

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF CITIZENS WASTEWATER)
OF WESTFIELD, LLC FOR (1) AUTHORITY TO)
INCREASE RATES AND CHARGES FOR)
WASTEWATER UTILITY SERVICE AND)
APPROVAL OF A NEW SCHEDULE OF RATES AND) CAUSE NO. 44835
CHARGES; AND (2) APPROVAL OF CERTAIN)
REVISIONS TO ITS TERMS AND CONDITIONS)
APPLICABLE TO WASTEWATER UTILITY)
SERVICE)**

**WORKING PAPERS SUBMITTED PURSUANT TO
COMMISSION'S RECOMMENDED BEST
PRACTICES FOR RATE CASES (GAO 2013-5)**

VOLUME II

**170 IAC 1-5-9 through
170 IAC 1-5-13(a)(4)**

170 IAC 1-5-9 Working Papers and Data: Rate Base and General Information

Section 9 (a) An electing utility shall submit the following information:

(1) A summary schedule showing the utility's proposed rate base. The schedule shall show the following:

- (A) Beginning balances per the utility's books.
- (B) Proposed pro forma adjustments.

Westfield Wastewater
170 IAC 1-5-9 (1)
Rate Base

Line No.		Amount
	Per Order in Cause No. 44273 and approved Settlement Agreement	
	(A)	
1	Net "12/31/2011-Plant" as of 12/31/2015, testimony of Aaron Johnson	\$ 27,477,000
	(B)	
2	Remaining Fair Value Increment as of 12/31/2015, testimony of Aaron Johnson	\$ 16,283,048
	Net original cost of plant put in service after 12/31/2011	
	(C)	
3	Original cost added since 12/31/2011 through end of test year	\$ 9,051,337
4	Accum. depreciation on assets added since 12/31/2011, through 12/31/2015	\$ (453,105)
5	Expected major additions through 12/31/2016	<u>\$ 5,695,562</u>
6	Net plant added since 12/31/2011	<u>\$ 14,293,794</u>
	(D)	
7	Original cost of contributions in aid of construction (CIAC) included in (C)	\$ (3,340,245)
8	Original cost of customer advances for construction (CAFC) included in (C)	\$ (421,080)
9	Accum. depreciation on CIAC and CAFC property included in (C)	<u>\$ 167,658</u>
10	Total net contributed property and advances	<u>\$ (3,593,667)</u>
	(E)	
	Shared Services plant in service as of 12/31/2015	
11	Corporate Support Services, original cost net of depreciation	\$ 45,605,305
12	% to Westfield Wastewater	1.57%
13	Amount to Westfield Wastewater	\$ 716,003
14	Shared Field Services, original cost net of depreciation	\$ 2,277,444
15	% to Westfield Wastewater	0.52%
16	Amount to Westfield Wastewater	\$ 11,843
	(F)	
17	Total Rate Base lines 1, 2, 6, 10, 13, 16	\$ 55,188,021

170 IAC 1-5-9 Working Papers and Data: Rate Base and General Information

Section 9 (a) An electing utility shall submit the following information:

(2) The following data for each regulatory asset for which the utility seeks rate base treatment:

- (A) Beginning test year balance.
- (B) End of test year balance.
- (C) Proposed balance to be included in rates.
- (D) Where applicable, any:
 - (i) commission order;
 - (ii) accounting pronouncement; or
 - (iii) other authorization; establishing the asset.

There are no regulatory assets for which the utility seeks rate base treatment.

170 IAC 1-5-9 Working Papers and Data: Rate Base and General Information

Section 9 (a) An electing utility shall submit the following information:

- (3) A schedule showing the fair value of the utility's proposed rate base.

Westfield Wastewater
170 IAC 1-5-9 (1)
Rate Base

Line No.		Amount
	Per Order in Cause No. 44273 and approved Settlement Agreement	
	(A)	
1	Net "12/31/2011-Plant" as of 12/31/2015, testimony of Aaron Johnson	\$ 27,477,000
	(B)	
2	Remaining Fair Value Increment as of 12/31/2015, testimony of Aaron Johnson	\$ 16,283,048
	Net original cost of plant put in service after 12/31/2011	
	(C)	
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4	Accum. depreciation on assets added since 12/31/2011, through 12/31/2015	\$ (453,105)
5	Expected major additions through 12/31/2016	<u>\$ 5,695,562</u>
6	Net plant added since 12/31/2011	<u>\$ 14,293,794</u>
	(D)	
7	Original cost of contributions in aid of construction (CIAC) included in (C)	\$ (3,340,245)
8	Original cost of customer advances for construction (CAFC) included in (C)	\$ (421,080)
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10	Total net contributed property and advances	<u>\$ (3,593,667)</u>
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	Shared Services plant in service as of 12/31/2015	
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17	Total Rate Base lines 1, 2, 6, 10, 13, 16	\$ 55,188,021

170 IAC 1-5-9 Working Papers and Data: Rate Base and General Information

Section 9 (b) If a utility proposes to add investment in qualified pollution control properties as defined in IC 8-1-2-6.6 to the value of its electric property, the utility shall also submit a filing that complies with the requirements of 170 IAC 4-6.

Not applicable. Citizens Wastewater of Westfield is a gas utility and therefore, does not have qualified pollution control property.

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

- (1) Any valuation study performed by or for the utility, including all assumptions used in that study, that serves as the basis for the utility's proposed fair value of its utility plant in service, including any supporting working papers.

Not applicable. Citizens Wastewater of Westfield did not perform such a study in this case.

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

- (2) A schedule showing end of test year balances for the following:
 - (A) A utility's plant in service.
 - (B) Accumulated depreciation by subaccount.

Westfield Wastewater

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170 IAC 1-5-10 (2)

Schedule of utility plant in service and accumulated depreciation by subaccount
as of December 31, 2015

WESTFIELD WASTEWATER		Plant in Service	Accum Depr
<u>Collection Plant</u>			
WC-353-20	Land & Land Rights	825,743	-
WC-354-20	Structures & Improvements	647	(626)
WC-360-20	Collecting Sewers - Force	5,457,555	(2,185,818)
WC-360-25	Collecting Sewers - Force - CIAC	157,773	(3,300)
WC-361-20	Collecting Sewers - Gravity	29,939,612	(5,302,522)
WC-361-25	Collecting Sewers - Gravity - CIAC	22,687,192	(4,559,204)
WC-362-20	Special Collecting Structures	-	-
WC-363-20	Services	28,023	(14,421)
WC-364-20	Flow Measuring Devices	1,282,486	(519,287)
		<u>60,379,031</u>	<u>(12,585,177)</u>
<u>System Pumping Plant</u>			
WS-353-30	Land & Land Rights	9,179	-
WS-354-30	Structures & Improvements	1,308,082	(332,462)
WS-371-30	Pumping Equipment	1,820,223	(699,600)
		<u>3,137,484</u>	<u>(1,032,062)</u>
<u>Treatment Plant</u>			
WT-353-40	Land & Land Rights	210,269	-
WT-354-40	Structures & Improvements	16,819,637	(4,892,190)
WT-380-40	Treatment & Disposal Equipment	7,131,095	(3,171,305)
		<u>24,161,000</u>	<u>(8,063,494)</u>
<u>General Plant</u>			
WG-390-71	Office Furniture	26,666	(27,853)
WG-390-72	Office Machinery	24,322	(25,405)
WG-390-73	Computer Equipment	82,889	(83,787)
WG-390-74	Software	328,633	(54,319)
WG-391-70	Transportation Equipment	205,667	(117,215)
WG-392-70	Stores Equipment	-	-
WG-393-70	Tools, Shop & Garage Equipment	61,373	(58,606)
WG-394-70	Laboratory Equipment	38,004	(35,747)
WG-395-70	Power Operated Equipment	165,927	(173,169)
WG-396-70	Communication Equipment	21,151	(22,093)
WG-397-70	Miscellaneous Equipment	63,619	(64,602)
WG-398-70	Other Equipment	145,914	(54,106)
		<u>1,164,165</u>	<u>(716,903)</u>
	TOTAL WESTFIELD WASTEWATER	88,841,680	(22,397,636)
CSS			
<u>General Plant</u>			
007-389-0	Land	1,581,974	-
007-390-0	Structures & Improvements	43,894,807	(11,183,179)
007-391-1	Office Furniture	3,322,667	(1,033,364)
007-391-2	Office Machines	1,230,821	(125,184)
007-391-3	Computer Equipment	6,032,361	2,386,760
007-391-4	Software	26,689,521	(28,646,661)
007-392-0	Transportation Equipment	75,108	(9,804)
007-394-1	Tool Equipment	19,606	(1,197)
007-396-0	Power Operated Equipment	-	(38,507)
007-397-0	Communications Equipment	1,357,987	(302,326)
007-398-0	Other Equipment	426,149	(72,232)
	TOTAL CSS	84,631,000	(39,025,695)
	Allocable to Westfield: 1.57%	1,328,707	(612,703)
SHARED FIELD SERVICES			
<u>General Plant</u>			
007-391-3	Computer Equipment	75,795	-
007-391-4	Software	20,610	(11,267)
007-397-0	Communications Equipment	2,471,132	(278,826)
	TOTAL SFS	2,567,537	(290,093)
	Allocable to Westfield: 0.52%	13,351	(1,508)

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

(3) The utility's construction budget for the following:

(A) The test year.

(B) As available, the period that ends with the plant cutoff date used to determine the plant in service rate base proposed by the utility.

Westfield Wastewater
170 IAC 1-5-7 (6) and (7)
170 IAC 1-5-10 (3)
Fiscal Year 2015 construction budget

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Westfield Wastewater budgets by fiscal year only (12 months ending September 30).
A budget for the test year is not available, since the test year crosses two fiscal years.

	2015 Budget
Facilities	\$ 167,721
Collection System	\$ 5,136,000
Technology & Support Services	\$ 222,000
Subtotal Westfield	\$ 5,525,721
Westfield portion of CSS capital	137,115
Westfield portion of SFS capital	740
Total Westfield	\$ 5,663,576

Budgeting Assumptions:

The capital improvement plan is designed to accommodate system growth.

**Westfield Wastewater
170 IAC 1-5-7 (6) and (7)
170 IAC 1-5-10 (3)
Fiscal Year 2016 construction budget**

wp 134

Westfield Wastewater budgets by fiscal year only (12 months ending September 30).
A budget for the test year is not available, since the test year crosses two fiscal years.

	2016 Budget
Facilities	\$ -
Collection System	\$ 4,555,000
Technology & Support Services	\$ 195,000
Subtotal Westfield	\$ 4,750,000
Westfield portion of CSS capital	201,677
Westfield portion of SFS capital	630
Total Westfield	\$ 4,952,307

Budgeting Assumptions:

The capital improvement plan is designed to accommodate system growth.

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

(4) An annual summary by subaccount of actual net plant additions to a utility's plant in service used to determine the plant in service rate base proposed by the utility, showing:

- (A) plant additions;
- (B) retirements; and
- (C) other changes to plant in service;

for the test year and, as available, for the period subsequent to the test year ending with the plant cutoff date.

Westfield Wastewater

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170 IAC 1-5-10 (4)

Schedule of plant additions and retirements, summarized by subaccount
for the test year ended December 31, 2015

WESTFIELD WASTEWATER		Additions	Retirements	Transfers
<u>Collection Plant</u>				
WC-353-20	Land & Land Rights	-	-	-
WC-354-20	Structures & Improvements	-	-	-
WC-360-20	Collecting Sewers - Force	68,662	15,000	-
WC-360-25	Collecting Sewers - Force - CIAC	157,773	-	-
WC-361-20	Collecting Sewers - Gravity	72,008	-	-
WC-361-25	Collecting Sewers - Gravity - CIAC	1,363,366	-	-
WC-362-20	Special Collecting Structures	-	-	-
WC-363-20	Services	-	-	-
WC-364-20	Flow Measuring Devices	-	-	-
		<u>1,661,810</u>	<u>15,000</u>	-
<u>System Pumping Plant</u>				
WS-353-30	Land & Land Rights	-	-	-
WS-354-30	Structures & Improvements	4,226	-	-
WS-371-30	Pumping Equipment	117,277	5,000	-
		<u>121,503</u>	<u>5,000</u>	-
<u>Treatment Plant</u>				
WT-353-40	Land & Land Rights	-	-	-
WT-354-40	Structures & Improvements	-	-	-
WT-380-40	Treatment & Disposal Equipment	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
<u>General Plant</u>				
WG-390-71	Office Furniture	-	-	-
WG-390-72	Office Machinery	-	-	-
WG-390-73	Computer Equipment	-	-	-
WG-390-74	Software	-	-	-
WG-391-70	Transportation Equipment	-	17,105	-
WG-392-70	Stores Equipment	-	-	-
WG-393-70	Tools, Shop & Garage Equipment	-	-	-
WG-394-70	Laboratory Equipment	-	-	-
WG-395-70	Power Operated Equipment	-	-	-
WG-396-70	Communication Equipment	-	-	-
WG-397-70	Miscellaneous Equipment	-	-	-
WG-398-70	Other Equipment	-	-	-
		<u>-</u>	<u>17,105</u>	<u>-</u>
	TOTAL WESTFIELD WASTEWATER	1,783,313	37,105	-
CSS				
<u>General Plant</u>				
007-389-0	Land	-	-	-
007-390-0	Structures & Improvements	17,548,182	-	-
007-391-1	Office Furniture	1,514,319	-	-
007-391-2	Office Machines	601,781	-	-
007-391-3	Computer Equipment	680,399	444,917	-
007-391-4	Software	9,802,733	2,414,587	-
007-392-0	Transportation Equipment	-	-	-
007-394-1	Tool Equipment	-	-	-
007-397-0	Communications Equipment	382,064	-	-
007-398-0	Other Equipment	-	-	-
	TOTAL CSS	<u>30,529,478</u>	<u>2,859,504</u>	-
	Allocable to Westfield: 1.57%	479,313	44,894	-
SHARED FIELD SERVICES				
<u>General Plant</u>				
007-391-3	Computer Equipment	75,795	-	-
007-391-4	Software	20,610	-	-
007-397-0	Communications Equipment	2,471,132	-	-
	TOTAL SFS	<u>2,567,537</u>	-	-
	Allocable to Westfield: 0.52%	13,351	-	-

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

(5) A schedule of pro forma utility additions subsequent to the test year ending with the proposed plant cutoff date, including the following:

- (A) Estimated in service date or dates.
- (B) Actual costs per books at the end of the test year.
- (C) Estimated cost of utility additions based on costs as defined by the applicable NARUC or FERC Uniform System of Accounts.
- (D) Pro forma retirements, cost to retire, or net proceeds received from the sale of property related to the proposed addition to rate base.
- (E) For those utility additions that have received CWIP ratemaking treatment, the utility shall show AFUDC as a separate component of cost and include an explanation of the allocation of AFUDC to retail customers receiving service from the utility in Indiana.



Confidential and Privileged Attorney Work Product

2015-2020 Westfield Wastewater Major Additions Summary Table

Westfield Wastewater Major Additions Summary Table												
Project Name	Project Number	Asset-In-Service Date	FY2015 Budget	FY2016 Budget	2014 Actuals Jan-Dec	2015 Actuals Jan-Dec	2016 Actuals Jan-June**	Actual Life to Date Totals as of June 2016	2016 Forecast July-Dec***	2017 Forecast Jan-Dec	2018 Forecast Jan-Dec	2019 Forecast Jan-Dec
156th St Interceptor Phase 1	49IN01227	10-May-16	\$ 1,500,000.00	\$ 2,875,000.00	\$ 55	\$ 881,322	\$ 2,409,781	\$ 3,291,158	\$ 108,000	\$ -	\$ -	\$ -
Westfield Downtown Lift Station	49LS00868	1-Feb-16	\$ 2,197,000.00	\$ 900,000.00	\$ 264,430	\$ 1,908,991	\$ 230,982	\$ 2,404,404	\$ 7,000	\$ -	\$ -	\$ -
Subtotal			\$ 3,697,000.00	\$ 3,175,000.00	\$ 264,485	\$ 2,790,313	\$ 2,640,763	\$ 5,695,562	\$ 115,000	\$ -	\$ -	\$ -
**Latest data available for 2016												
***Forecast data obtained from P6												

11-Aug-16

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

- (6) A narrative statement of the criteria used to select projects included in the utility's proposed pro forma additions to the end of test year plant in service.

