; and

(c) Closing Deliveries. The Buyer shall have delivered to Seller the Closing requirements set forth in Section 2.6(b).

ARTICLE 6 Covenants and Special Agreements

6.1 Covenants of Seller Prior to Closing. Seller covenants and agrees that during the period from the date hereof until Closing:

(a) Non-Solicitation. Unless and until such time as this Agreement is terminated pursuant to Article 8, Seller shall not, directly or indirectly: (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person relating to any sale of all or any portion of the Assets or a sublease or assignment of any lease or any similar transaction involving Seller and the Business or the Assets; (ii) enter into any agreement or commitment related to any such transaction; or (iii) furnish any information with respect to or assist or participate in or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing.

(b) Access. Upon reasonable prior notice by Buyer, Seller shall: (i) furnish Buyer and its financial and legal advisors with copies of all such Contracts, books and Records and other existing documents and data as Buyer may reasonably request; (ii) furnish Buyer and its financial and legal advisors with such additional financial, operating and other data and information as Buyer may reasonably request; and (iii) permit Buyer or its representatives to conduct such physical inspections and environmental audits of the Real Property, as requested by Buyer.

(c) Ordinary Course. Seller shall carry on the operation of the Business in the ordinary course of business, consistent with prior practice and use reasonable efforts to preserve the Business and conserve the goodwill and relationships of Seller's customers, suppliers, Governmental Authorities and others having business relations with it.

(d) All Reasonable Efforts. Seller will use commercially reasonable efforts to satisfy each of the conditions for Closing of the Buyer set forth in Section 5.1 above.

(e) Further Covenants.

(i) Reports. Seller shall duly and timely file all reports required to be filed with any Governmental Authority and will promptly pay when due all Taxes, assessments and governmental charges including interest and penalties levied or assessed, unless diligently contested in good faith by appropriate Proceedings;

(ii) Condition of Property. Consistent with past practice, Seller shall maintain and keep the Assets in substantially the same condition as of the date hereof, normal wear and tear excepted. Other than those repairs and capital improvements set forth on Schedule 5.1(g)(xiv), Seller has no obligation to perform any repairs or capital improvements. In the event that prior to Closing, renewal, and replacements, capitalized repairs and upgrades to the System other than those shown on Schedule 5.1(g)(xiv) are necessary either (a) to respond to a Notice of Violation of any Permit, or (b) to fix a problem which has rendered the System (or an element of the System) non-operational, then Seller shall obtain Buyer's permission to complete the renewal and replacement, capitalized repair or upgrade along with projected cost and upon payment by the Seller, the Purchase Price shall be adjusted.

(iii) Insurance. Seller shall maintain in full force and effect all policies of insurance now in effect up and through the Effective Time on the Closing Date, but not thereafter;

(iv) Supplies. Seller shall keep supplies at a level sufficient to operate the Business in accordance with past practice; and

(v) Contracts. Seller shall not enter into any Contract other than in the ordinary course of business.

(vi) Regulatory Approvals. Seller has conducted all wastewater sampling and analyses required by applicable Government Authorities and is current on all such sampling and analyses. Should Buyer be required by a Government Authority to collect and/or analyze any past-due sampling as a condition of renewal of any Permit or approval of the Contemplated Transaction, the Purchase Price paid at Closing shall be reduced by the laboratory costs paid by Buyer for such analyses as evidenced by paid invoices.

6.2 Environmental Assessment. Buyer, in its sole discretion and at its sole expense, may conduct a Phase I environmental analysis of any or all of the Real Property, and the Seller shall cooperate and provide access for same. In the event that a Phase I study detects any actual or possible violation of any Environmental Law, the Buyer may, in its sole discretion, terminate this Agreement the effect of which is described in Section 8.2 herein.

6.3 Certain Post-Closing Covenants of Seller.

(a) Seller:

(i) shall pay in a timely manner all Taxes resulting from or payable in connection with the sale of the Assets pursuant to this Agreement, regardless of the Person on whom such Taxes are imposed;

(ii) shall pay, or make adequate provisions for the payment, in full, of all of the retained Liabilities and other Liabilities of Seller under this Agreement; and

(iii) hereby agrees to cooperate with Buyer to ensure a proper transition of all customers with respect to billing and customer service activities.

**ARTICLE 7
Indemnification**

7.1 Survival; Right to Indemnification Not Affected by Knowledge. All representations, warranties, covenants and obligations of Seller given in this Agreement and/or any Transaction Document delivered pursuant to this Agreement shall survive Closing. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants and obligations will not be affected by any investigation conducted with respect to or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty or on the performance of or compliance with any covenant or obligation will not affect the right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants and obligations.

7.2 Indemnification and Payment of Damages by Seller. Seller hereby unconditionally, irrevocably and absolutely agrees to fully pay, protect, defend, indemnify and hold harmless Buyer and Buyer's past, present and future officers, directors, shareholders, employees, agents, attorneys, representatives, successors and assigns (collectively, the "Indemnified Persons"), from any and all manner of actions, suits, debts, sums of money, interest owed, accounts, controversies, agreements, charges, damages, judgments, executions, and reasonably incurred costs, expenses, fees (including reasonable attorneys' fees and court costs), counterclaims, claims, demands, causes of action, liabilities and losses and award all other Liabilities incurred, paid or sustained by any of the foregoing (hereinafter referred to in this Agreement as "Damages") in excess of Ten Thousand Dollars (\$10,000.00), in each

case, arising out of, or caused by: (i) the misrepresentation, breach of warranty or nonfulfillment of any provision of this Agreement by Seller or; (ii) all Liabilities and/or duties of Seller, whether accruing prior to or after the Effective Time on the Closing Date, and any Encumbrance affecting the Assets; (iii) assessments, charges and other similar claims due or owing, directly or indirectly, by Seller or otherwise as a result of or on account of the Assets or the Business at any time prior to the Effective Time on the Closing Date; (iv) the ownership and/or operation of any of the Assets or the Business prior to the Effective Time on the Closing Date; (v) any claim or Proceeding now existing or hereafter arising and relating to the Assets or the Business of Seller and arising from events or matters occurring prior to the Effective Time on the Closing Date; and (vi) any claim by an employee of Seller for any severance payment or arising out of such employee's employment with Seller or under the Worker Adjustment and Retraining Notification Act, COBRA (Sections 601 through 608 of the Employee Retirement Income Security Act of 1974), or under any employee benefit plan or employment Contract to which Seller is a Party.

7.3 Indemnification and Payment of Damages by Seller - Environmental Matters. In addition to the provisions of Section 7.2, Seller hereby unconditionally, irrevocably and absolutely agrees to fully pay, protect, defend, indemnify and hold harmless the Indemnified Persons, and will pay to the Indemnified Persons the amount of any Damages in excess of Ten Thousand Dollars (\$10,000), including costs of cleanup, containment or other remediation arising, directly or indirectly, from or in connection with:

(a) Any Environmental, Health and Safety Liabilities arising out of or relating to: (i) (A) the ownership, operation or condition at any time on or prior to the Effective Time on the Closing Date of the Assets or any other properties (whether real, personal or mixed and whether tangible or intangible) in which Seller has or had an interest; or (B) any Hazardous Materials or other contaminants that were present on or in the Assets or any other properties in which Seller has an interest at any time on or prior to the Effective Time on the Closing Date; or (ii) (A) any Hazardous Materials or other contaminants, wherever located, that were, or were allegedly, generated, transported, stored, treated, Released or otherwise handled by Seller or by any other Person for whose conduct it is or may be held responsible at any time on or prior to the Effective Time on the Closing Date; or (B) any Hazardous Activities that were, or were allegedly, conducted by Seller or by any other Person for whose conduct it is or may be held responsible on or prior to the Effective Time on the Closing Date; or

(b) Any bodily injury (including illness, disability and death), personal injury, property damage (including trespass, nuisance, wrongful eviction and deprivation of the use of real property) or other damage of or to any Person, including any employee or former employee of Seller or any other Person for whose conduct it is or may be held responsible, in any way arising from or allegedly arising from any Hazardous Activity conducted or allegedly conducted with respect to the Assets or the Real Property by Seller prior to the Effective Time on the Closing Date, or from Hazardous Material that was: (i) present or suspected to be present on or before the Effective Time on the Closing Date on or at the Real Property (or present or suspected to be present on any other property in which Seller has an interest, if such Hazardous Material emanated or allegedly emanated from any of the Real Property and was present or suspected to be present on any of the Real Property on or prior to the Effective Time on the Closing Date); or (ii) Released or allegedly Released by Seller or any other Person for whose conduct it is or may be held responsible, at any time on or prior to the Effective Time on the Closing Date.

Buyer shall control any Cleanup, any related Proceeding and, except as provided in the following sentence, any other Proceeding with respect to which indemnity may be sought under this Section 7.3. The procedure described in Section 7.5 will apply to any claim solely for monetary Damages relating to a matter covered by this Section 7.3.

7.4 Indemnification by Buyer. Buyer hereby unconditionally, irrevocably and absolutely agrees to fully pay, protect, defend, indemnify and hold harmless Seller and Seller's past, present and future officers, governing body, employees, agents, attorneys, representatives, successors and assigns from any and all Damages arising out of, or caused by: (i) Buyer's misrepresentation, breach of warranty or nonfulfillment of any provision of this Agreement; (ii) any claim or Proceeding arising after the Effective Time on the Closing Date and relating to events or matters occurring subsequent to the Effective Time on the Closing Date; and (iii) any claim by an employee of Buyer arising out of such employee's employment with Buyer after the Effective Time on the Closing Date.

7.5 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The Party claiming indemnification (the "Claimant") shall promptly give notice to the Party from whom indemnification is claimed (the "Indemnifying Party") of any claim, whether between the Parties or brought by a third party, specifying: (i) the factual basis for such claim; and (ii) the amount of the claim. If the claim relates to a Proceeding filed by a third party against Claimant, Claimant shall give such notice within ten (10) Business Days after written notice of such Proceeding was given to Claimant. Claimant's failure to give the Indemnifying Party such notice shall not preclude Claimant from obtaining indemnification from the Indemnifying Party unless Claimant's failure has materially prejudiced the Indemnifying Party's ability to defend the claim or litigation, and then the Indemnifying Party's obligation shall be reduced to the extent of such prejudice.