156th Street Interceptor Project -- Installation of approximately 1,400 lineal feet of 42 inch diameter and 3,600 lineal feet of 36 inch diameter PVC sanitary sewer lines and a lift station with two 15 horsepower pumps to service a portion of Petitioner's service territory bounded by 161st Street to north, U.S. 31 to the east, 146th Street to the south and Towne Road to the west. This project was placed in service on May 10, 2016.

Downtown Lift Station Project -- Construction of a new lift station with three 20.1 horsepower pumps with variable frequency drives and approximately 5,200 lineal feet of 16-inch diameter force main with approximately 2.6 MGD peak capacity that flows to Petitioner's Washington Woods lift station, as well as associated upgrades to three pumps at the Washington Woods lift station to accommodate the additional flows. This project was placed in service on February 1, 2016.

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

(7) A narrative statement of all policies and procedures used to account for the capitalization of AFUDC.

Policy Release #2036
Effective date: February 6, 2014

CAPITALIZED INTEREST

I. PURPOSE

This policy addresses the capitalization of interest on projects for which capital funds are being expended in excess of a minimum threshold. The objective of capitalizing interest is to obtain a measure of acquisition cost that more closely reflects an entity's total investment in the asset.

II. SCOPE

This policy applies to all construction work in progress for assets which

- Are constructed or otherwise produced for an entity's own use, including software developed or obtained for internal use
- Require more than 60 days of work
- Entail in excess of \$3 million in unreimbursed costs

Such projects shall be identified during the capital budgeting process and again during the capital request process established by Policy Release 2029. Multiple projects that are related in purpose but tracked separately shall be treated as one for purposes of determining applicability (for example, the construction of one asset in multiple phases, where each phase is a separate project).

This policy stipulates a minimum threshold for capitalization of interest which is designed to favorably balance the informational benefit and the cost of implementation, in accordance with generally accepted accounting principles.

III. POLICY

a. Interest Rate

The rate of interest to be used shall be the weighted average cost of debt for each business unit, as determined by Treasury on a quarterly basis for the following quarter, i.e. the rate calculated at the end of the first quarter shall be applied to transactions in the second quarter, and so forth.

b. Amount Capitalized

The amount capitalized in an accounting period shall be determined by applying the interest rate to the average amount of accumulated expenditures during the period. The average shall be calculated as beginning balance plus ending balance divided by two.

c. Definition of Expenditures

Expenditures to which capitalization rates are to be applied are capitalized expenditures that have required the payment of cash or the transfer of other assets. Accruals shall not be included.

d. Capitalization Period

Capitalization of interest will begin when three conditions are present:

1. Expenditures for the asset have been made
2. Activities that are necessary to get the asset ready for its intended use are in progress

3. Interest cost is being incurred

If substantially all activities are suspended, interest capitalization shall cease until activities are resumed. Brief interruptions, interruptions externally imposed, or delays inherent in the asset acquisition shall not require cessation of interest capitalization.

The capitalization period shall end when the asset is substantially complete and ready for its intended use. If the asset is completed in parts, and each part is capable of being used independently, interest capitalization shall stop on each part when it is substantially complete and ready for use.

For projects that were not originally intended to have a duration of active construction of more than 60 days and a cost of more than \$3 million, capitalization of interest will begin in the period following the period in which the two conditions are first met. The amount to be capitalized in that period will be the cumulative total that should have been capitalized had the scope of the project been known from the start. Successive periods shall use the method described above.

IV. FORMULA TO CALCULATE NET COST OF BORROWED FUNDS

- a. Regulated business units shall use the following formula to calculate the net cost of borrowed funds:

$$A_i = s(S/W) + d * (1-(S/W))$$

A_i=Rate for gross allowance for borrowed funds used during construction
 s=Short-term debt interest rate using actual rate as of the end of the prior quarter
 S=Average short term debt using actual book balances as of the end of the prior quarter (cannot exceed W in formula)
 W=13-month average balance in construction work in progress as of the end of the prior quarter
 d=Long-term debt interest rate using actual rate as of the end of the prior quarter

- b. Non-regulated business units shall use the following formula to calculate the overall borrowing rate

$$A_i = i / (S+D)$$

A_i=Rate for gross allowance for borrowed funds used during construction
 i=Total interest costs incurred
 S=Average short term debt using actual book balances as of the end of the prior quarter
 D=Long-term debt using actual book balances as of the end of the prior quarter

Approved: C. B. Lykins, President & Chief Executive Officer
 J. R. Brehm, Senior Vice President & Chief Financial Officer
 M. J. Richcreek, Senior Vice President & Chief Administrative Officer
 W. A. Tracy, Senior Vice President, Chief Operations Officer
 J. M. Hill, Senior Vice President, & General Counsel
 J. A. Harrison, Senior Vice President, Engineering & Sustainability

M. D. Strohl, Senior Vice President, Customer Relationships and
Corporate Affairs
C. H. Braun, Vice President, Energy Operations
B.B. Dougherty, Vice President and Controller
M.C. Jacob, Vice President, Major Capital Projects
A. D. Johnson, Vice President, Strategy and Corporate Development
L. C. Lindgren, Vice President, Water Operations
J. F. Lucas, Vice President, Information Technology
Y.N. Perkins, Vice President, Corporate Communications and Chief
Diversity Officer
C.H. Popp, Vice President, Engineering and Shared Field Services
L.S. Prentice, Vice President, Regulatory Affairs
J.L.Whitney, Vice President, Human Resources

Primary Owner: Director of Strategic Finance
Revision date: January, 2014
Review Date: January, 2014
No Changes: Yes
Supersedes: Policy Release 48, effective January 1, 2012
Reference other policies, procedures, etc.
Standard Procedure #2029, Capital Projects
Standard Procedure #2030, Capitalization
FERC Gas Plant Instructions
NARUC Utility Plant - Components of Construction Cost
FASB ASC Topics 350-40, 360-10 and 835-20

170 IAC 1-5-10 Working Papers and Data: Rate Base, Utility Plant in Service

Section 10 An electing utility shall submit the following information:

- (8) A listing of cause numbers of all commission orders that precertify projects added to the end of test year plant in service.

Citizens Wastewater of Westfield does not have any projects that have been precertified.

170 IAC 1-5-11 Working Papers and Data: Rate Base, Depreciation

Sec. 11. (a) An electing utility shall submit the following information:

(1) If applicable, the cause number and order date of the commission's rate order authorizing the utility's current depreciation rates and the cause number approving the last depreciation study.

(2) A description of each adjustment proposed by the utility to its book accumulated provision for depreciation and depreciation expense for the test year.

Not applicable.

170 IAC 1-5-11 Working Papers and Data: Rate Base, Depreciation

Sec. 11. (b) If a utility is seeking a change in its depreciation accrual rates, the utility shall also submit the following information:

- (1) The depreciation study performed by or for the utility that serves as the basis for the requested change in depreciation accrual rates.
- (2) A copy of the dismantlement or demolition studies performed by or for the utility.
- (3) Supporting working papers for the documents required in subdivisions (1) and (2).

Not applicable.

170 IAC 1-5-12 Working Papers and Data: Rate Base, Depreciation

Sec. 12. An electing utility shall submit the following information:

- (1) If the utility is requesting an allowance for cash working capital, a copy of all studies, including working papers, supporting the request.

Not applicable. Citizens Wastewater of Westfield is not requesting an allowance for cash working capital.

M0498816.1

170 IAC 1-5-12 Working Papers and Data: Rate Base, Depreciation

Sec. 12. An electing utility shall submit the following information:

(2) For an electric utility, the following:

(A) A complete description of the fuel inventory level policies used for planning purposes by the utility.

(B) Copies of all analyses completed within the last three (3) years by or for the utility establishing the optimal fuel inventory level for each generating station.

(C) When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, the following:

(i) Tons of fuel consumed for the test year or applicable adjusted period.

(ii) The daily burn in:

(AA) tons;

(BB) gallons; or (CC) cubic feet.

(iii) The pro forma optimal number of days supply required for each plant or unit.

(iv) The pro forma inventory of tons or gallons burned by the generating unit or plant.

(v) The fuel cost per ton or gallon.

(vi) The per books fuel inventory.

(D) Any request for an adjustment to the utility's proposed fuel inventory level intended to meet normal operations must include the following:

(i) A narrative discussion of the factors considered in determining that an adjustment is warranted.

(ii) A detailed exhibit demonstrating the development of the proposed adjustment.

Not applicable. Citizens Wastewater of Westfield is not an electric utility.

170 IAC 1-5-12 Working Papers and Data: Rate Base, Depreciation

Sec. 12. An electing utility shall submit the following information:

(3) For a gas utility, the following:

(A) The leased and contract storage balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of the relevant circumstances.

(B) A complete description of the gas storage and supply policies used for planning purposes by the utility.

(C) Copies of all analyses conducted by or for the utility establishing the optimal storage and supply level for the utility's system.

Not applicable.

170 IAC 1-5-12 Working Papers and Data: Rate Base, Depreciation

Sec. 12. An electing utility shall submit the following information:

(4) The materials and supplies balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of the relevant circumstances.

As a gas utility, Citizens Wastewater of Westfield does not have a materials and supplies balance.

170 IAC 1-5-13 Working Papers and Data: Rate of Return and Capital Structure

Sec. 13. (a) An electing utility shall submit the following information:

(1) Capitalization and capitalization ratios at the end of the test year and at the end of the year beginning twelve (12) months prior to the test year, respectively, including the following information:

(A) Year-end interest coverage ratios for the test year and the year ended twelve (12) months prior to the end of the test year and a pro forma interest coverage under the rates proposed by the utility.

(B) Year-end preferred stock dividend coverage ratios for the test year and the year ended twelve (12) months prior to the end of the test year.

(C) The supporting calculations for the information described in clauses (A) and (B).

WP 170 IAC 1-5-13(a)(1)(A)
Citizens Wastewater of Westfield
Computation of Pro Forma Debt Service Coverage Ratios
At Present Rates and Proposed Rates

<u>Line No.</u>	Total Debt Service Coverage	Pro Forma at Present Rates (A)	Pro Forma at Proposed Rates (B)
1	Pro Forma Revenue	<u>9,539,637</u>	<u>11,399,592</u>
2	Sub-Total	9,539,637	11,399,592
	Less:		
3	Pro Forma Operation and Maintenance Expense	<u>4,579,986</u>	<u>4,617,506</u>
4	Net Revenue Available for Debt Service	4,959,651	6,782,086
5	Total Debt Service	518,961	518,961
6	Total Debt Service Coverage Ratio (line 5/line 6)	9.56	13.07

170 IAC 1-5-13 Working Papers and Data: Rate of Return and Capital Structure

Sec. 13. (a) An electing utility shall submit the following information:

(2) The following financial data relating to the utility as of the end of the most recent five (5) fiscal years:

- (A) Annual price earnings ratio.
- (B) Earnings-book value ratio on a per share basis, using average book value.
- (C) Annual dividend yield.
- (D) Annual earnings per share in dollars.
- (E) Annual dividends per share in dollars.
- (F) A book value per share yearly.
- (G) Average annual market price per share calculated using monthly high and low share market prices.
- (H) Pretax interest coverage ratio.
- (I) Posttax interest coverage ratio.
- (J) Market price-book value ratio average.
- (K) The supporting calculations for the information described in this subdivision.

Not applicable. Citizens Wastewater of Westfield is an LLC.

170 IAC 1-5-13 Working Papers and Data: Rate of Return and Capital Structure

Sec. 13. (a) An electing utility shall submit the following information:

(3) The utility's capital structure and weighted average cost of capital as of the test year end, including the following information:

- (A) Common equity.
- (B) Long-term debt, including that maturing within one (1) year.
- (C) Other debt, with specificity.
- (D) Preferred or preference stock.
- (E) Customer deposits.
- (F) Sources of cost free capital, including the following:
 - (i) Pre-1971 investment tax credit.
 - (ii) Deferred taxes for ratemaking.
 - (iii) FAS 106 nonexternally funded liabilities.
- (G) Post-1970 investment tax credit and other components as appropriate.

WP 170 IAC 1-5-13 (3)
 WP 170 IAC 1-5-6 (5)
 Citizens Wastewater of Westfield
 Capital Structure and Cost of Capital

	Amount	% of Total	Cost %	WACC%
Common Equity	\$46,162,000	75.14%	10.70%	8.04%
Long-Term Debt	\$15,270,000	24.86%	2.89%	0.72%
Customer Deposits	\$0	0%	0	0
Deferred Income Taxes	\$0	0%	0	0
Prepaid Pension Asset or Post-Retirement Liability	\$0	0%	0	0
Post-1970 Investment Tax Credits	\$0	0%	0	0
TOTALS	\$61,432,000	100.00%		8.76%

170 IAC 1-5-13 Working Papers and Data: Rate of Return and Capital Structure

Sec. 13. (a) An electing utility shall submit the following information:

(4) If an electing utility is asking for special treatment because of the provisions of any of the following documents of the utility or its parent company, or both, then copies of the document or documents with the affecting provision or provisions must also be submitted:

- (A) Articles of incorporation or a similar document.
- (B) Indentures.
- (C) Other loan documents.
- (D) Other documents that describe the following:
 - (i) Coverage requirements.
 - (ii) Limits on proportions of types of capital outstanding.
 - (iii) Restrictions on dividend payouts.

SERIES 2014 WASTEWATER SUPPLEMENTAL TRUST INDENTURE

between

CITIZENS WASTEWATER OF WESTFIELD, LLC

and

REGIONS BANK,
as Trustee

Wastewater Revenue Notes, Series 2014A,

Wastewater Revenue Note, Series 2014B,

Revolving Notes, Series 2014

and

Wastewater Revenue Note, Series 2014C

Dated as of
March 1, 2014

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SERIES 2014 WASTEWATER SUPPLEMENTAL TRUST INDENTURE

This SERIES 2014 WASTEWATER SUPPLEMENTAL TRUST INDENTURE dated as of March 1, 2014 (this “Supplemental Indenture” and this “Series 2014 Supplemental Indenture”), is made pursuant to and in accordance with the Wastewater Trust Indenture dated as of March 1, 2014 (the “Master Indenture”), between Citizens Wastewater of Westfield, LLC (the “Issuer”), and Regions Bank, a financial institution incorporated under the laws of the State of Alabama with a corporate trust office in Indianapolis, Indiana, as Trustee (the “Trustee”). (The Master Indenture, as supplemented by this Supplemental Indenture and further supplemented and amended from time to time, is hereinafter referred to as the “Indenture.”) Capitalized terms used in this Supplemental Indenture are used as defined in Section 1.01 of this Supplemental Indenture, or, if not defined in Section 1.01 hereof, then as defined in the Master Indenture, as supplemented and amended from time to time.

WITNESSETH:

WHEREAS, pursuant to the Organizational Documents of the Issuer and consents to action without a meeting dated September 17, 2013, and March 21, 2014, the Issuer is authorized to borrow moneys for the purpose of providing necessary funds with which to pay the cost of acquiring the System, capital improvements thereto, working capital requirements in connection therewith and any other purpose permitted by law; and

WHEREAS, the Issuer desires to enter into the Credit and Continuing Covenant Agreement (the “Continuing Covenant Agreement” or “CCA”) by and among the Issuer, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent (the “Administrative Agent”), dated as of March 21, 2014, to fund necessary capital and working capital expenditures to the System and to pay the costs of such agreement; and

WHEREAS, the Issuer desires to issue and sell to the Indiana Finance Authority the Series 2014A Notes (hereinafter defined) to acquire the System, to fund necessary capital expenditures and to pay the costs of issuing and securing the Series 2014A Notes, including all related legal fees (collectively, the “2014 Project”); and

WHEREAS, pursuant to the CCA, the Lenders agree to purchase their pro rata share of bonds issued by the Indiana Finance Authority to purchase the Series 2014A Notes; and

WHEREAS, to evidence its obligations to repay the Obligations (as defined in the CCA) under the Continuing Covenant Agreement, including loans provided to the Issuer thereunder, the Issuer desires to issue the Series 2014B Note (hereinafter defined); and

WHEREAS, certain Lenders under the CCA have requested Revolving Notes to evidence Loans made by such Lenders and the Issuer’s covenant to repay Loans to particular Lenders under the Continuing Covenant Agreement is evidenced by a 2014 Revolving Note as provided hereunder; and

WHEREAS, the Issuer desires to enter into the 2014 Swap, for the purpose of hedging its interest rate risks with respect to the Series 2014A Notes;

WHEREAS, the Issuer desires to issue the Series 2014C Note (hereinafter defined) to evidence its obligation of payment of Derivative Obligations (as defined in the Indenture) under the 2014 Swap; and

WHEREAS, the Issuer's covenant to pay the Regular Payments and Termination Payments under the 2014 Swap is evidenced by the Series 2014C Note as provided hereunder; and

WHEREAS, all acts, proceedings and things necessary and required by law to make the Series 2014A Notes, the Series 2014B Note and the Series 2014C Note (collectively with the 2014 Revolving Notes, the "Series 2014 Notes"), when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer, and to constitute and make the Indenture and this Series 2014 Supplemental Indenture valid and effective indentures, have been done, taken and performed; and the issuance, execution and delivery of the Series 2014 Notes, and the execution, acknowledgment and delivery of the Master Indenture and this Series 2014 Supplemental Indenture, have in all respects been duly authorized by the Issuer, now therefore,

NOW, THEREFORE, the Issuer and the Trustee covenant and agree as follows:

THIS SUPPLEMENTAL INDENTURE WITNESSETH:

I.

That the Issuer, in consideration of the premises and of the mutual covenants contained in this Supplemental Indenture, and of the purchase and acceptance of the Series 2014 Notes by their holders, and for other valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2014 Notes are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, and to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2014 Notes at any time issued and outstanding under this Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2014 Notes and in this Supplemental Indenture, executed and delivered this Supplemental Indenture, and pledges and assigns, and by these presents does pledge, grant a security interest and assign (the "Security Interest"), unto Regions Bank, as Trustee, and to its successors in trust and to it and its assigns, the Pledged Funds (hereinafter defined), subject to the provisions of this Supplemental Indenture permitting the application of the Pledged Funds for the purposes and on the terms set forth in this Supplemental Indenture.

II.

The Security Interest made by this Supplemental Indenture is also, and shall be also, subject to the Trust Indenture, for the equal and proportionate benefit, security and protection of all Notes issued or to be issued under and secured by the Indenture without preference, priority or distinction of any Note over any other Note by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as

aforesaid, each and every Note issued under the Indenture shall have the same rights and privileges under and by virtue of the Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of this Supplemental Indenture; *provided, however*, that if the Issuer shall pay or cause to be paid to the holders of the Notes the principal and interest and redemption premium, if any to become due in respect thereof at the times and in the manner stipulated in the Notes and in this Supplemental Indenture (or shall provide, as permitted by the Trust Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall keep, perform and observe all the covenants and promises in the Notes and in this Supplemental Indenture expressed to be kept, performed and observed by or on the part of the Issuer, and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the terms and provisions of this Supplemental Indenture with respect to the Notes, then the rights granted by this Supplemental Indenture with respect to the Notes shall cease, terminate and be void as and against the Notes, at the option of the Issuer (evidenced by a certified resolution of the Board delivered to the Trustee), but otherwise this Supplemental Indenture shall remain in full force and effect.

III.

It is further covenanted and agreed that the Series 2014 Notes are to be issued, authenticated and delivered, and that the fees, income, revenues and funds pledged in this Supplemental Indenture and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Issuer, for itself and its successors, by this Supplemental Indenture does covenant and agree to and with the Trustee and its successors in trust under this Supplemental Indenture, for the benefit of whomsoever shall hold the Series 2014 Notes as follows:

ARTICLE I.

Definitions and Rules of Interpretation

Section 1.01 Rules of Interpretation. For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(A) All references in this Supplemental Indenture to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Supplemental Indenture.

(B) The words “hereby,” “herein,” “hereof,” “hereto,” and “hereunder” and other words of similar import refer to this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision.

(C) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular.

(D) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(E) Every “application,” “appointment,” “certificate,” “consent,” “demand,” “direction,” “instruction” “notice,” “order,” “request,” “statement,” or similar action hereunder by the Issuer shall, unless the form thereof is specifically provided, be in writing signed by the Authorized Issuer Representative.

(F) All other terms used herein which are defined in the Master Indenture shall have the meaning ascribed to them in the Master Indenture unless the context otherwise requires.

Section 1.02 Definitions. For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“Additional Bank Period” means for the Series 2014A Notes (and/or the Utility Bonds, as the case may be), the period from a Mandatory Tender Date during which the Series 2014A Notes (and/or the Utility Bonds, as the case may be) bear interest at the Additional Bank Rate to a subsequent Mandatory Tender Date.

“Additional Bank Rate” means the interest rate on the Series 2014A Notes (and/or the Utility Bonds, as the case may be) designated in Section 2.03(c) or established in accordance with Section 2.03(c) of this Supplemental Indenture. An Additional Bank Rate Period hereunder shall be determined without reference to the provisions of Section 3.4 of the CCA.

“Administrative Agent” shall have the meaning specified in the CCA.

“Authorized Denominations” means any amount.

“Authorized Issuer Representative” means the President (Chairman), the Vice President (Vice Chairman), the President, any Vice President, the Chief Financial Officer or the Director of Treasury of the Issuer.

“Bank Rate Period” means for the Series 2014A Notes (and/or the Utility Bonds, as the case may be), the period from the Dated Date to the Mandatory Tender Date and for the 2014 Revolving Notes, the period from the Dated Date to the maturity date (or such later date as specified in the CCA for the Loans (as defined in the CCA) pursuant to Section 3.4 of the CCA) of the 2014 Revolving Notes.

“Beneficial Owner” means the owner of a Note or portion thereof for federal income tax purposes.

“Book Entry Note” means a Series 2014 Note authorized to be issued to and restricted to being registered in the name of a Securities Depository.

“Business Day” means a day on which banks in Indianapolis and in New York, New York, are not authorized or required to be closed and on which the New York Stock Exchange is not closed.

“CCA Notes” has the meaning set forth in Section 2.02(b) hereof.

“Continuing Covenant Agreement” or “CCA” means the Credit and Continuing Covenant Agreement dated as of March 21, 2014, by and among the Issuer, the Lenders and the Administrative Agent, and their successors and assigns and any similar Continuing Covenant Agreement the Issuer may enter into with respect to or in connection with the CCA Notes or the Utility Bonds.

“Counsel” means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

“Dated Date” means the date of issuance and delivery of the Series 2014 Notes, March 21, 2014.

“Default” or “default” means any event which with the giving of notice, the passage of time, or both, becomes an “event of default”.

“Defeasance Securities” means (a) cash; (b) United States Treasury (the “Treasury”) bonds, certificates and notes, including State and Local Government Series (“SLGs”); (c) direct obligations of the Treasury which have been stripped by the Treasury itself and “CATS,” “TIGRS” and similar securities; (d) the interest component of Resolution Funding Corporation (“REFCORP”) “strips,” which have been stripped at the request of the Federal Reserve Bank of New York, in book entry form; (e) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AA+” by S&P, provided that if such municipal bonds are only rated by S&P (that is, there is no Moody’s rating), then such municipal bonds must have been pre-refunded with cash, direct United States or United States-guaranteed obligations or “AA+” rated pre-refunded municipal bonds; and (f) obligations issued by any of the following agencies which are

backed by the full faith and credit of the United States: (1) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank (“Eximbank”); (2) certificates of beneficial ownership of the Farmers Home Administration (“FmHA”); (3) Federal Financing Bank; (4) participation certificates of the General Services Administration; (5) guaranteed Title XI financing of the United States Maritime Administration; (6) project notes of the United States Department of Housing and Urban Development (“HUD”); and (7) local authority bonds of HUD, provided that such bonds are United States-guaranteed New Communities debentures or United States-guaranteed United States Public Housing bonds and notes.

“Designated Office” means the office of the Trustee or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee. The Designated Office for purposes of tenders shall initially be the Principal Office of the Trustee.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Extended Bank Period” means the period during which the Bank Period may be extended pursuant to Section 3.4 of the CCA.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all expenses (including fees and expenses of Counsel) incurred under this Supplemental Indenture other than Ordinary Services and Ordinary Expenses.

“Finance Authority” means the Indiana Finance Authority, or any successors thereto, as the issuer of the Utility Bonds.

“Fitch” means Fitch Ratings Ltd. or any entity which succeeds to its function of rating debt obligations.

“Fixed Rate” means the Fixed Rate for the Utility Bonds and Series 2014A Notes established in accordance with Section 2.03(e) hereof.

“Fixed Rate Conversion Date” means the date on which the Issuer determines interest on the Series 2014A Notes shall be converted to the Fixed Rate. The Fixed Rate Conversion Date shall occur only on a Mandatory Tender Date.

“Fixed Rate Period” means the period from and including the Mandatory Tender Date, if any, to and including the date of payment in full of the Series 2014A Notes.

“IFA Indenture” means the IFA Wastewater Trust Indenture between the Finance Authority and Regions Bank, as Trustee, dated as of March 1, 2014.

“IFA Trustee” means the Trustee under the IFA Indenture.

“Indenture” means the Master Indenture as supplemented and amended from time to time.

“Interest Payment Date” means (a) for the Series 2014A Notes (i) with respect to the Bank Rate Period or any Additional Bank Rate Period, the dates specified in the Continuing Covenant Agreement as Interest Payment Dates and (ii) with respect to the Fixed Rate Period, the May 1 and November 1 of each year, and (b) for the Series 2014B Note and the 2014 Revolving Notes the dates of payment provided in the CCA.

“Lenders” means the lenders party to the Continuing Covenant Agreement from time to time and their successors and assigns.

“Loans” means the loans made under the CCA by the Lenders to the Issuer as provided in the CCA.

“Mandatory Tender Date” means (i) the “Stated Mandatory Tender Date” as defined in the CCA, (ii) the Fixed Rate Conversion Date and (iii) the date upon which the Series 2014A Notes (and/or the Utility Bonds, as the case may be) convert to the Additional Bank Rate.

“Master Indenture” means the Wastewater Trust Indenture as it exists on the date of initial delivery of the Series 2014 Notes.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, or any entity which succeeds to its function of rating debt obligations.

“Note Counsel”: *see* “Opinion of Bond Counsel” in Article I of the Master Indenture.

“Note Fund” means the Note Fund created under Section 5.03 of the Master Indenture.

“Noteholder” or “holder” or “Owner” or “owner of Notes” means the Person or Persons in whose name or names a Series 2014 Note shall be registered on books of the Issuer kept by the Registrar for that purpose in accordance with the terms of this Supplemental Indenture.

“Owners” means the holders or owners of the outstanding Series 2014 Notes.

“Paying Agent” means the Trustee, acting as paying agent for the Notes hereunder.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, limited liability companies and public bodies.

“Prevailing Market Conditions” means, without limitation, the following factors: existing short-term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes, indices of such short-term rates and the existing market supply and demand for securities bearing such short-term rates, existing yield curves for short-term and long-term securities for obligations of credit quality comparable to the Series 2014A Notes, the interest on which is excluded from gross income for federal income tax purposes, general economic conditions, industry economic and financial conditions that may affect or be relevant to the Series 2014A Notes, and such other facts, circumstances and conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant.

“Principal Office” means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 8.05 hereof.

“Rate Period” means the Fixed Rate Period, the Bank Rate Period or any Additional Bank Rate Period.

“Rating Category” or “Rating Categories” means one or more of the generic rating categories of a nationally recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Record Date” means (i) with respect to any Interest Payment Date during the Fixed Rate Period, the fifteenth day of the calendar month next preceding such Interest Payment Date and (ii) with respect to any Interest Payment Date during the Bank Rate Period or any Additional Bank Rate Period, the Business Day next preceding such Interest Payment Date.

“Registrar” means the Trustee, acting as registrar for the Notes hereunder.

“Remarketing Agent” means the remarketing agent appointed in accordance with Section 4.08 hereof and any permitted successor thereto.

“Responsible Officer” means when used with respect to the Trustee, any officer of the Trustee, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“S&P” means Standard & Poor’s Ratings Services, a Division of the McGraw-Hill Companies, or any entity which succeeds to its function of rating debt obligations.

“Securities Depository” means, with respect to a Book Entry Note, DTC or any person, firm, association or corporation constituting a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2014 Notes, or its successors, or any nominee therefor.

“Series 2014 Notes” means the Series 2014A Notes, the Series 2014B Note, the 2014 Revolving Notes and the Series 2014C Note.

“Series 2014 Supplemental Indenture” means this Supplemental Indenture, as supplemented and amended from time to time.

“Series 2014A Bank Rate” means the rate of interest for the Utility Bonds and the Series 2014A Notes determined pursuant to the Continuing Covenant Agreement during the Bank Rate Period.

“Series 2014A Notes” means the Issuer’s Wastewater Revenue Notes, Series 2014A, issued pursuant to this Series 2014 Supplemental Indenture and sold to the Finance Authority to fund the Utility Bonds, in the aggregate principal amount of \$15,270,000.

“Series 2014B Bank Rate” means the rate or rates of interest for the Obligations (which shall not include Loans) under the CCA.

“Series 2014B Note” means the Issuer’s Wastewater Revenue Note, Series 2014B, issued pursuant to this Series 2014 Supplemental Indenture, in the amounts due as Obligations.

“Series 2014C Note” means the Issuer’s Wastewater Revenue Note, Series 2014C, issued pursuant to this Series 2014 Supplemental Indenture, in the amounts due as provided in the 2014 Swap. The interest on the Series 2014C Note shall equal the amount of Regular Payments and the interest due on unpaid amounts owed under the 2014 Swap and the principal due on the Series 2014C Note shall equal the Termination Payments due on the 2014 Swap.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid by the Issuer on a single future date for the retirement of outstanding Series 2014A Notes after the Fixed Rate Conversion Date which mature after such future date, but excluding any amount payable by the Issuer by reason of the maturity of a Series 2014A Note or by optional redemption at the election of the Issuer.

“Sinking Fund Payment Date” means any of the dates on which any of the Series 2014A Notes mature or are subject to redemption through the application of Sinking Fund Payments as set out in a Sinking Fund Schedule.

“State” means the State of Indiana.

“Tender Agent” means, initially, the Trustee and, subsequently, any other qualified entity approved by the Issuer.

“2014 Revolving Note Rate” means the rate or rates of interest for the Loans determined pursuant to the Continuing Covenant Agreement.

“2014 Revolving Notes” means the Issuer’s Revolving Notes issued to the Lenders under the CCA, which constitute “Notes” under the Master Indenture. The interest due on the 2014 Revolving Notes shall be determined in the manner consistent with the CCA and the principal due on the 2014 Revolving Notes shall include the principal advanced by the Lenders on the Loans from time to time. To the extent a payment is made on a 2014 Revolving Note, payment and satisfaction of the obligations thereunder shall constitute payment and satisfaction on the related pro-rata Obligations due under the Series 2014B Note; provided however that payments on 2014 Revolving Notes shall not be made directly to the holders thereof but shall be made to the Administrative Agent for the benefit of the Lenders as provided in the CCA.

“Utility Bonds” means the Indiana Finance Authority Utility Revenue Bonds, Series 2014A (Citizens Wastewater of Westfield Project).