(b) Following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and/or its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of said thirty (30)-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within said period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

(c) (i) With respect to any claim by a third party as to which the Claimant asserts it is entitled to indemnification hereunder, the Indemnifying Party shall have the right, at its own expense, to participate in or at its election to assume control of the defense of such claim, with counsel reasonably satisfactory to Claimant, subject to reimbursement of Claimant for actual out-of-pocket expenses incurred by Claimant as the result of request by the Indemnifying Party, subject to the following:

(A) The Claimant may retain separate co-counsel at its sole cost and expense and participate in the defense of any such claim by a third party; and

(B) The Indemnifying Party shall conduct the defense of the third party claim actively and diligently thereafter.

(ii) If the Indemnifying Party elects to assume control of the defense of any third party claim pursuant to Section 7.5(c)(i), the Indemnifying Party may nevertheless reserve the right to dispute the amount of indemnification claimed or dispute Claimant's right to be indemnified with respect to all or any portion of the claim. Except with the written Consent of the Claimant, the Indemnifying Party shall not, in defending any claim or any litigation resulting therefrom, Consent to entry of any judgment or enter into any settlement which does not release the Claimant from all Liability in respect of such claim or litigation. In the event the Claimant fails to Consent to any settlement or compromise which such failure results in Damages in excess of the amount for which Consent was requested, the limitation of the Indemnifying Party's obligations to indemnify the Claimant with respect to the subject matter of the claim shall be the amount of the proposed settlement or compromise rejected by Claimant and the Claimant shall be responsible for, and shall hold harmless the Indemnifying Party from, all Damages (including, without limitation, reasonable attorneys' fees incurred with respect to matters subsequent to the rejection of the settlement by Claimant) in excess of the amount of the proposed settlement or compromise rejected by Claimant.

(d) If a claim, whether between the Parties or by a third party, requires immediate action, the Parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

7.6 Means of Indemnification and Right to Setoff. In addition to any other right or means Buyer may have to enforce the indemnities provided for in Sections 7.2 and 7.3 hereof, Buyer shall be entitled to set off any amount to which it may be entitled under this Agreement or Damages which Buyer may incur as a result of any breach of this Agreement or any covenant, guaranty or other provision

contained within this Agreement against any payments of the Purchase Price and/or any indebtedness or obligation owed to Seller whether under this Agreement or any agreement or document related hereto. Buyer's right to setoff or its exercise thereof shall not prejudice the right of Buyer to pursue, in addition or as an alternative to such right, any other right or means Buyer may have to enforce the indemnification provided for in Sections 7.2 and 7.3 hereof and in no event shall the amount actually setoff limit Buyer's right to indemnification under Sections 7.2 and 7.3 hereof.

ARTICLE 8 Termination

8.1 Termination and Abandonment. This Agreement may be terminated and abandoned at any time prior to the Closing Date:

- (a) by mutual written Consent of Buyer and Seller;
- (b) by Buyer or Seller, if the IURC does not approve the Contemplated Transaction within one (1) year following the Effective Date as provided in Section 5.1(d); and
- (c) by Buyer at any time prior to the expiration of the Due Diligence Period.

8.2 Effect of Termination. The right of each Party to terminate this Agreement under Section 8.1 is in addition to any other rights such Party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations set forth in Sections 9.10 ("Legal Fees; Costs") and 9.16 ("Publicity; Announcements"); and all other covenants and agreements which by their terms continue after the termination of this Agreement will survive; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one (1) or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 9 General Provisions

9.1 Amendment and Modification. No amendment, modification, supplement, termination, Consent or waiver of any section or provision of this Agreement, nor any Consent for departure therefrom, will in any event be effective unless the same is in writing and is signed by the Parties. Any waiver of any provision of this Agreement and any Consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

9.2 Assignments. Neither Seller nor Buyer may assign or transfer any of its rights or obligations under this Agreement to any other Person without the prior written Consent of the other party.

9.3 Captions. Captions contained in this Agreement and any table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

9.4 Counterparts; Electronic Mail. This Agreement may be executed by the Parties hereto on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties hereto notwithstanding that all the Parties hereto are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted in .pdf format by electronic mail is to be treated as an original document. The signature of any Party thereon is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any Party hereto, the .pdf copy is to be re-executed in original form by the Parties who executed the .pdf copy. No Party hereto may raise the use of a .pdf copy or the fact that any signature was transmitted through the

use of electronic mail as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this section.

9.5 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties hereto, whether oral or written.

9.6 Exhibits and Schedules. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

9.7 Failure or Delay. Except as otherwise provided by this Agreement, no failure on the part of any Party hereto to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof, nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any Party hereto in any case entitles such Party to any other or further notice or demand in similar or other circumstances. The failure of either Party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either Party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.

9.8 Force Majeure. Except as provided for in this Agreement and except for the payment of monetary obligations, neither Party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the Party affected and which, by the exercise of due diligence such Party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the Parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each Party may perform its obligations under this Agreement.

9.9 Governing Law. This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the State of Indiana applicable to Contracts made and to be performed wholly within Indiana, without regard to choice or conflict of Laws rules. In the event of any litigation or claim regarding this Agreement, the Parties agree that the IURC has jurisdiction to govern all matters involving the Contemplated Transaction and the provision of Wastewater service by Buyer to the residents located within the Service Area.