Section 1.03 Number and Gender. The singular form of any word used herein, including the terms defined in Section 1.02, shall include the plural, and *vice versa*. The use herein of a word of any gender shall include all genders.

Section 1.04 Findings.

(a) The relevant recitals set forth in the consents adopted by the Board of Directors of the Issuer dated September 17, 2013, and March 21, 2014, are incorporated into this Supplemental Indenture by this reference.

(b) The Series 2014 Notes and this Series 2014 Supplemental Indenture are among the Note Documents approved by consent of the Board of Directors of the Issuer on September 17, 2013.

(c) The amounts due as Obligations under the CCA and on the 2014 Revolving Notes are evidenced by the Series 2014B Note.

(d) The amounts due to the counterparty under the 2014 Swap are evidenced by the Series 2014C Note.

ARTICLE II.

Series 2014 Notes

Section 2.01 Authorized Amount of Series 2014 Notes. The Series 2014 Notes are “Notes” under the Master Indenture. No Series 2014 Notes may be issued under the provisions of this Supplemental Indenture, except in accordance with this Article II. The total principal amount of Series 2014A Notes that may be issued hereunder is expressly limited to \$15,270,000, except as provided in Section 2.08 hereof. The aggregate principal amount owed on all 2014 Revolving Notes and the Series 2014B Note shall be the amount of the Loans permitted under the CCA and the other Obligations owed under the CCA. In no event shall the aggregate amounts outstanding under the 2014 Revolving Notes exceed the principal amounts outstanding under the Series 2014B Note. The aggregate amount of the Series 2014C Note shall be the Termination Payment owed under the 2014 Swap. The principal amount of the Loans may be borrowed, repaid and borrowed again by the Issuer from time to time in the manner and subject to the terms of the CCA.

Section 2.02 Issuance of Series 2014 Notes. (a) Authorization of Issuance. The Issuer may issue the Series 2014 Notes upon compliance with Section 2.11 hereof; and the Trustee shall, upon the Issuer’s written application in compliance with such Section 2.11 hereof, authenticate the Series 2014 Notes and deliver them as specified in such application. The Series 2014A Notes shall be designated “Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014A,” the Series 2014B Note shall be designated “Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014B,” the 2014 Revolving Notes shall be designated “Citizens Wastewater of Westfield, LLC Revolving Notes, Series 2014” and the Series 2014C Note shall be designated “Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014C.” Unless the Issuer directs otherwise, the Series 2014A Notes shall be numbered consecutively from 14AR-1, the Series 2014B Note shall be numbered from 14BR-1 upwards, the 2014 Revolving Notes shall be numbered from 14RR-1 upwards and the Series 2014C Note shall be numbered from 14CR-1 upwards.

(b) General Terms. The Series 2014 Notes shall be issuable as fully registered notes without coupons in Authorized Denominations and shall be dated the Dated Date. The Series 2014A Notes will be issued with the interest rates, stated maturity and principal amounts shown below:

\$15,270,000 Series 2014A Notes (Mandatory Tender)

<u>Stated Maturity</u>	<u>Initial Mandatory Tender Date Pursuant to CCA (absent Issuer option for mandatory tender)</u>	<u>Principal Amount</u>	<u>Initial Interest Rate</u>
3/1/2044	3/20/2019	\$15,270,000	Series 2014A Bank Rate

Each Series 2014A Note will bear interest at the Series 2014A Bank Rate to the initial Mandatory Tender Date, at the Additional Bank Rate to the next Mandatory Tender Date while in the Additional Bank Rate Period and at the Fixed Rate after the Fixed Rate Conversion Date. The Series 2014B Note shall provide to the Administrative Agent and the Lenders for the payment of Obligations (including the Loans) under the CCA and payment of the 2014 Revolving Notes shall constitute payment on the Series 2014B Note. The Series 2014B Note and the 2014 Revolving Notes will bear interest at the Series 2014B Bank Rate and 2014 Revolving Note Rate, respectively, to the maturity date thereof for the Series 2014B Note and the 2014 Revolving Notes, subject to Section 3.4 of the CCA for extension of the maturity thereof. The Series 2014C Note shall be payable in the manner provided in the 2014 Swap.

Except as may otherwise be provided for the Utility Bonds and the Loans under the CCA, interest on each Series 2014A Note, the Series 2014B Note or the 2014 Revolving Note (the "CCA Notes") shall be payable on each Interest Payment Date for each such Note for the period commencing on the next preceding Interest Payment Date (or if no interest has been paid thereon, commencing on the Dated Date) and ending on the day next preceding such Interest Payment Date; *provided, however*, subject to the provisions of the Continuing Covenant Agreement, if any, that if, as shown by the records of the Trustee, interest on the CCA Notes shall be in default, the CCA Notes shall bear interest at the rate set forth in the CCA from the date provided for in the CCA. During the Bank Rate Period, each CCA Note shall bear interest on overdue principal at the rate specified in the Continuing Covenant Agreement and for the Series 2014A Notes, during the Fixed Rate Period at the Fixed Rate. The Trustee shall insert the date of authentication of each Series 2014 Note in the place provided for such purpose in the form of the certificate of authentication of the Trustee to be printed on each Series 2014 Note.

(c) Manner of Payment. Notwithstanding anything in the Master Indenture to the contrary, unless set forth otherwise in any Series 2014 Note, the principal of and premium, if any, and interest on the Series 2014A Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts (which shall be immediately available funds), and such principal and premium, if any, shall be payable at the Designated Office of the Trustee, as

Paying Agent. Payment of interest on any Interest Payment Date on any Series 2014 Note shall be made to the Owner thereof as of the close of business on the Record Date immediately prior thereto and shall be (i) made by check of the Trustee, as Paying Agent, to the extent it has been provided with funds for such purpose in a timely manner, mailed on the Interest Payment Date to the Owner as of the close of business on the Record Date immediately preceding the Interest Payment Date, at the Owner's address as it appears on the registration books of the Issuer kept by the Trustee or at such other address as is furnished to the Trustee in writing by such Owner not later than the close of business on the Record Date for such Interest Payment Date, or (ii) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2014 Notes and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2014 Notes are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of such defaulted interest.

Notwithstanding anything herein to the contrary, for so long as the Series 2014A Notes, the Series 2014B Note and the 2014 Revolving Notes bear interest at the Series 2014A Bank Rate, the Series 2014B Bank Rate or the 2014 Revolving Note Rate, as applicable, and the 2014C Notes remain outstanding, the Issuer and the Trustee agree that all amounts payable to the Owners thereof with respect to any Series 2014 Notes held by the Administrative Agent, the 2014 Swap counterparty or the Lenders, as applicable, may be made by the Issuer to the Administrative Agent or the 2014 Swap counterparty, as applicable, in such manner or at such address in the United States as may be designated by the Administrative Agent or the 2014 Swap counterparty, as applicable, in writing to the Trustee (the "Direct Payment Period"). During any Direct Payment Period, (i) any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment, (ii) the Administrative Agent or the 2014 Swap counterparty, as applicable, shall notify the Trustee in writing of any failure of the Issuer to make any payment of the principal of or interest on the Series 2014A Notes, the Series 2014B Note or 2014 Revolving Notes when due, and the Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing, and (iii) if any Utility Bonds or Series 2014 Notes are sold or transferred, the Administrative Agent or the 2014 Swap counterparty, as applicable, shall notify the Trustee and the Issuer in writing of the name and address of the transferee, the effective date of the transfer and of the payment information notated on such Utility Bonds and Series 2014 Notes as hereinafter described, and it will, prior to delivery of such Utility Bonds and Series 2014 Notes, make a notation on such Utility Bonds and Series 2014 Notes of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. On any date on which the Issuer makes a payment to the Administrative Agent pursuant to the provisions of this Section 2.02, the Administrative Agent shall notify the Trustee in writing, of such payment, which notice shall include the date of payment, the amounts of principal and interest payments paid to the Administrative Agent and such other information as the Trustee may reasonably request. Furthermore, insofar as the Issuer has made the required payments to the Administrative Agent during any Direct Payment Period, the Paying Agent shall have no obligations to make payments of the principal of or interest on the Series 2014A Notes, the Series 2014B Note or the 2014

Revolving Notes, to act as Bond Registrar or to take any other action in respect thereof, except at the express written direction of the Administrative Agent or the Issuer. During any Direct Payment Period, the Finance Authority, by its purchase of the Series 2014A Notes, and as provided in the IFA Indenture, agrees that any payments made to the Administrative Agent for the Series 2014A Notes shall be credited as a payment by the Issuer to the Finance Authority on the Utility Bonds.

(d) Interest. The CCA Notes shall bear interest from and including the Dated Date until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof and the Continuing Covenant Agreement, if any, whether at maturity, upon redemption or otherwise, at the rate or rates per annum determined pursuant to Section 2.03 hereof. Interest on the CCA Notes shall be paid on each Interest Payment Date. Except as provided in the CCA, interest on the CCA Notes shall be computed upon the basis of a three hundred sixty day year, consisting of twelve (12) thirty (30) day months (except for amounts due other than as fees under the Series 2014B Note), and while the Series 2014A Notes bear interest at the Fixed Rate and the Series 2014B Note and the 2014 Revolving Notes bear interest at the Base Rate, interest on the Series 2014A Notes shall be computed upon the basis of the actual number of days elapsed and a year of 365 or 366 days. Interest on the Series 2014C Note shall equal the Parity Regular Payments under the 2014 Swap and any interest due on unpaid amounts owed under the 2014 Swap.

Section 2.03 Determination of Rate Periods and Interest Rates. In the manner hereinafter provided, the Series 2014A Notes shall bear interest initially at the Series 2014A Bank Rate and thereafter as provided herein at an Additional Bank Rate or the Fixed Rate. The first Rate Period for the Series 2014A Notes shall commence on the Dated Date of the Series 2014A Notes hereunder and shall continue during the Series 2014A Bank Rate Period ending on the initial Mandatory Tender Date shown in Section 2.02(a) hereof, as the same may be extended pursuant to Section 3.4 of the CCA, the interest rate for which shall be the Series 2014A Bank Rate. The Series 2014B Note, the 2014 Revolving Notes and the Series 2014C Note shall bear interest at the Series 2014B Bank Rate, the 2014 Revolving Note Rate and the Series 2014C Rate, respectively, until the applicable maturity thereof.

(a) Determination of Series 2014A Bank Rate. During the Series 2014A Bank Rate Period except as provided in this subsection (a), the Series 2014A Notes shall bear interest at the Series 2014A Bank Rate as provided for the Utility Bonds in the Continuing Covenant Agreement. In the event that remarketing proceeds are insufficient to pay the purchase price of all outstanding Series 2014A Notes on the Mandatory Tender Date, the Series 2014A Notes will bear interest at the interest rate or rates provided in the Continuing Covenant Agreement during the period of time from and including the applicable Mandatory Tender Date to (but not including) the date that all Series 2014A Notes and Utility Bonds are successfully remarketed or such other date as otherwise provided in the CCA (the "Delayed Remarketing Period").

(b) Adjustment to Additional Bank Rate. With respect to any Mandatory Tender Date or during the Delayed Remarketing Period with respect thereto, the Issuer, by written direction to the Trustee and the Remarketing Agent, may elect that the Series 2014A Notes shall bear interest at the Additional Bank Rate, and if it shall so elect, shall determine the duration of such Additional Bank Rate Period during which the Series 2014A Notes shall bear interest at the

Additional Bank Rate, including to maturity. Such direction shall (A) specify the effective date of the Additional Bank Rate Period (which shall be a Business Day not earlier than the fifteenth (15th) day following the fifth (5th) Business Day after the date of receipt by the Trustee of such direction or as provided in the CCA), which effective date may be a date prior to the initial Mandatory Tender Date described in Section 2.02 hereof, and (B) specify the last day of such Additional Bank Rate Period, including to maturity of the Series 2014A Notes. Prior to adjustment of the interest rate on the Series 2014A Notes to an Additional Bank Rate, the Issuer shall deliver to the Trustee an Opinion of Bond Counsel to the effect that such adjustment does not adversely affect the excludability of interest on the Utility Bonds.

(c) Determination of Additional Bank Rate. During each Additional Bank Rate Period except as provided in this Section 2.03, the Series 2014A Notes shall bear interest at the Additional Bank Rate determined by the Remarketing Agent on a Business Day selected by the Issuer but not more than thirty (30) days prior to the first day of such Additional Bank Rate Period. The Additional Bank Rate shall be the rate (which may be a floating rate) determined by the Remarketing Agent on such date, and filed on such date with the Trustee and the Issuer, by written notice or by telephone promptly confirmed by telecopy or other writing, as being the lowest rate which would enable the Remarketing Agent to sell the Series 2014A Notes on the effective date of such Additional Bank Rate at a price equal to 100% of the principal amount thereof. In no event shall any Additional Bank Rate exceed the maximum rate per annum then permitted by applicable law. The Remarketing Agent shall provide the Trustee with immediate telephonic notice (promptly confirmed in writing) or facsimile notice of each Additional Bank Rate, as determined. In the event that remarketing proceeds are insufficient to pay the purchase price of all Outstanding Series 2014A Notes on a Mandatory Tender Date, the Series 2014A Notes will bear interest at the Default Rate (as defined in the CCA) during the period of time from and including the applicable Mandatory Tender Date (but not including) the date that all Series 2014A Bonds are successfully remarketed (the "Delayed Remarketing Period"). Adjustment to an Additional Bank Rate under this Supplemental Indenture shall not be subject to the provisions of Section 3.4 of the CCA.

(d) Notice of Adjustment to Additional Bank Rate. Following the Issuer's election pursuant to Section 2.03(a)(ii) hereof, the Trustee shall give notice of an adjustment to an Additional Bank Rate Period to Owners, by first class mail, postage prepaid, postmarked not less than fifteen (15) days prior to the effective date of such Additional Bank Rate Period. Such notice shall be prepared by the Issuer and shall state (1) that the interest rate on the Series 2014A Notes will be adjusted to an Additional Bank Rate, (2) the Mandatory Tender Date upon which such Additional Bank Rate Period shall commence, (3) that all Series 2014A Notes (or Utility Bonds, as the case may be) are subject to mandatory tender on such Mandatory Tender Date and (4) the procedures for such tender and the payment of the purchase price. If for any reason the Additional Bank Rate is not established as aforesaid by the Remarketing Agent or no Remarketing Agent shall be serving as such hereunder, then the Series 2014A Notes shall continue to bear interest at the Series 2014A Bank Rate or the Additional Bank Rate then in effect and be subject to the provisions of the Continuing Covenant Agreement; if the Additional Bank Rate established by the Remarketing Agent is held to be invalid or unenforceable, the interest rate to be borne by the Series 2014A Notes from the Mandatory Tender Date to the following Mandatory Tender Date of the Series 2014A Notes shall be determined by the

Remarketing Agent based on the criteria in the preceding sentence and avoiding the cause of invalidity or unenforceability.

(e) Adjustment to Fixed Rate. With respect to any Mandatory Tender Date or during the Delayed Remarketing Period with respect thereto, the Issuer, by written direction to the Trustee and the Remarketing Agent, may elect that the Series 2014A Notes and Utility Bonds shall bear interest at the Fixed Rate, and if it shall so elect, shall determine the duration of such Fixed Rate Period during which the Series 2014A Notes (which may be in one or more sub-series when converted to the Fixed Rate) and Utility Bonds shall bear interest at the Fixed Rate, which shall be to maturity. Such direction shall (A) specify the effective date of the Fixed Rate Period (which shall be a Business Day not earlier than the fifteenth (15th) day following the fifth (5th) Business Day after the date of receipt by the Trustee of such direction or as provided in the CCA and which may be prior to the Mandatory Tender Date), (B) specify the last day of such Fixed Rate Period, which shall be the maturity date of the Series 2014A Notes.