9.10 Legal Fees, Costs. All legal, consulting and advisory fees and other costs and expenses incurred in connection with this Agreement and the Contemplated Transaction are to be paid by the Party incurring such costs and expenses; provided, however, in the event litigation is instituted by either Party to enforce or remedy a breach of any provision of this Agreement, in addition to any other relief therein awarded, the prevailing Party shall be entitled to judgment for reasonable attorney's fees and litigation expenses. The term "Prevailing Party" shall include, but not be limited to, a Party who obtains legal counsel or brings an action against the other by reason of the other's breach or default and obtains substantially the relief sought before the tribunal with jurisdiction.

9.11 Notices. All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person, (ii) three (3) days after deposited in the United States mail, first class postage prepaid, (iii) in the case of overnight courier services, one (1) Business Day after delivery to overnight courier service with payment provided, or (iv) in the case of electronic mail, when sent, verification received, in each case addressed as follows:

If to Buyer:

Crossroads Utilities, LLC

4700 Homewood Court, Suite 108
Attn: Ken Raber
Raleigh, NC 27609
Email: kraber@envirolinkinc.com
Telephone: (252) 235-4900

Copy to: Nikki G. Shoultz
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
Email: nshoultz@boselaw.com
Telephone: (317) 684-5242

If to Seller: LMH Utilities Corporation
Attn: Jeffrey C. Tucker, President
June Tucker, Secretary
Telephone: (812) 637-0015
Email: jefftucker@tucker-homes.com
Email: junetucker@tucker-homes.com

Copy to: Jeffrey M. Peabody
Barnes & Thornburg LLP
11 S. Meridian Street
Indianapolis, IN 46204-3535
Telephone: (317) 231-6465
Email: jpeabody@btlaw.com

or to such other address as any Party hereto may designate by notice to the other Parties in accordance with the terms of this Section 9.11. For e-mail, a Party shall contact the other Party to receive the then-applicable e-mail for the person in the position stated above.

9.12 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of any such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof, or affecting the validity, enforceability or legality of such provision in any other jurisdiction, unless the ineffectiveness of such provision would result in such a material change as to cause completion of the Contemplated Transaction to be unreasonable.

9.13 Specific Performance and Injunctive Relief. The Parties hereto recognize that if any or all of them fail to perform, observe or discharge any of their respective obligations under this Agreement, a remedy at Law may not provide adequate relief to the other Parties hereto. Therefore, in addition to any other remedy provided for in this Agreement or under applicable Law, any Party hereto may demand specific performance of this Agreement, and such Party shall be entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when any of the other Parties hereto fail to comply with any of the provisions of this Agreement applicable to such Party. To the extent permitted by applicable Law, all Parties hereto hereby irrevocably waive any defense based on the adequacy of a remedy at Law which might be asserted as a bar to such Party's remedy of specific performance or injunctive relief.

9.14 Successors and Assigns. Subject to Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties hereto and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

9.15 No Third-Party Beneficiary. This Agreement is solely for the benefit of the Parties hereto and their respective successors and permitted assigns, and no other Person has any right, benefit, priority or interest under, or because of the existence of, this Agreement.

9.16 Publicity; Announcements. From the date hereof through and including Closing, no Party hereto shall issue, cause or permit the publication by any of their respective Related Persons, agents or representatives, any press release or other public announcement with respect to this Agreement or the Contemplated Transaction except: (i) with the Consent of the other parties hereto (which shall not be unreasonably withheld); or (ii) as required by applicable Law (including, without limitation, any applicable securities Law). Seller will not, without the prior Consent of Buyer, make any announcements to employees of Seller with respect to the Contemplated Transaction and, at such time as an announcement to the employees is made, Buyer shall be allowed to participate in such announcement.

9.17 Cooperation. Any notices or certifications given under this Agreement or any related agreement shall be given in good faith without any intention to unfairly impede or delay the other Party. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement including, without limitation, actions required to be taken with respect to obtaining any applicable regulatory approval of the Contemplated Transaction. Buyer and Seller shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement. Each Party agrees to use all reasonable efforts to consummate the Contemplated Transaction including, without limitation, doing all things reasonably necessary to obtain the requisite regulatory approval. The parties agree that they will, at any time and from time to time after the Effective Date (including, but not limited to, any time after the Closing), upon request of the other, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, at no additional cost or Liability to such party, all such further acts and assurances as may be reasonably required to consummate the Contemplated Transaction as contemplated by this Agreement.

9.18 Incorporation of Exhibits and Schedules. The Exhibits and Schedules to this Agreement are made a part hereof and are hereby incorporated in full by reference.

9.19 Confidentiality. Prior to and subsequent to Closing, the Parties shall treat and hold, and shall cause their respective officers, agents and employees to treat and hold, in confidence, and not disclose to others, the terms of this Agreement and the transactions contemplated hereby. Prior to Closing, Buyer shall treat and hold as confidential all customer lists, account information, plans, documents, Contracts, records, data analysis, compilations, forecasts, and studies and other informational material received or prepared by any of them with respect to the Assets and the Business (collectively the "Confidential Information") except: (i) to the extent that such information (A) is otherwise available from third persons without restrictions on its further use or disclosure or (B) is required by order of any Governmental Authority, any Law, rule, regulation or any reporting obligation of Seller or Buyer and only as to the minimal disclosure requirements thereof, in the opinion of the disclosing Party's counsel; (ii) to the extent such information is or becomes publicly known other than through a violation of this Section 9.19 by the Party in question; or (iii) to the extent such information is provided to Persons who are assisting in the consummation of the transactions contemplated hereby, or is required to be given to such third party in order to obtain any Consents, approval, authorizations or disclosures contemplated by this Agreement (including, without limitation, the disclosure to representatives or employees of any Governmental Authority). Until the Closing, Buyer shall use the Confidential Information for the sole purpose of evaluating the proposed transaction and upon Closing shall have no obligations with respect to the Confidential Information purchased by Buyer. If this Agreement terminates, Buyer will continue to be obligated as to any Confidential Information of any of Seller disclosed to Buyer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Buyer