(f) Determination of Fixed Rate. The Series 2014A Notes shall bear interest at the Fixed Rate during the Fixed Rate Period. The interest rate to be borne by the Series 2014A Notes from the Fixed Rate Conversion Date upon which the Series 2014A Notes are converted to the Fixed Rate to the date of payment in full of the Series 2014A Notes shall be the rate determined by the Remarketing Agent on a date determined by the Remarketing Agent that is not more than twenty (20) nor less than two (2) days prior to such Mandatory Tender Date to be the Fixed Rate which, if borne by the Series 2014A Notes would, in the judgment of the Remarketing Agent having due regard for the Prevailing Market Conditions for revenue notes or other securities the interest on which is excludable from gross income of the holders thereof for federal income tax purposes and that are comparable to the Series 2014A Notes, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to place the Utility Bonds at a price of par (plus accrued interest, if any) on such Mandatory Tender Date. If for any reason the Fixed Rate is not established as aforesaid by the Remarketing Agent or no Remarketing Agent shall be serving as such hereunder, then the Series 2014A Notes shall continue to bear interest at the Series 2014A Bank Rate or Additional Bank Rate and be subject to the provisions of the Continuing Covenant Agreement; if the Fixed Rate established by the Remarketing Agent is held to be invalid or unenforceable, the interest rate to be borne by the Series 2014A Notes from such Mandatory Tender Date to the date of payment in full of the Series 2014A Notes shall be determined by the Remarketing Agent based on the criteria in the preceding sentence and avoiding the cause of invalidity or unenforceability.

(g) Notice of Adjustment to Fixed Rate. Following the Issuer's election to convert the interest rate on the Series 2014A Notes and the Utility Bonds to the Fixed Rate, the Trustee shall give notice of an adjustment to the Fixed Rate Period to Owners, by first class mail, postage prepaid, postmarked not less than twenty (20) days prior to the effective date of such Fixed Rate Period. Such notice shall be prepared by the Issuer and shall state (1) that the interest rate on the Series 2014A Notes and Utility Bonds will be adjusted to the Fixed Rate, (2) the Fixed Rate Conversion Date, (3) that all Utility Bonds are subject to mandatory tender on such effective date and (4) the procedures for such tender and the payment of the purchase price.

(h) Payment of Principal on the Series 2014A Notes during the Fixed Rate Period. The Series 2014A Notes shall be redeemed during the Fixed Rate Period if the Issuer has

established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule (subject to the Issuer permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments), which Sinking Fund Schedule will provide for level amortization of principal and interest on the Bonds, as nearly as practicable.

(i) Extension of Maturity Date for Series 2014B Note, the 2014 Revolving Notes and Series 2014C Note. The maturity date of the Series 2014B Note, the 2014 Revolving Notes and the Series 2014C Note may be extended consistent with the terms of the CCA or the 2014 Swap, as applicable.

Section 2.04 Ownership, Transfer, Exchange and Registration of Series 2014 Notes. The Issuer shall cause books for the registration and for the transfer of the Series 2014 Notes as provided herein to be kept by the Trustee at its Principal Office, which is hereby constituted and appointed the Registrar and transfer agent for the Series 2014 Notes. Except when the CCA is effective, the Issuer shall prepare and deliver to the Trustee, and the Trustee shall keep custody of, a supply of unauthenticated Series 2014 Notes duly executed by the Issuer, as provided in Section 2.05 hereof, for use in the transfer and exchange of Series 2014 Notes. The Trustee is hereby authorized and directed to complete such forms of Series 2014 Notes as to principal amounts and registered owners.

Upon surrender for transfer of any Series 2014 Note at the Designated Office of the Trustee, duly endorsed for transfer or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Series 2014 Note or Series 2014 Notes of Authorized Denominations and for a like aggregate principal amount.

Any Series 2014 Note or Series 2014 Notes may be exchanged at the Designated Office of the Trustee for a new Series 2014 Note of like aggregate principal amount in Authorized Denominations. Upon surrender of any Series 2014 Note or Series 2014 Notes for exchange, the Trustee shall date and execute the certificate of authentication on and deliver a new Series 2014 Note or Series 2014 Notes duly executed by the Issuer which the Noteholder making the exchange is entitled to receive.

Except in connection with the remarketing of Series 2014 Notes, the Trustee shall not be required to transfer or exchange any Series 2014 Note after the mailing of notice calling such Series 2014 Note or portion thereof for redemption, nor during the period of ten (10) days next preceding the mailing of such notice of redemption.

Except as provided in Section 4.03 hereof, the person in whose name any Series 2014 Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes under the Indenture, and payment of the principal of, premium, if any, or interest on any Series 2014 Note shall be made only to or upon the written order of the registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effective to satisfy and discharge the liability upon such Series 2014 Note to the extent of the sum or sums so paid.

The Issuer and the Trustee shall require the payment by the Noteholder requesting exchange or transfer (other than an exchange upon a partial redemption of a Series 2014 Note) of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the Noteholder for such exchange or transfer.

Section 2.05 Execution of Series 2014 Notes; Limited Obligations. The Series 2014 Notes shall be executed in the name of the Issuer by the manual or facsimile signature of an Authorized Issuer Representative whose signature shall be attested by the manual or facsimile signature of another Authorized Issuer Representative.

In case any official whose signature or facsimile of whose signature shall appear on the Series 2014 Notes shall cease to be such official before the issuance, authentication or delivery of such Series 2014 Notes, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if such official had remained in office until delivery.

The Series 2014 Notes are payable only from the sources described herein and under the Master Indenture and do not now and shall never constitute a charge against the Board of Directors of the Department of Public Utilities of the City of Indianapolis, Indiana d/b/a Citizens Energy Group, CWA Authority, Inc., any other Citizens Entity or the taxing powers of the City of Indianapolis, its utility district as a special taxing district, or the State of Indiana or any political subdivision thereof.

Section 2.06 Authentication. No Series 2014 Note shall be valid for any purpose until the certificate of authentication on such Series 2014 Note shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Series 2014 Note has been duly authenticated and delivered under this Supplemental Indenture and that the Owner thereof is entitled to the benefits of the trust created by the Master Indenture. The Trustee's certificate of authentication on any Series 2014 Note shall be deemed to have been executed by it if manually signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2014 Notes issued hereunder. Upon authentication of any Series 2014 Note, the Trustee shall set forth on such Series 2014 Note the date of such authentication.

Section 2.07 Form of Series 2014 Notes. The Series 2014 Notes and the certificate of authentication to be executed thereon shall be in substantially the form attached hereto as **Appendix A**, with such appropriate variations, omissions and insertions as are permitted or required by this Supplemental Indenture. Upon a Mandatory Tender Date, the form of Series 2014A Note may include a summary of the mandatory and optional redemption provisions to apply to the Series 2014A Notes (and/or the Utility Bonds, as the case may be) during the new Rate Period, or a statement to the effect that the Series 2014A Notes (and/or the Utility Bonds, as the case may be) will not be optionally redeemed during the new Rate Period as then in effect, a statement indicating the duration of the new Rate Period then in effect and the new Mandatory Tender Date, *provided* that the Registrar (or the registrar under the IFA Indenture) shall not authenticate such a revised Series 2014A Note (and/or the Utility Bonds, as the case may be) form prior to receiving an opinion of Note Counsel that such Series 2014A Note (and/or the Utility Bonds, as the case may be) form conforms to the terms of this Supplemental Indenture

and that authentication thereof will not adversely affect the exclusion of interest on the Utility Bonds from gross income for federal income tax purposes.

Section 2.08 Mutilated, Destroyed, Lost or Stolen Series 2014 Notes. In the event any Series 2014 Note or temporary Series 2014 Note is mutilated, lost, stolen or destroyed, the Trustee may authenticate a new Series 2014 Note duly executed by the Issuer of like date and denomination as that mutilated, lost, stolen or destroyed; *provided* that, in the case of any mutilated Series 2014 Note, such mutilated Series 2014 Note shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Series 2014 Note, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity to the Issuer and the Trustee satisfactory to them. In the event any such Series 2014 Note shall have matured, instead of issuing a duplicate Series 2014 Note, the Trustee on behalf of the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Owner of such Series 2014 Note with their reasonable fees and expenses in connection with a mutilated, destroyed, lost or stolen Series 2014 Note. The Issuer shall cooperate with the Trustee in connection with the issuance of replacement Series 2014 Notes, but nothing in this Section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Series 2014 Note. All Series 2014 Notes shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Series 2014 Notes, and shall preclude any and all other rights or remedies.

Section 2.09 Temporary Series 2014 Notes. Pending preparation of definitive Series 2014 Notes, or by agreement with the purchasers of all Series 2014 Notes, the Issuer may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Series 2014 Notes, one or more temporary printed or typewritten Series 2014 Notes in Authorized Denominations of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Series 2014 Notes in exchange for and upon surrender of an equal principal amount of temporary Series 2014 Notes. Until so exchanged, temporary Series 2014 Notes shall have the same rights, remedies and security hereunder as definitive Series 2014 Notes.

Section 2.10 Cancellation and Disposition of Surrendered Series 2014 Notes. Whenever any outstanding Series 2014 Note shall be delivered to the Trustee for transfer, exchange or cancellation pursuant to this Supplemental Indenture, upon payment of the principal amount represented thereby, or for replacement pursuant to Section 2.08 hereof, such Series 2014 Note shall be promptly canceled and disposed of by the Trustee in accordance with its ordinary customs and practices.

Section 2.11 Delivery of Series 2014 Notes. Subject to Section 2.02 of this Supplemental Indenture, upon the execution and delivery of this Supplemental Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Series 2014 Notes and deliver them to the Administrative Agent or the 2014 Swap provider, as directed by the Issuer, as hereinafter in this Section provided.

Prior to the authentication by the Trustee of any of the Series 2014 Notes and the delivery thereof by the Trustee pursuant to the direction of the Issuer, there shall be delivered to the Trustee the following:

(a) A written application for authentication signed by an Authorized Issuer Representative.

(b) A certified copy of a consent to action without a meeting of the Board of Directors of the Issuer authorizing the execution and delivery of the Master Indenture and this Supplemental Indenture and the issuance, execution and delivery of the Series 2014 Notes.

(c) An executed counterpart of the Master Indenture, certified by the Issuer, and an original executed counterpart of this Supplemental Indenture.

(d) An Opinion of Counsel to the effect that:

(1) The documents submitted to the Trustee in connection with the application for authentication of the Notes comply with the requirements of the Indenture;

(2) The Indenture and the Series 2014 Notes are valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally; and

(3) The issuance of the Series 2014 Notes, and the execution thereof, have been duly authorized and all certificates and other documents required by this Section as a condition precedent to the delivery of such Series 2014 Notes have been delivered to the Trustee.

(e) An Opinion of Note Counsel to the effect that:

(1) the Board of Directors of the Issuer has the right and power to adopt the consent to action without meeting authorizing this Series 2014 Supplemental Indenture and the Series 2014 Notes, such consent has been duly and lawfully adopted by the Board of Directors of the Issuer, and the Indenture and such consent to action without a meeting are in full force and effect and are valid and binding upon the Issuer and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally;

(2) the Master Indenture creates a valid pledge and lien which it purports to create on the Pledged Funds as security for the payment of the Series 2014 Notes, and the Series 2014 Notes are Notes under the Master Indenture;

(3) the Series 2014 Notes are valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforcement may be

limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally; and

(4) the Series 2014 Notes have been duly and validly authorized, issued and authenticated in accordance with law, such consent to action without a meeting and the Indenture.

Section 2.12 Book Entry System. Initially, the Series 2014 Notes shall not be held in a book-entry system. The Trustee and the Issuer may from time to time enter into, and discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2014 Notes not inconsistent with the provisions of this Supplemental Indenture; *provided, however*, that, notwithstanding any other provisions of this Supplemental Indenture, any such agreement may provide:

(a) that such Securities Depository is not required to present a Series 2014 Note to the Trustee in order to receive a partial payment of principal;

(b) that beneficial owners may give, or cause to be given, notices respecting the tender of a Note or portion thereof for purchase;

(c) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(d) that a legend may appear on each Series 2014 Note so long as the Series 2014 Notes are subject to such agreement.

With respect to Series 2014 Notes registered in the name of a Securities Depository (or its nominee) neither the Trustee nor the Issuer shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Series 2014 Notes. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to the Series 2014 Notes notwithstanding any other provisions of this Supplemental Indenture to the contrary.

Section 2.13 Conflict with Exhibit B. In the case of any conflict between the provisions herein and Exhibit B to the IFA Indenture, Exhibit B to the IFA Indenture shall govern. In the case of any conflict between the provisions herein, Exhibit B to the IFA Indenture and the CCA, the CCA shall govern.

Section 2.14 CUSIP Numbers. The Issuer may use "CUSIP" numbers (if then generally in use) if required after initial issuance of the Series 2014 Notes, and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Series 2014 Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Series 2014 Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the "CUSIP" numbers.

Section 2.15 Application of Proceeds of Series 2014 Notes. (A) The proceeds received by the Issuer on the issuance and sale of the Utility Bonds at closing shall be applied by the Issuer, simultaneously with the delivery of the Series 2014A Notes to the Finance Authority as follows:

(i) An amount equal to \$14,770,000 shall be deposited in the Wastewater Revenue Fund and used for the acquisition of the System.

(ii) An amount equal to \$500,000 shall be deposited in the Wastewater Revenue Fund for financing any betterments, improvements, extensions and additions to the System.

(B) The proceeds advanced under the Loans shall be disbursed to the Issuer upon receipt by the Trustee.

ARTICLE III.

Redemption of Series 2014 Notes Before Maturity

Section 3.01 Redemption Dates and Prices. The Series 2014 Notes shall be subject to redemption prior to maturity, at the written direction of the Issuer to the Trustee, in the amounts, at the times and in the manner provided in this Article III, notwithstanding anything in the Master Indenture to the contrary.

(a) Optional Redemption. Optional Redemption of the Series 2014 Notes. During the Bank Rate Period and any Additional Bank Period, the Series 2014A Notes, the Series 2014B Note and the 2014 Revolving Notes shall be subject to optional redemption at the election of the Issuer, in whole or in part, in the amounts, at the times and in the manner and subject to any limitations provided in the Continuing Covenant Agreement for Utility Bonds and Loans.

(i) *Optional Redemption of the Series 2014A Notes During Bank Rate Period and Additional Bank Rate Period.* The Series 2014A Notes are subject to optional redemption at the option of the Issuer, in whole or in part, from available amounts on any date selected by the Issuer while in the Bank Rate Period or any Additional Bank Period and on any day during the Delayed Remarketing Period at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption without premium.

(ii) *Optional Redemption of the Series 2014A Notes During Fixed Rate Period.* During the Fixed Rate Period after the Mandatory Tender Date, the Series 2014A Notes are subject to optional redemption at the option of the Issuer, during such periods, in whole or in part, at such redemption prices determined by the Remarketing Agent based upon Prevailing Market Conditions with the consent of the Issuer, plus accrued interest, to the redemption date.

(iii) *Prepayment of Series 2014B Note.* The Series 2014B Note shall be subject to prepayment or repayment at the written direction of the Issuer, upon the terms and conditions specified in the Continuing Covenant Agreement for the prepayment of Loans and Continuing Covenant Obligations constituting fees.

(iv) *Prepayment of 2014 Revolving Notes.* The 2014 Revolving Notes shall be subject to prepayment or repayment, at the written direction of the Issuer, upon the terms and conditions specified in the Continuing Covenant Agreement for the prepayment of Loans.

(v) *Optional Redemption of Series 2014C Note.* The Series 2014C Note shall be subject to redemption, at the written direction of the Issuer, upon the terms and conditions specified in the 2014 Swap related to the early termination thereof.

Section 3.02 Notice of Redemption. Notice of the call for any redemption (or prepayment or repayment) of Series 2014 Notes or any portion thereof (which shall be in Authorized Denominations) pursuant to Section 3.01 hereof identifying the Series 2014 Notes or

portions thereof to be redeemed, specifying the redemption date, the redemption price, the place and manner of payment and that from the redemption date interest will cease to accrue, shall be given by the Trustee by mailing a copy of the redemption notice by first-class mail, postage prepaid, to the Administrative Agent and the Owner of each Series 2014 Note to be redeemed in whole or in part at the address shown on the registration books and subject to the Continuing Covenant Agreement, except during a Delayed Remarketing Period with respect to an optional redemption of the Series 2014A Notes and except as provided in the Continuing Covenant Agreement or 2014 Swap, as applicable, such notice shall be given at least thirty (30) days prior to the date fixed for redemption to the Owners of Series 2014 Notes to be redeemed; *provided, however, that* failure to duly give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of Series 2014 Notes with respect to which no such failure or defect occurred. Upon presentation and surrender of Series 2014 Notes so called for redemption in whole or in part at the place or places of payment, except as otherwise provided pursuant to Section 2.12 hereof with respect to Book Entry Notes, such Series 2014 Notes or portions thereof shall be redeemed. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. If a Series 2014 Note is presented to the Trustee for transfer after notice of redemption of such Series 2014 Note has been mailed as herein provided, the Trustee shall deliver a copy of such notice of redemption to the new Owner of such Series 2014 Note.

With respect to any notice of optional redemption of Series 2014A Notes, unless upon the giving of such notice such Series 2014A Notes shall be deemed to have been paid within the meaning of Article IX of the Master Indenture, such notice may state (if so directed by the Issuer) that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, and premium, if any, and interest on, such Series 2014A Notes to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Series 2014A Notes. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 3.03 Deposit of Funds. For the redemption of any of the Series 2014 Notes, the Issuer shall cause to be deposited in the Note Fund out of the Revenue Fund or as otherwise provided in Article V of the Master Indenture to the extent available therefor, moneys sufficient to pay when due the principal of and premium, if any, and interest on the redemption date.

Section 3.04 Partial Redemption of Series 2014 Notes. In case a Series 2014 Note is of a denomination larger than the minimum Authorized Denomination, all or a portion of such Note may be redeemed, *provided* the principal amount not being redeemed is in an Authorized Denomination. Upon surrender of any Series 2014 Note for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Owner thereof, without cost to the Owner, a new Series 2014 Note or Series 2014 Notes of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of the Series 2014 Note surrendered.

Section 3.05 Selection of Series 2014 Notes for Redemption. If less than all the Series 2014 Notes of a series are called for redemption, the Trustee shall select the Series 2014 Notes or portions thereof of such series to be redeemed, from the Series 2014 Notes outstanding not previously called for redemption, at random or in such other manner as in the Trustee's sole discretion it shall deem appropriate and fair, in either case in Authorized Denominations, *provided* that the aggregate principal amount of each Series 2014 Note of such series remaining outstanding following such redemption shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making any such selection. The Trustee shall promptly notify the Issuer in writing of the Series 2014 Notes or portions thereof of such series selected for redemption; *provided, however*, that in connection with any redemption of Series 2014 Notes the Trustee shall first select for redemption any Series 2014 Notes held by the Trustee for the account of the Issuer or held of record by the Issuer and that if, as indicated in a certificate of an Authorized Issuer Representative delivered to the Trustee, the Issuer shall have offered to purchase all Series 2014 Notes of such series then outstanding and less than all such Series 2014 Notes of such series shall have been tendered to the Issuer for such purchase, the Trustee, at the direction of the Issuer, shall select for redemption all such Series 2014 Notes of such series which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2014 Note is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2014 Note shall, except as provided in Section 2.12 hereof with respect to Book-Entry Notes, forthwith surrender such Series 2014 Note to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2014 Note or Series 2014 Notes of such series in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2014 Note. New Series 2014 Notes representing the unredeemed balance of the principal amount of such Series 2014 Note shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2014 Notes is required hereunder and the Owner of any such Series 2014 Note shall fail to present such Series 2014 Note to the Trustee for payment and exchange as aforesaid, such Series 2014 Note shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Section 3.06 Section 3.06. Prepayment and Borrowing of the Loans. In addition, in the manner provided under the CCA, the Issuer shall be permitted from time to time to repay or prepay the principal advanced under the Loans and may borrow again such principal amount of the Loans.

Section 3.07 Conflict with Exhibit B. In the case of any conflict between the provisions herein and Exhibit B to the IFA Indenture, Exhibit B to the IFA Indenture shall govern. In the case of any conflict between the provisions herein, Exhibit B to the IFA Indenture and the CCA, the CCA shall govern.

ARTICLE IV.

Tender and Purchase of Series 2014A Notes (and/or
the Utility Bonds, as the case may be);
Remarketing; Remarketing Agent

Section 4.01 Reserved.

Section 4.02 Mandatory Purchase of Series 2014A Notes (and/or the Utility Bonds, as the case may be).

(a) Any Series 2014A Notes (and/or the Utility Bonds, as the case may be) (other than any Series 2014A Notes or Utility Bonds previously redeemed) will be subject to mandatory tender for purchase on the Mandatory Tender Date at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the Mandatory Tender Date, without premium.

(b) On the Mandatory Tender Date, Series 2014A Notes (and/or the Utility Bonds, as the case may be) will be purchased solely with proceeds from the remarketing of the Series 2014A Notes (and/or the Utility Bonds, as the case may be). There is no source of moneys other than remarketing proceeds available to pay the purchase price of Series 2014A Notes (and/or the Utility Bonds, as the case may be) upon mandatory tender thereof on the Mandatory Tender Date. It is not an event of default under the Indenture if the Series 2014A Notes (and/or the Utility Bonds, as the case may be) are not purchased upon mandatory tender on any Mandatory Tender Date because remarketing proceeds are insufficient for such purpose.

(c) The Trustee, at the direction of the Issuer, shall include in any notice sent pursuant to Section 2.03(d) or (f): (1) that such Series 2014A Notes (and/or the Utility Bonds, as the case may be) will be subject to mandatory tender for purchase on the Mandatory Tender Date; (2) the procedures for such mandatory tender; (3) that the Series 2014A Notes will be purchased at a price of par; and (4) the consequences of a failed remarketing.

(d) In the event that remarketing proceeds are insufficient to pay the purchase price of all outstanding Series 2014A Notes (and/or the Utility Bonds, as the case may be) on the Mandatory Tender Date, no purchase shall be consummated on such Mandatory Tender Date and the Tender Agent shall, after any applicable grace period, (a) return all tendered Series 2014A Notes (and/or the Utility Bonds, as the case may be) to the registered owners thereof and (b) return all remarketing proceeds to the Remarketing Agent for return to the Persons providing such moneys. It is not an event of default under the Indenture if remarketing proceeds are insufficient to pay the purchase price of all outstanding Series 2014A Notes (and/or the Utility Bonds, as the case may be) on the Mandatory Tender Date.

(e) During the Delayed Remarketing Period the Trustee may, upon direction of the Issuer, apply available amounts to the redemption of the Series 2014A Notes (and/or the Utility Bonds, as the case may be) as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption shall be provided at least five Business Days prior to the date fixed for redemption.

(f) During the Delayed Remarketing Period, principal of and interest on such Series 2014A Notes (and/or the Utility Bonds, as the case may be) shall be paid to the registered owners thereof in accordance with the Continuing Covenant Agreement. Payment of such interest and principal shall be made by the Trustee from the Note Fund pursuant to the Master Indenture.

(g) With respect to any Series 2014A Notes (or the Utility Bonds, as the case may be) held in book-entry-only form, delivery of the Series 2014A Notes (or the Utility Bonds, as the case may be) to the Tender Agent in connection with the mandatory tender for purchase will be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC participant to reflect the transfer of the beneficial ownership interest in such Series 2014A Note (or the Utility Bonds, as the case may be) to the account of the Tender Agent, or to the account of a DTC participant acting on behalf of the Tender Agent.

(h) If moneys sufficient to pay the purchase price of Series 2014A Notes (or the Utility Bonds, as the case may be) to be purchased are held by the Tender Agent on the Mandatory Tender Date, or a subsequent purchase date in the event of a failed remarketing, such Series 2014A Notes (or the Utility Bonds, as the case may be) will be deemed to have been purchased for all purposes of the Indenture, irrespective of whether such Series 2014A Notes (or the Utility Bonds, as the case may be) will have been delivered to the Tender Agent, and neither the former owner of such Series 2014A Notes (or the Utility Bonds, as the case may be) nor any other person will have any claim thereon, under the Indenture or otherwise, for any amount other than the purchase price thereof.

(i) In the event of non-delivery of any Series 2014A Note (or the Utility Bonds, as the case may be) to be purchased, the Tender Agent will segregate and hold uninvested the moneys for the purchase of such Series 2014A Notes (or the Utility Bonds, as the case may be) in trust, without liability for interest thereon, for the benefit of the former owners of such Series 2014A Notes (or the Utility Bonds, as the case may be), who will, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Series 2014A Notes (or the Utility Bonds, as the case may be). Any of those moneys, which shall be so held by the Tender Agent and remain unclaimed by the registered owners of the Series 2014A Notes (or the Utility Bonds, as the case may be) not presented for payment, or any check or draft not cashed for a period of five years after the due date of such purchase price, shall be applied by the Tender Agent in accordance with the Unclaimed Property Act, Indiana Code 32-34-1, as amended from time to time. Prior to the transfer of any such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Tender Agent will conduct searches in an effort to locate lost registered owners using reasonable care to ascertain the correct addresses of all lost registered owners in accordance with the rules governing registered transfer agents promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, but only if and so long as the Tender Agent is a registered transfer agent under those rules. Upon the transfer of such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Issuer and the Tender Agent shall have no further responsibility or liability with respect to such moneys, and the registered owners entitled to such purchase price, shall look only to the State for payment to the extent provided by law, and then only to the extent of the amounts so received by the State, without any interest thereon.

(j) Notice of each mandatory tender pursuant to the provisions of Section 4.02 hereof is required by the provisions of Section 2.03(a)(iv) to be included in the notice given pursuant to such Section.

Section 4.03 Obligation to Surrender Series 2014A Notes (or the Utility Bonds, as the case may be). The occurrence of any event specified in Section 4.02 hereof shall constitute the mandatory tender for purchase of each Series 2014A Note or portion thereof, irrespective of whether such Series 2014A Note (or the Utility Bonds, as the case may be) shall be delivered. Except as provided in Section 4.02, upon the purchase of each Series 2014A Note (or the Utility Bonds, as the case may be) or portion thereof so deemed to be tendered, such Series 2014A Note (or the Utility Bonds, as the case may be) or portion thereof shall cease to bear interest payable to the former Owner thereof, who thereafter shall have no rights with respect thereto, other than the right to receive the purchase price thereof upon surrender of such Series 2014A Note (and/or the Utility Bonds, as the case may be) to the Trustee (or the trustee under the IFA Indenture), acting as Tender Agent, and such Series 2014A Note or portion thereof shall be no longer outstanding. The Trustee shall authenticate, register and deliver new Series 2014A Notes in replacement of Series 2014A Notes or portions thereof deemed so tendered and not surrendered on the date of purchase.

Section 4.04 Remarketing of Series 2014A Notes. (a) Reserved.

(b) Reserved.

(c) Not later than 3:00 p.m., New York time, on the Business Day next preceding the date on which Series 2014A Notes (or the Utility Bonds, as the case may be) are to be purchased pursuant to Section 4.02 hereof, the Remarketing Agent shall give (i) facsimile or telephonic notice to the Trustee, acting as Tender Agent, specifying the names, addresses and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, and with respect to Series 2014A Notes (or the Utility Bonds, as the case may be) which are being purchased pursuant to Section 4.02 hereof and the amount of remarketing proceeds it will provide to the Trustee, acting as Tender Agent, on the date on which the Series 2014A Notes (or the Utility Bonds, as the case may be) are to be tendered, as set forth in Section 4.04(d) hereof and (ii) telephonic notice to the Issuer and the Trustee (or the trustee under the IFA Indenture), acting as Tender Agent, of the principal amount of and accrued interest on any Series 2014A Notes (or the Utility Bonds, as the case may be) not remarketed by such time.

(d) Upon the giving of the notice specified in Section 4.04(c)(i) hereof, the Remarketing Agent shall be obligated to deliver to the Trustee (or the IFA Trustee), acting as Tender Agent, the amount of remarketing proceeds specified in such notice by 11:00 a.m., New York time, on the purchase date.

(e) Upon receipt by the Trustee, acting as Tender Agent, of notice from the Remarketing Agent pursuant to Section 4.04(c) hereof, the Trustee shall authenticate and deliver new Series 2014A Notes (or the Utility Bonds, as the case may be) to the Remarketing Agent, as follows:

(i) in the case of Series 2014A Notes (or the Utility Bonds, as the case may be) which are being purchased pursuant to Section 4.02 hereof, and provided that moneys in an amount equal to the purchase price therefor shall have been received by the Trustee, acting as Tender Agent, by 1:00 p.m., New York time, such new Series 2014A Notes (or the Utility Bonds, as the case may be) shall be delivered by 2:30 p.m., New York time; and

(ii) On each Business Day following the failed remarketing on the Mandatory Tender Date of Series 2014A Notes (or the Utility Bonds, as the case may be) in the Series 2014A Bank Rate Period, the Remarketing Agent shall continue to use its best efforts to remarket the Series 2014A Notes (or the Utility Bonds, as the case may be) into the Fixed Rate or Additional Bank Rate. Once the Remarketing Agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the Series 2014A Notes (or the Utility Bonds, as the case may be) into the Fixed Rate or Additional Bank Rate, the Trustee (or the IFA Trustee), at the direction of the Issuer, will give notice by mail to the registered owners of the Series 2014A Notes (or the Utility Bonds, as the case may be) not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on the Series 2014A Notes (or the Utility Bonds, as the case may be) will be the Fixed Rate on and after the purchase date; (2) that the Series 2014A Notes (or the Utility Bonds, as the case may be) will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; (4) the purchase price of the Series 2014A Notes (or the Utility Bonds, as the case may be) on the purchase date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing if the same shall occur on the purchase date.

Section 4.05 Purchase of Series 2014A Notes or Utility Bonds Tendered to Trustee or IFA Trustee. The provisions of Section 4.02 hereof shall govern the provisions for the purchase and remarketing of the Series 2014A Notes (or the Utility Bonds, as the case may be).

Section 4.06 Delivery of Purchased Series 2014A Notes. Series 2014A Notes sold by the Remarketing Agent pursuant to Section 4.04 hereof shall be delivered to the Remarketing Agent, as specified in Section 4.04(e) hereof.

Section 4.07 Reserved.

Section 4.08 Remarketing Agent. The Remarketing Agent shall be approved by the Issuer in accordance with the Issuer's consent to action without a meeting relating to the Series 2014 Notes, adopted on September 17, 2013, and the Indenture. The Issuer may remove the Remarketing Agent and appoint a successor Remarketing Agent for the Series 2014A Notes (or the Utility Bonds, as the case may be). The Remarketing Agent shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee and the Issuer.

Section 4.09 Qualifications of Remarketing Agent; Resignation and Removal. The Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc. and

authorized by law to perform all the duties imposed upon it by this Supplemental Indenture. The Remarketing Agent may at any time resign and be discharged of its duties and obligations created by this Supplemental Indenture by giving at least twenty (20) Business Days' notice to the Issuer and the Trustee. The Remarketing Agent may be removed at any time, at the direction of the Issuer, upon at least five (5) Business Days' notice by an instrument signed by the Issuer and filed with the Remarketing Agent and the Trustee. No removal of the Remarketing Agent shall become effective until a successor Remarketing Agent has delivered a written acceptance of appointment.

Section 4.10 Tender and Purchase of Book-Entry Series 2014 Notes or Utility Bonds. Notwithstanding any provisions of this Supplemental Indenture to the contrary, at any time while the Series 2014A Notes (or the Utility Bonds, as the case may be) are Book-Entry notes or bonds, the provisions of this Article IV are modified as follows:

(a) Reserved.