Crossroads Utilities, LLC

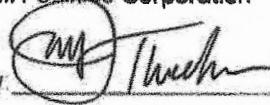
By: 

Printed: Michael S. Mason

Title: Vice-President

Seller

LMH Utilities Corporation

By: 

Printed: JAY T TUCKER

Title: V.P.

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Exhibit A

Service Area

The Service Area is established by the Original Certificate of Territorial Authority ("CTA") issued by the Indiana Utility Regulatory Commission ("IURC)" and the expansions thereto as set forth below. The Service Area is further depicted on the attached map to be provided by Seller.

CTA Description	IURC Cause Number	IURC Order Date(s)
Original	38965	8/22/90
Expansion	39645	6/30/93
Expansion	40004	5/3/95
Expansion	40891	8/5/98
Expansion	41413	3/22/00; 5/24/01

Exhibit B

Rates Approved by IURC Reflecting Buyer's Recovery of Purchase Price

Schedule 1 Definitions

"Assets" as defined in Section 2.1.

"Agreement" as defined in the introductory paragraph.

"Bill of Sale" as defined in Section 2.6(a)(i).

"Business" as defined in the Recitals.

"Business Days" means any day other than (i) Saturday or Sunday, or (ii) any other day on which governmental offices in the State of Indiana are permitted or required to be closed.

"Buyer" as defined in the introductory paragraph.

"Claimant" as defined in Section 7.5(a).

"Closing" shall mean the meeting of the parties to consummate the purchase and sale under the terms of this Agreement, as defined in Section 2.5.

"Closing Date" shall mean the date on which closing occurs as defined in Section 2.5.

"Confidential Information" as defined in Section 9.19. "Consent" means any approval, consent, ratification, waiver or other authorization.

"Contemplated Transaction" means all of the transactions contemplated by this Agreement and the Transaction Documents.

"Contract" means any agreement, contract, obligation, promise or undertaking (whether written or oral and whether express or implied), whether or not legally binding.

"Cure Period" as defined in Section 2.7(c).

"Customer Premises" means a dwelling, building, structure or parcel of real estate which is supplied with Wastewater service through a Customer Service Connection.

"Customer Service Connection" means that portion of Wastewater pipe owned and maintained by a customer that extends from the Customer Premises and connects the Customer Premises to the System.

"Damages" as defined in Section 7.2.

"Developer Agreement" means any agreement entered into between Seller and any owner or developer of property regarding wastewater service to be provided to one or more properties, whether located in a subdivision or elsewhere.

"Due Diligence Period" as defined in Section 5.1(f).

"Effective Date" means the date on which this Agreement is fully executed as identified in the first sentence of this Agreement.

"Effective Time" means 12:01 am local time on the Closing Date as defined in Section 2.5.

“Encumbrance” means any charge, claim, community property interest, condition, easement, equitable interest, lien, mortgage, option, pledge, security interest, right of first refusal, right of way, servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

“Environment” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“Environmental, Health and Safety Liabilities” means any cost, Damages, expense, Liability, obligation or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) Any environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of chemical substances or products);

(b) Fines, penalties, judgments, awards, settlements, legal or administrative proceedings, Damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) Financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment or other remediation or response actions (“Cleanup”) required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource Damages; or

(d) Any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law.

The terms “removal,” “remedial,” and “response action,” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended (“CERCLA”).

“Environmental Law” means any Law that requires or relates to:

(a) Advising appropriate authorities, employees and the public of intended or actual Releases of pollutants or hazardous substances or materials, violations of discharge limits or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) Preventing or reducing to acceptable levels the Release of pollutants or hazardous substances or materials into the Environment;

(c) Reducing the quantities, preventing the release or minimizing the hazardous characteristics of wastes that are generated;

(d) Assuring that products are designed, formulated, packaged and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) Protecting resources, species or ecological amenities;

(f) Reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil or other potentially harmful substances;

(g) Cleaning up pollutants that have been Released, preventing the threat of Release or paying the costs of such clean up or prevention; or

(h) Making responsible parties pay private parties, or groups of them, for Damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"Excluded Assets" as defined in Section 2.2.

"Family" means:

(a) an individual;

(b) the individual's spouse;

(c) any other natural person who is related to the individual or the individual's spouse within the second degree, and

(d) any other natural person who resides with such individual.

"Governmental Authority(ies)" means any:

(a) Nation, state, county, city, town, village, district or other jurisdiction of any nature;

(b) Federal, state, local, municipal, foreign or other government;

(c) Governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal);

(d) Multi-national organization or body; or

(e) Body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about or from the property or any part thereof into the Environment, and any other act, business, operation or thing that increases the danger or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the property, or that may affect the value of the property or Seller.