(b) Delivery of Series 2014A Notes (or the Utility Bonds, as the case may be) to the Trustee (or the IFA Trustee), as provided in Section 4.02 hereof, shall be effected by book-entry credit to the account of the Trustee (or the IFA Trustee) on the records of the Securities Depository, at or prior to 1:00 p.m., New York time, on the date Series 2014A Notes (or the Utility Bonds, as the case may be) or portions thereof are required to be tendered to the Trustee for purchase, of a beneficial interest in the Series 2014A Notes (or the Utility Bonds, as the case may be) to be purchased on such date.

(c) The Remarketing Agent shall give the information required by Section 4.04(c) hereof to the Securities Depository instead of to the Trustee, but shall at the same time give facsimile or telephonic notice to the Trustee specifying the principal amount of such Series 2014A Notes (or the Utility Bonds, as the case may be) which it has been unable to remarket (if such is the case).

(d) The Remarketing Agent shall deliver remarketing proceeds in accordance with the provisions of Section 4.04(d) hereof to the Securities Depository instead of to the Trustee, acting as Tender Agent.

(e) Section 4.04(e) hereof shall be inapplicable.

Section 4.11 Consent of Remarketing Agent. No Supplemental Indenture entered into pursuant to Article XI of the Master Indenture which affects any rights, duties or obligations of the Remarketing Agent shall become effective unless and until the Remarketing Agent shall have consented to the execution and delivery of such supplemental indenture unless such Remarketing Agent has resigned or been removed or has been given notice to such effect.

Section 4.12 Terms of CCA. The Series 2014B Note shall be subject to prepayment or repayment at the written direction of the Issuer, upon the terms and conditions specified in the Continuing Covenant Agreement for the prepayment of Loans and Continuing Covenant Obligations constituting fees.

ARTICLE V.

Payment; Further Assurances

Section 5.01 Payment of Principal or Redemption Price of and Interest on Series 2014 Notes. The Issuer shall pay or cause to be paid the principal of and premium, if any, and interest on, every Series 2014 Note issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of the Pledged Funds, including the Net Revenues of the System, strictly in accordance with Article V of the Master Indenture, except as may be otherwise provided in the Indenture.

Section 5.02 Paying Agent, Tender Agent. The Issuer hereby appoints the Trustee to act as the Paying Agent and the Tender Agent for the Series 2014 Notes, and unless otherwise stated in the Series 2014 Notes or in this Supplemental Indenture, designates the Designated Office of the Trustee as the place of payment and tender for the Series 2014 Notes, such appointment and designation to remain in effect until notice of change is filed with the Trustee.

Section 5.03 Tax Covenants. The Issuer shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Utility Bonds to become subject to federal income taxes in addition to federal income taxes to which interest on such Utility Bond is subject on the date of original issuance thereof.

The Issuer shall not permit any of the proceeds of the Utility Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Utility Bond to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986.

The Issuer shall not permit any of the proceeds of the Utility Bonds or other moneys to be invested in any manner that would cause any Utility Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The Issuer shall comply or cause the Finance Authority to comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

ARTICLE VI.

Revenues and Funds

Section 6.01 Source of Payment of Series 2014 Notes; Limited Liability of Issuer. The Series 2014 Notes are legal, valid and binding limited obligations of the Issuer, payable solely from the Pledged Funds, including the Net Revenues of the System, under Article V of the Master Indenture or Mortgaged Property Proceeds. The Series 2014 Notes are Notes under the Master Indenture. The Series 2014 Notes and the interest thereon do not constitute a general charge against the Issuer and are not payable from any assets, property of the Parent or any other Citizens Entity, and are not a charge against CWA Authority, Inc., the general credit of the City of Indianapolis, its utility district as a special taxing district or the State of Indiana or any political subdivision thereof. This Section 6.01 is in all respects subject to the provisions of the Indenture, especially Articles V and VII of the Master Indenture.

ARTICLE VII.

Trustee

Section 7.01 Eligibility. If DTC is the Securities Depository for the Series 2014 Notes, the Trustee must be a Direct Participant in DTC.

Section 7.02 Right of Administrative Agent to Require Assignment by Trustee. At any time during a Bank Rate Period, upon the occurrence and during the continuance of an Event of Default under the Indenture, the Administrative Agent, shall have the right, at its option and subject to any limitations in the CCA, exercised by delivery of a written notice to the Trustee with a copy to the Issuer to require the Trustee to grant to the Administrative Agent the authorization to exercise with respect to the CCA Notes all of the rights, powers, prerogatives and obligations of the Trustee under the Indenture and to enforce the provisions of the Indenture, exercise any remedies and otherwise take actions and institute proceedings for the benefit of and on behalf of the Owners of the Series 2014A Notes, the Series 2014B Note and the 2014 Revolving Notes, and the Trustee covenants and agrees that upon its release and the Trustee having been fully indemnified with respect to any action or failure to act of the Administrative Agent subsequent to the aforesaid assignment, it shall execute and deliver all such documents as are necessary to accomplish the foregoing and vest such rights, remedies and title in the Administrative Agent. Upon such assignment the Trustee shall have no further duties or obligations under this Supplemental Indenture, the Series 2014A Notes, the Series 2014B Note and the 2014 Revolving Notes or any related documents.

ARTICLE VIII.

Miscellaneous

Section 8.01 Benefits of Indenture Limited to Issuer, Trustee and Holders of Notes. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from the Indenture or the Notes is intended or should be construed to confer upon or give to any person other than the Issuer, the Trustee, and the holders of the Notes, any legal or equitable right, remedy or claim under or by reason of or in respect to the Indenture or any covenant, condition, stipulation, promise, agreement or provision contained herein and therein. The Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof and thereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Issuer, the Trustee, and the holders from time to time of the Notes as herein and therein provided.

Section 8.02 Resolution Binding upon Successors or Assigns of Issuer. All the terms, provisions, conditions, covenants, warranties and agreements contained in the Indenture shall be binding upon the successors and assigns of the Issuer, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the holders of the Notes.

Section 8.03 Waiver of Notice. Whenever in this Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 8.04 Severability. If any provision of this Supplemental Indenture shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Supplemental Indenture contained, shall not affect the remaining portions of this Supplemental Indenture, or any part thereof.

Section 8.05 Notices. Notwithstanding anything in the Master Indenture to the contrary: except as otherwise *provided herein*, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Issuer: Citizens Wastewater of Westfield, LLC
2020 North Meridian Street
Indianapolis, IN 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: Citizens Energy Group
2020 North Meridian Street
Indianapolis, IN 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the
Paying Agent or the Tender
Agent: Regions Bank
One Indiana Square, Suite 115
Indianapolis, IN 46204
Attention: Corporate Trust Dept.
Telephone: (317) 221-6275
Facsimile: (317) 331-6010

The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Supplemental Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions, after consultation with the Issuer, shall be deemed controlling absent the Trustee's willful misconduct or gross negligence. The Trustee shall not be liable, except for, in instances of gross negligence or willful misconduct, for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instruction notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties, except in each case, in instances when there is willful misconduct of the Trustee or gross negligence of the Trustee; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 8.06 Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Supplemental Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Indenture, and no interest shall accrue on the payment so deferred during the intervening period.

Section 8.07 Action by Issuer. Whenever it is herein provided or permitted for any action to be taken by the Issuer, such action may be taken by an Authorized Issuer Representative under this Supplemental Indenture unless the context clearly indicates otherwise.

Section 8.08 Counterparts. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.09 Applicable Law. This Supplemental Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State without regard to the principles of conflicts of laws thereof.

Section 8.10 Dealing in Notes. The Trustee, any Paying Agent, any Registrar or any Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2014 Notes, and may join in any action which any Noteholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent, any Registrar or any Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer, and may act as depository, trustee or agent for any committee or body of Noteholders secured by this Supplemental Indenture or other obligations of the Issuer as freely as if it did not act in any capacity under this Supplemental Indenture.

Section 8.11 Reserved.

Section 8.12 No Personal Liability. No member, officer or employee of the Issuer or of any department or board thereof, nor any affiliate thereof, shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2014 Note. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

Section 8.13 Article Headings; Table of Contents. The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Indenture.

Section 8.14 Indenture is a Contract with Noteholders. The Indenture shall constitute a contract between the Issuer and holders of the Notes.

Section 8.15 Representations, Warranties And Covenants For Revised Article 9 Collateral.

(a) The Indenture creates a valid and binding lien on and/or security interest in the Pledged Funds in favor of the Trustee as security for payment of the Notes, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (1) such lien and/or security interest, (2) and each pledge, assignment, lien, or other security interest made to secure any prior obligations of the Issuer which, by the terms hereof, ranks on a parity with or prior to the lien and/or security interest granted by the Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Issuer on a simple contract. By the Dated Date of the Series 2014 Notes, the Issuer will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2014 Notes are outstanding the Issuer will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Issuer is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301—9.306 of such jurisdiction.

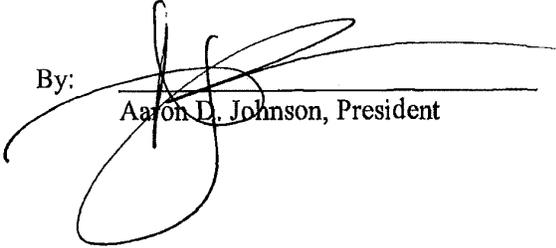
(c) The Issuer has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by the Indenture, except for the lien and/or security interest granted to secure other Notes. The Issuer shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by the Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

Section 8.16 Note Service Requirements. The initial Note Service Requirements for the Series 2014A Notes are specified in Appendix B. Such requirements may be revised by the Issuer in the manner provided in the Indenture.

IN WITNESS WHEREOF, the Issuer has caused this Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by the President of the Issuer, and in token of its acceptance of the trusts created hereunder, the Trustee has caused this Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers.

CITIZENS WASTEWATER OF WESTFIELD,
LLC

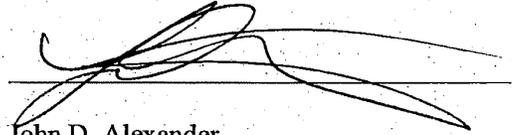
By:



Aaron D. Johnson, President

REGIONS BANK, as Trustee

By:



Name: John D. Alexander

Title: Senior Vice President

Attest:



Name: Melissa Ragsdale-Bloom

Title: Vice President

Appendix A-A

[Form of Series 2014A Note]

UNITED STATES OF AMERICA
STATE OF INDIANA

CITIZENS WASTEWATER OF WESTFIELD, LLC
WASTEWATER REVENUE NOTE, SERIES 2014A

Registered
No. 14AR-1

Dated Date: March 21, 2014

Final Maturity Date: March 1, 2044

Initial Mandatory Tender Date (absent option of Mandatory Tender by Issuer): March 1, 2019

Registered Owner: Indiana Finance Authority

Initial Interest Rate: Series 2014A Bank Rate

Principal Amount: \$15,270,000

Citizens Wastewater of Westfield, LLC, for value received, hereby promises to pay (but only out of the Pledged Funds hereinafter provided) to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date, the Principal Amount, and to pay (but only out of the Pledged Funds) during the Bank Period (as defined in the Indenture) interest on overdue principal at the rate specified in the Continuing Covenant Agreement (as defined in the Indenture) and during the Fixed Rate Period (as defined in the Indenture) interest on the balance of such Principal Amount from time to time remaining unpaid until payment of said Principal Amount has been made or duly provided for, at the rate and on the dates determined as described herein and in the Indenture (as hereinafter defined), and to pay (but only out of the Pledged Funds and the Security Interest described in the hereinafter defined Series 2014 Supplemental Indenture) interest on overdue principal at the rate borne by this Series 2014A Note on the date on which such principal became due and payable, except as the provisions set forth in the Indenture with respect to redemption may become applicable hereto, the principal of and premium, if any, and interest on this Series 2014A Note being payable in lawful money of the United States of America at the Principal Office of Regions Bank, as Paying Agent (the "Paying Agent") or such other place as set forth in the Continuing Covenant Agreement (hereinafter defined), with notice to the Trustee of such location given by the Administrative Agent (as defined in the Continuing Covenant Agreement); *provided, however*, payment of interest on any Interest Payment Date shall be made to the registered owner hereof as of the close of business on the Record Date with respect to such Interest Payment Date and shall be (i) paid by check of the Paying Agent mailed to such registered owner hereof at its address as it appears on the registration books of the Issuer maintained by Regions Bank, as trustee (the

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“Trustee”), or at such other address as is furnished in writing by such registered owner to the Trustee not later than the close of business on the Record Date or, (ii) transmitted by wire transfer to the accounts with members of the Federal Reserve System located within the continental United States of America of those owners which own at least \$1,000,000 in aggregate principal amount of the Series 2014A Notes and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date. Notwithstanding the foregoing provisions, for so long as this Series 2014A Note is restricted to being registered on the registration books of the Issuer kept by the Trustee in the name of a Securities Depository, the provisions of the Indenture governing Book Entry Notes shall govern the manner of the payment of the principal and purchase price of, and premium, if any, and interest on, this Series 2014A Note.

This Series 2014A Note is one of a duly authorized issue of notes of the Issuer known generally as “Wastewater Revenue Notes” all issued and to be issued from time to time, subject to the provisions of the laws of the State of Indiana and the terms and restrictions of the Indenture hereinafter referred to, for the purpose of providing funds to finance the acquisition of the System, capital improvements thereto, costs of issuance of the Series 2014A Note and bonds issued for the purchase of the Series 2014A Notes or for any other purpose for which the Issuer as to the System is authorized to issue revenue obligations by Indiana law and its Organizational Documents.

This Series 2014A Note and all other notes of this series, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to lien or otherwise of one bond over another, by the Wastewater Trust Indenture dated as of March 1, 2014 (the “Master Indenture”), between the Issuer and the Trustee, and as supplemented by the Series 2014 Wastewater Supplemental Indenture, dated as of March 1, 2014 (the “Series 2014 Supplemental Indenture”) (the Master Indenture and the Series 2014 Supplemental Indenture, as supplemented and amended, collectively, the “Indenture”). Pursuant to the Indenture, the principal of and redemption premium, if any, and interest on this Series 2014A Note and all other notes issued under the Indenture (the “Notes”) are payable from and secured by a pledge of the Pledged Funds and the Security Interest under the Indenture, including the income from the investments thereof, all subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms set forth in the Indenture. Reference is made to the Indenture for a description of the funds so pledged, the nature and extent of the security, and the rights of the bondholders.

This Series 2014A Note is one of a series of bonds limited to an aggregate principal amount of \$15,270,000 and designated “Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014A” (the “Series 2014A Notes”). The Series 2014A Notes are Notes under the Indenture. Simultaneously with the issuance of the Series 2014A Notes, the Issuer is issuing its Wastewater Revenue Notes, Series 2014B, Revolving Notes, Series 2014 and the Issuer’s Wastewater Revenue Notes, Series 2014C, which notes are Notes under the Indenture. The notes of any subsequent series may vary as to dates of issuance, denominations, years of

maturity, interest rates, redemption and certain other provisions, all as more particularly set forth in the Indenture. Subordinate Obligations also may be issued under the Indenture.

This Series 2014A Note may be transferred or exchanged by the registered owner hereof in person or by his attorney duly authorized in writing at the Principal Office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2014A Note. Upon such transfer or exchange a new registered Series 2014A Note or Series 2014A Notes, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Interest on this Series 2014A Note shall be payable on each Interest Payment Date for the period commencing on the next preceding Interest Payment Date (or if no interest has been paid hereon, commencing on the Dated Date) and ending on the day next preceding such Interest Payment Date; *provided, however*, subject to the provisions of the Continuing Covenant Agreement, if any, that if, as shown by the records of the Trustee, interest on the Series 2014A Notes shall be in default, Series 2014A Notes shall bear interest from the last date to which interest has been paid in full or duly provided for on the Series 2014A Notes, or if no interest has been paid or duly provided for on the Series 2014A Notes, from the Dated Date. During the Series 2014A Bank Period or any Additional Bank Rate Period interest shall be computed on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days. During the Fixed Rate Period interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2014A Notes shall be deliverable in the form of registered Notes without coupons in Authorized Denominations.