"Hazardous Materials" means any waste or other substance that is listed, defined, designated or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

"Indemnifying Party" as defined in Section 7.5(a).

"Inspection Documents" mean the documents identified in Schedule 5.1(g).

"IURC" as defined in Section 2.5.

"IURC Approval" as defined in Section 2.5.

"Knowledge" means an individual will be deemed to have "Knowledge" of a particular fact or other matter if:

(a) Such individual is actually aware of such fact or other matter; or

(b) A Person (other than an individual) will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving as a director or officer of such Person (or in any similar executive capacity) has, or at any time had, Knowledge of such fact or other matter.

"Law" means any law, rule, regulation or ordinance of any federal, foreign, state or local Governmental Authority.

"Liability" with respect to any Person any liability or obligation of such Person for any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of such Person.

"Local Permits" as defined in Section 5.1(h).

"Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

"Objections" as defined in Section 2.7(c).

"Occupational Safety and Health Law" means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

"Organizational Documents" means the articles or certificate of incorporation and the bylaws of a corporation or the operating agreement of a limited liability company, and any amendment thereto.

"Permit" means any approval, Consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

"Permitted Encumbrances" means, exclusively: (a) any lien for Taxes not yet due as of the Closing Date if this Agreement; (b) any Encumbrance that would be disclosed on or by an ALTA survey of the Real Property; and (c) Encumbrances of record that are approved by Buyer or deemed approved by Buyer pursuant to Section 2.7(c).

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity or Governmental Authority.

"Policy" as defined in Section 2.7(b).

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"Purchase Price" as defined in Section 2.3.

"Real Property" as defined in Section 3.4.

"Records" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Related Person" with respect to a particular individual, means:

- (a) Each other member of such individual's Family (as hereinafter defined);
- (b) Any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family;
- (c) Any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and
- (d) Any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, executor or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

- (e) Any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;
- (f) Any Person that holds a Material Interest in such specified Person;
- (h) Each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity); Any Person in which such specified Person holds a Material Interest;
- (i) Any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and
- (j) Any Related Person of any individual described in clause (b) or (c).

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

"Seller" shall have the meaning given that term in the introductory paragraph.

"Service Area" as defined in the Recitals.

"Survey" as defined in Section 2.7(a).

"System" means the entire working system, including but not limited to the wastewater gravity collection lines, pump stations, force mains, and all appurtenant equipment used for the collection, transmission and treatment of wastewater utilized to provide Wastewater service to Seller's customers in the Service Area.

"System Records" mean the following, which Seller shall provide to Buyer at the time of Buyer's request, and which obligation shall survive after Closing:

- a. all files, documents, papers, agreements, records, books of account, customer lists, customer deposits, contributions-in-aid-of-construction, tap fees, system development fees, previous account balance history, lot numbers and service addresses, lists of schedules, original cost invoices and invoices of costs for additions to the System in electronic and/or "hard" copies,

and records in Seller's possession pertaining to the Assets. This information shall be delivered to Buyer in editable electronic format, if possible.

b. System prints, plans, specifications, engineering reports, engineer certifications, wastewater reports, surveys, shop drawings, equipment manuals, and wastewater analyses reports that are necessary for the operation of the Wastewater System and are in the possession of Seller or its agents. This information shall be delivered to Buyer in editable electronic format, if possible.

c. All non-developer Contracts which relate to the Assets and are necessary for the continuing maintenance and operation of the System. Seller shall provide to Buyer a copy of each such contract prior to Closing, and Seller and Buyer shall mutually agree upon which contracts will be assigned to and assumed by Buyer.

d. All customer accounts receivables as described in Schedules 4 and 10 of this Agreement.

e. Copies of any covenants or restrictions related to wastewater service that are contained within customers' deeds.

f. Proof of compliance with Governmental Authorities.

"Tangible Personal Property" means all treatment plants, pumps, lift stations, wastewater gravity collection lines, pump stations, force mains, transmission lines, valves and appurtenances, storage tanks, Customer Service Connections, meters, meter installations, machinery, equipment, tools, furniture, office equipment, computer hardware, supplies (including chemicals and spare parts), materials, vehicles and other items of tangible personal property of every kind owned or leased by Seller (wherever located and whether or not carried on Seller's books), which are, could be, or in the future would be part of the collection, transmission and treatment system utilized to provide Wastewater service to Seller's wastewater customers, together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof, and all maintenance Records and other documents relating thereto.

"Tax" means all taxes, charges, withholdings, fees, levies, penalties, additions, interest or other assessments, including, without limitation, income, gross receipts, excise, property, sales, employment, withholding, social security, occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, windfall profits, severance, customs, import, export, employment or similar taxes, charges, fees, levies or other assessments, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or any other basis.

"Title Commitment" as defined in Section 2.7.

"Title Company" shall mean the title company from which the Buyer orders the Title Commitment pursuant to Section 2.7.

"Transaction Documents" means this Agreement, the Bill of Sale, and all other documents, certificates, assignments and agreements executed and/or delivered in connection with this Agreement in order to consummate the Contemplated Transaction, as the same may be amended, restated, modified or otherwise replaced by mutual agreement from time to time.

"Wastewater" means the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, night soil, and industrial waste.

Rules of Construction

For purposes of this Agreement and the other documents executed in connection herewith, the following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine,

the feminine and the neuter; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) shall not be limiting or exclusive; (iv) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; (v) all references in this Agreement or in the Schedules to this Agreement to sections, schedules, exhibits and attachments shall refer to the corresponding sections, schedules, exhibits and attachments of or to this Agreement; and (vi) all references to any instruments or agreements, including references to any of the documents executed in connection herewith, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

Schedule 2.1
Real Property and Easements

Real Property

This schedule will be completed to the Parties' satisfaction prior to the expiration of Due Diligence.

Easements

This schedule will be completed to the Parties' satisfaction prior to the expiration of the Due Diligence Period.

Schedule 3.3 Assets Purchased

This schedule will be completed to the Parties' satisfaction prior to the expiration of Due Diligence. Crossroads anticipates using the Asset Listing created by its appraiser with confirmation by LMH.

Add asset inventory created by LMH and checked by Envirolink Operator. Wastewater Treatment Plant: Seller currently operates a Class II, 0.48 MGD sequential batch reactor wastewater treatment facility consisting of fine screening, sequential batch reactors utilizing fine bubble diffusion, chlorination and de-chlorination facilities, effluent flow metering, and post aeration. Sludge is treated by aerobic digestion and a belt press. Final solids are hauled off-site to a landfill for disposal. The collection system is comprised of 100% separate sanitary sewers by design with no overflow or bypass points.

Also included are:

1. 1261 Customer Connections
2. 18 Lift Stations
3. 32,068 linear feet of Force Mains
4. 180,339 linear feet of gravity collection systems

Schedule 3.6
Contracts

This schedule will be completed to the Parties' satisfaction prior to Closing

Schedule 3.7(a)
Environmental Matters

This schedule will be completed to the Parties' satisfaction prior to Closing.

Schedule 3.8
Permits

This schedule will be completed to the Parties' satisfaction prior to Closing.

Note to draft: Needs to include

- IURC CTA
- IDEM permits
- IDOH permits

**Schedule 3.12
Proceedings**

This schedule will be completed to the Parties' satisfaction prior to Closing.

Current Litigation _____

**Schedule 5.1(g)
Inspection Documents**

Inspection Documents shall include:

- a. Schedule 5.1(g)(i) listing the Assets.
- b. Schedule 5.1(g)(ii) listing the number and identification of current and active connections to the System including the address where service is rendered.
- c. Schedule 5.1(g)(iii) listing of all parcels upon which the wastewater treatment plant and pump stations are located, and all other real property related to the System to be transferred, along with copies of all deeds and easements with recorded deed books and pages.
- f. Schedule 5.1(g)(iv) listing the names, physical addresses, billing addresses, and lot numbers of all customers.
- g. Schedule 5.1(g)(v) listing all Developer Agreements entered into between Seller and owners or developers of property regarding wastewater service. Schedule 5.1(g)(v) shall also list each agreement date and the parties to the agreement, with copies attached of each Developer Agreement.
- h. Schedule 5.1(g)(vi) listing all invoices for the costs for the installation of the System and any repairs and upgrades made to the System with copies of invoices and amounts paid attached.
- i. Schedule 5.1(g)(vii) listing all easements and rights-of-way owned or used by Seller for the construction, operation, and maintenance of the System, including but not limited to all Department of Transportation and other highway and public road encroachment agreements, with copies of the documents attached.
- j. Schedule 5.1(g)(viii) listing all IURC, IDEM, Dearborn County and any other Governmental Authority approvals and permits, with copies of the approvals and permits attached. Schedule 5.1(g)(viii) shall also list any portion of any System where service is being rendered without the required Permit from all applicable Governmental Authorities and the identification of the missing Permit.
- k. Schedule 5.1(g)(ix) listing all other agreements entered into by or between Seller and other parties, which would or might be considered to be an Encumbrance upon the Assets or System, with copies of such agreements attached.
- l. Schedule 5.1(g)(x) listing all prepaid customer tap fees and prepaid contribution in aid of construction ("CIAC") for which the corresponding portion of the System has not been installed and an identification of the location of said portion(s) of the System. The Parties recognize the Commission's June 29, 2020 Order in Cause No. 43507-U determining the System's CIAC as of December 31, 2018. Seller shall identify in Schedule 5.1(g)(x) any CIAC amounts collected since December 31, 2018 ("New CIAC") and Seller shall pay to Buyer the grossed-up tax payment attributable to the New CIAC. Such amount shall be the product of multiplying the total amount of the New CIAC by .29828.
- m. Schedule 5.1(g)(xi) listing all Indiana Department of Transportation and other highway and public road encroachment agreements that affect or relate to the System, with copies attached.
- n. Schedule 5.1(g)(xii) listing all notices of default, terminations, and claims.
- o. Schedule 5.1(g)(xiii) that provides the Collection System map.
- p. Schedule 5.1(g)(xiv) that lists a capital plan, any planned renewal and replacements, upgrades and capitalized repairs, along with projected capital requirements for each project.

q. Schedule 5.1(g)(xv) that lists all affiliate Contracts between Seller and any affiliate including those that have expired and those that are in effect, along with a designation of which affiliate contracts Seller has provided to the IURC.

r. Schedule 5.1(g)(xvi) that lists all real property owned by Seller that will be transferred to Buyer.

s. Schedule 5.1(g)(xvii) that lists all Notices of Termination or Notices of Default or Claims with respect to any Contract, loan, or Asset.

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FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "First Amendment"), is made as of the 20th day of December, 2022 ("Effective Date") by and between **Crossroads Utilities, LLC**, an Indiana limited liability company ("Buyer"), and **LMH Utilities Corporation** ("Seller"), and provides as follows:

WITNESSETH

WHEREAS, Buyer and Seller entered into that certain Asset Purchase Agreement dated as of March 8, 2022 (the "Agreement");

WHEREAS, Buyer and Seller desire to amend the Agreement to eliminate the requirement that the Indiana Utility Regulatory Commission (the "IURC") establish new rates as a condition precedent to closing, to specify the Buyer's payment obligations to Seller, and to modify the period for termination of the Agreement if the IURC does not approve the Contemplated Transaction, as more particularly hereinafter set forth.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00), cash in hand, paid by Buyer, and the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer and Seller, Buyer and Seller hereby agree as follows:

1. Defined Terms/Incorporation. Capitalized terms used, but not herein defined, shall have the meanings ascribed to such terms in the Agreement. The Recitals above are hereby incorporated herein and made a part hereof.

2. Payment Obligations. Section 2.6(b)(i) of the Agreement is hereby deleted and shall be replaced with the following:

(b) At or prior to Closing, Buyer shall deliver to Seller, the following document, duly executed, or funds:

- (i) The parties agree that Buyer will not seek approval of a rate increase contemporaneously with its request for approval of the Contemplated Transaction. At closing, Buyer shall pay to Seller by wire transfer or other immediately available funds to an account specified by Seller, the amount of Seller's rate base approved by the IURC in Cause No. 45307 of \$1.18 million (the "Existing Rate Base Amount"). The rate base amount that Buyer is authorized to record for ratemaking purposes as net original cost rate base in the IURC Order approving the Contemplated Transaction, excluding the costs of the acquisition authorized by the IURC, shall be the "New Rate Base Amount."

Commencing sixty (60) days following the next final, non-appealable IURC Order authorizing an increase in the existing rates (the "New Rates"), Buyer will pay Seller the amount, up to the Purchase Price, that is the difference between the Existing Rate Base Amount and the New Rate Base Amount (the "Difference"), which Buyer shall pay as follows:

- If the New Rates are the result of a New Rate Base Amount in excess of the Purchase Price, then Buyer will pay Seller on a monthly basis an amount calculated as 1/12th of the Difference for twelve months.
- If the New Rates are the result of a New Rate Base Amount less than the Purchase Price, then Buyer will pay Seller on a monthly basis an amount calculated as (Existing Rate Base Amount/New Rate Base) times 1/12th of the Difference until Difference is paid off.

If the New Rates are the result of a New Rate Base Amount that is equal to or less than the Existing Rate Base Amount, then Buyer shall have no further payment obligation to Seller.

3. Exhibit B to Agreement. Exhibit B to the Agreement shall be marked as "Intentionally Omitted."

4. Condition Precedent to Obligations of Buyer. Section 5.1(d) of the Agreement shall be deleted and replaced with the following:

(d) Approvals. Buyer shall have applied for and received prior to Closing; (i) an Order from the IURC approving: (A) the Contemplated Transaction; (B) the transfer of Seller's System thereunder to Buyer; (C) Buyer's authority to serve the System; (D) the proposed accounting and rate base treatment with respect to the Contemplated Transaction including recognition of the full Purchase Price in net original cost rate base; (E) the application of its depreciation accrual rates to the Assets; and (ii) all other regulatory approvals required by any Governmental Authority to operate the Business within the Service Area. Seller shall cooperate fully with Buyer, at no cost to Buyer, to provide any information, testimony, and documents necessary to obtain regulatory approval of the Contemplated Transaction. In the event the IURC does not issue one or more of the foregoing approvals, the parties may adjust the Purchase Price on mutual agreement or Buyer may terminate this Agreement with no further obligation to the other party.

5. Termination and Abandonment. Section 8.1 of the Agreement is hereby deleted and replaced with the following:

8.1 Termination and Abandonment. This Agreement may be terminated and abandoned at any time prior to the Closing Date:

- (a) by mutual written Consent of Buyer and Seller;
- (b) by Buyer or Seller, if the IURC does not approve the Contemplated Transaction within three hundred (300) days following the filing of the Joint Petition and case-in-chief testimony with the IURC; and
- (c) by Buyer at any time prior to the expiration of the Due Diligence Period.


(e) Miscellaneous. Except as amended herein, all other terms and conditions of the Agreement are ratified and confirmed and remain as stated therein. Certain defined terms used herein, as indicated by the initial capitalization thereof, shall have the same meanings as ascribed to such terms in the Agreement. This First Amendment may be executed in counterparts. Facsimile or PDF counterparts of this First Amendment upon collation shall serve as original copies of this First Amendment.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed pursuant to due authority, all as of the date first above written.

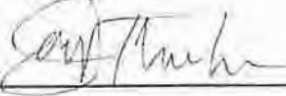
Buyer

Crossroads Utilities, LLC

By: 
Printed: Michael S. Myers
Title: Manager

Seller

LMH Utilities Corporation

By: 
Printed: JAY TUCKER
Title: VP

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