THE SERIES 2014A NOTES ARE SUBJECT TO OPTIONAL AND MANDATORY REDEMPTION, INCLUDING SINKING FUND REDEMPTION, AS PROVIDED IN THE SERIES 2014 SUPPLEMENTAL INDENTURE AND THE CONTINUING COVENANT AGREEMENT, IF ANY.

The owner of this Series 2014A Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Issuer, the Trustee, the Paying Agent, the Registrar and any other agent of the Issuer or the Trustee may treat the person in whose name this Series 2014A Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes under the Indenture, whether or not this Series 2014A Note be overdue, and neither the Issuer, the Trustee, the Paying Agent, the Registrar, nor any such agent shall be affected by notice to the contrary.

The Indenture prescribes the manner in which it may be discharged and after which the Series 2014A Notes shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment, registration, transfer or exchange of Series 2014A Notes, including a provision that under certain circumstances the Notes shall be deemed to be paid if Defeasance Obligations, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of and premium, if any, and interest on the Series 2014A Notes and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

Modifications or alterations of the Indenture, or any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Terms which are used herein as defined terms and which are not otherwise defined shall have the meanings assigned to them in the Indenture.

This Series 2014A Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the certificate of authentication hereon shall have been duly executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2014A Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Indiana and that the amount of this Series 2014A Note, together with all other indebtedness of the Issuer, does not exceed any limit prescribed by the Constitution or laws of the State of Indiana.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Issuer has caused this Series 2014A Note to be executed in its corporate name by the manual or facsimile signature of the President of the Issuer, all as of the Issue Date specified above.

CITIZENS WASTEWATER OF WESTFIELD,
LLC

By: _____
Aaron D. Johnson, President

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(Form of Trustee's Certificate of Authentication)

This Series 2014A Note is one of the Series 2014A Notes described in the within-mentioned Indenture.

REGIONS BANK, as Trustee

Date of Authentication:

By _____
Authorized Officer

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The following abbreviations, when used in the inscription of the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common
TEN ENT as tenants by the entireties
JT TEN as joint tenants with right of survivorship and not as tenants in common
UNIF TRANSFERS MIN ACT. _____ Custodian _____
(Cust) (Minor)

Under the Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please insert Social Security or other Identifying Number of Assignee)

(Please print or typewrite name and address of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or any change whatsoever.

[End of Series 2014A Note Form]

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Appendix A-B

[Form of Series 2014B]

UNITED STATES OF AMERICA
STATE OF INDIANA

CITIZENS WASTEWATER OF WESTFIELD, LLC
WASTEWATER REVENUE NOTES, SERIES 2014B

Registered
No. 14BR-1

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
March 20, 2019	As determined pursuant to the CCA (as defined in the Indenture) from time to time	Series 2014B Bank Rate

Registered Owner: PNC Bank, National Association

Dated Date: March 21, 2014

Citizens Wastewater of Westfield, LLC (the "Issuer"), for value received, hereby promises to pay (but only out of the Pledged Funds hereinafter provided) to the Registered Owner identified above or its registered assigns, on the Maturity Date up to a maximum of the Principal Amount determined pursuant to the CCA (which principal amount may be repaid and reborrowed from time to time), and to pay (but only out of the Pledged Funds) interest on the balance of such Principal Amount from time to time remaining unpaid until payment of said Principal Amount has been made or duly provided for, at the rate and on the dates determined as described herein and in the Indenture (as hereinafter defined), and to pay (but only out of the Pledged Funds and the Security Interest described in the Series 2014 Supplemental Indenture) interest on overdue principal at the rate specified in the CCA, except as the provisions set forth in the Indenture with respect to redemption may become applicable hereto, the principal of and premium, if any, and interest on this Series 2014B Note being payable in lawful money of the United States of America at the Principal Office of Regions Bank, as Paying Agent (the "Paying Agent") or such other place as set forth in the Continuing Covenant Agreement (hereinafter defined), with notice to the Trustee of such location given by the Administrative Agent (as

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defined in the Continuing Covenant Agreement); *provided, however*, payment of interest on any Interest Payment Date shall be made to the registered owner hereof as of the close of business on the Record Date with respect to such Interest Payment Date and shall be (i) paid by check of the Paying Agent mailed to such registered owner hereof at its address as it appears on the registration books of the Issuer maintained by Regions Bank, as trustee (the "Trustee"), or at such other address as is furnished in writing by such registered owner to the Trustee not later than the close of business on the Record Date or (ii) transmitted by wire transfer to the accounts with members of the Federal Reserve System located within the continental United States of America of those owners which own at least \$1,000,000 in aggregate principal amount of the Series 2014B Note and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date. Notwithstanding the foregoing provisions, for so long as this Series 2014B Note is restricted to being registered on the registration books of the Issuer kept by the Trustee in the name of a Securities Depository, the provisions of the Indenture governing Book Entry Notes shall govern the manner of the payment of the principal and purchase price of, and premium, if any, and interest on, this Series 2014B Note.

This Series 2014B Note is a duly authorized note of the Issuer known generally as a "Wastewater Revenue Note" all issued and to be issued from time to time, subject to the provisions of the laws of the State of Indiana and the terms and restrictions of the Indenture hereinafter referred to, for the purpose of providing the Administrative Agent with a security interest for payment of the Issuer's Obligations under the CCA, which provide funds for capital improvements and working capital for the Issuer's wastewater system (the "System"), or for any other purpose for which the Issuer as to the System is authorized to issue revenue obligations by Indiana law and its Organizational Documents and to secure the Parity Continuing Covenant Obligations (as defined in the Indenture). This Series 2014B Note evidences the Issuer's Obligations under the CCA (except for Loans evidenced by 2014 Revolving Notes). Payment by the Issuer of amounts due under 2014 Revolving Notes shall constitute payment and satisfaction of the related pro-rata Obligations due hereunder.

This Series 2014B Note is secured, without preference, priority or distinction, as to lien or otherwise of one note over another, by the Wastewater Trust Indenture dated as of March 1, 2014 (the "Master Indenture"), between the Issuer and the Trustee, and as supplemented by the Series 2014 Wastewater Supplemental Indenture, dated as of March 1, 2014 (the "Series 2014 Supplemental Indenture") (the Master Indenture and the Series 2014 Supplemental Indenture, as supplemented and amended, collectively, the "Indenture"). Pursuant to the Indenture, the principal of and redemption premium, if any, and interest on the Series 2014B Note and all other notes issued under the Indenture (the "Notes") are payable from and secured by a pledge of the Pledged Funds and Security Interest under the Indenture, including the income from the investments thereof, all subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms set forth in the Indenture. Reference is made to the Indenture for a description of the funds so pledged, the nature and extent of the security, and the rights of the bondholders.

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This Series 2014B Note is designated "Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014B" (the "Series 2014B Note"). The Series 2014B Note are "Notes" under the Indenture. Simultaneously with the issuance of the Series 2014B Note, the Issuer is issuing the Issuer's Wastewater Revenue Notes, Series 2014A, in the aggregate principal amount of \$15,270,000, the Issuer's Wastewater Revolving Notes, Series 2014 and the Issuer's Wastewater Revenue Notes, Series 2014C, which notes are Notes under the Indenture. The notes of any subsequent series may vary as to dates of issuance, denominations, years of maturity, interest rates, redemption and certain other provisions, all as more particularly set forth in the Indenture. Subordinate obligations also may be issued under the Indenture.

This Series 2014B Note may be transferred or exchanged by the registered owner hereof in person or by his attorney duly authorized in writing at the Principal Office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2014B Note. Upon such transfer or exchange a new registered Series 2014B Note or Series 2014B Note, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Interest on this Series 2014B Note shall be payable on each Interest Payment Date for the period commencing on the next preceding Interest Payment Date (or if no interest has been paid hereon, commencing on the Dated Date) and ending on the day next preceding such Interest Payment Date; *provided, however*, subject to the provisions of the Continuing Covenant Agreement, if any, that if, as shown by the records of the Trustee, interest on the Series 2014B Note shall be in default, Series 2014B Note shall bear interest from the last date to which interest has been paid in full or duly provided for on the Series 2014B Note, or if no interest has been paid or duly provided for on the Series 2014B Note, from the Dated Date. Interest shall be computed on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, except for periods during which the Series 2014B Note bear interest at the Base Rate (each as defined in the CCA) which rate is applicable to the Series 2014B Note, interest shall be computed upon the basis of a three hundred sixty (360) day year, consisting of twelve (12) thirty (30) day months.

The Series 2014B Note shall be deliverable in the form of registered Notes without coupons in Authorized Denomination.

THE SERIES 2014B NOTE IS SUBJECT TO OPTIONAL REDEMPTION AS PROVIDED IN THE SERIES 2014 SUPPLEMENTAL INDENTURE.

The owner of this Series 2014B Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Issuer, the Trustee, the Paying Agent, the Registrar and any other agent of the Issuer or the Trustee may treat the person in whose name this Series 2014B Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes under the Indenture, whether or not this Series 2014B Note be overdue, and neither the Issuer, the Trustee, the Paying Agent, the Registrar, nor any such agent shall be affected by notice to the contrary.

The Indenture prescribes the manner in which it may be discharged and after which the Series 2014B Note shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment, registration, transfer or exchange of Series 2014B Note, including a provision that under certain circumstances the Notes shall be deemed to be paid if Defeasance Obligations, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of and premium, if any, and interest on the Series 2014B Note and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

Modifications or alterations of the Indenture, or any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Terms which are used herein as defined terms and which are not otherwise defined shall have the meanings assigned to them in the Indenture.

This Series 2014B Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the certificate of authentication hereon shall have been duly executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2014B Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Indiana.

(Remainder of Page Intentionally Left Blank)

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IN WITNESS WHEREOF, CITIZENS WASTEWATER OF WESTFIELD, LLC, has caused this Series 2014B Note to be executed in its corporate name by the manual or facsimile signature of the President of the Issuer, all as of the Issue Date specified above.

CITIZENS WASTEWATER OF WESTFIELD,
LLC

By: _____
Aaron D. Johnson, President

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(Form of Trustee's Certificate of Authentication)

This Series 2014B Note is one of the Series 2014B Note described in the within-mentioned Indenture.

REGIONS BANK, as Trustee

Date of Authentication:

By _____
Authorized Officer

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The following abbreviations, when used in the inscription of the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common
TEN ENT as tenants by the entireties
JT TEN as joint tenants with right of survivorship and not as tenants in common
UNIF TRANSFERS MIN ACT. _____ Custodian _____
(Cust) (Minor)

Under the Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please insert Social Security or other Identifying Number of Assignee)

(Please print or typewrite name and address of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or any change whatsoever.

[End of Series 2014B Note Form]

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Appendix A-R

**FORM OF
REVOLVING CREDIT NOTE**

\$ _____

Indianapolis, Indiana
March 21, 2014

FOR VALUE RECEIVED, the undersigned, Citizens Wastewater of Westfield, LLC, an Indiana limited liability company (herein called the "Borrower"), hereby unconditionally promises to pay to the order of _____ (the "Lender"), the lesser of (i) the principal sum of _____ Dollars (US\$ _____), or (ii) the aggregate unpaid principal balance of all Revolving Credit Loans made by the Lender to the Borrower pursuant to Section 2.6.4 [Repayment of Loans] of the Credit and Continuing Covenant Agreement, dated as of March [], 2014, among the Borrower, the Lenders now or hereafter party thereto and PNC Bank, National Association, as administrative agent, (hereinafter referred to in such capacity as the "Administrative Agent") (as amended, restated, modified, or supplemented from time to time, the "Credit Agreement"), together with all outstanding interest thereon on the Expiration Date.

This Revolving Credit Note is one of a duly authorized issue of notes of the Issuer known generally as "Wastewater Revenue Notes" all issued and to be issued from time to time, subject to the provisions of the laws of the State of Indiana and the terms and restrictions of the Indenture hereinafter referred to, for the purpose of providing funds for capital improvements and working capital for the Issuer's wastewater system (the "System"), or for any other purpose for which the Issuer as to the System is authorized to issue revenue obligations by Indiana law and its Organizational Documents and to secure the Parity Continuing Covenant Obligations (as defined in the Indenture).

This Revolving Credit Note and all other notes of this series, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to lien or otherwise of one note over another, by the Wastewater Trust Indenture dated as of March 1, 2014 (the "Master Indenture"), between the Issuer and the Trustee, and as supplemented by the Series 2014 Supplemental Indenture, dated as of March 1, 2014 (the "Series 2014 Supplemental Indenture") (the Master Indenture and the Series 2014 Supplemental Indenture, as supplemented and amended, collectively, the "Indenture"). Pursuant to the Indenture, the principal of and redemption premium, if any, and interest on this Revolving Credit Note and all other notes issued under the Indenture (the "Notes") are payable from and secured by a pledge of the Pledged Funds and Security Interest under the Indenture, including the income from the investments thereof, all subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms set forth in the Indenture. Reference is made to the Indenture for a description of the funds so pledged, the nature and extent of the security, and the rights of the bondholders.

This Revolving Credit Note is designated "Citizens Wastewater of Westfield, LLC Wastewater Revenue Revolving Note, Series 2014" (the "2014 Revolving Notes"). The 2014 Revolving Notes are "Notes" under the Indenture. Simultaneously with the issuance of the 2014

Revolving Notes, the Issuer is issuing the Issuer's Wastewater Revenue Notes, Series 2014A, in the aggregate principal amount of \$15,270,000, the Issuer's Wastewater Revenue Notes, Series 2014B, which provide the Administrative Agent with a security interest under the Indenture for the payment of the 2014 Revolving Notes and do not constitute a separate payment obligation from the 2014 Revolving Notes and the Issuer's Wastewater Revenue Notes, Series 2014C, all of which notes are Notes under the Indenture. The notes of any subsequent series may vary as to dates of issuance, denominations, years of maturity, interest rates, redemption and certain other provisions, all as more particularly set forth in the Indenture. Subordinate obligations also may be issued under the Indenture.

The Borrower shall pay interest on the unpaid principal balance hereof from time to time outstanding from the date hereof at the rate or rates per annum specified by the Borrower pursuant to, or as otherwise provided in, the Credit Agreement. Subject to the provisions of the Credit Agreement, interest on this Revolving Credit Note will be payable pursuant to Section 5.5 [Interest Payment Dates] of, or as otherwise provided in, the Credit Agreement. If any payment or action to be made or taken hereunder shall be stated to be or become due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, unless otherwise provided in the Credit Agreement, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action. Upon the occurrence and during the continuation of an Event of Default and at the Administrative Agent's discretion or upon written demand by the Required Lenders, the Borrower shall pay interest on the entire principal amount of the then outstanding Revolving Credit Loans evidenced by this Revolving Credit Note and all other obligations due and payable to the Lender pursuant to the Credit Agreement and the other Loan Documents at a rate per annum as set forth in Section 4.3 [Interest After Default] of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim or other deduction of any nature at the office of the Administrative Agent located at 500 First Avenue, Pittsburgh, Pennsylvania 15219 unless otherwise directed in writing by the Administrative Agent, in lawful money of the United States of America in immediately available funds.

This Revolving Credit Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the other Loan Documents, including the representations, warranties, covenants, conditions, security interests, if any, and Liens, if any, contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments, in certain circumstances, on account of principal hereof prior to maturity upon the terms and conditions therein specified. The Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Revolving Credit Note and the Credit Agreement.

This Revolving Credit Note shall bind the Borrower and its successors and assigns, and the benefits hereof shall inure to the benefit of the Lender and its successors and assigns. All references herein to the "Borrower" and the "Lender" shall be deemed to apply to the Borrower

and the Lender, respectively, and their respective successors and assigns as permitted under the Credit Agreement.

This Revolving Credit Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed, by and construed and enforced in accordance with, the internal laws of the Indiana without giving effect to its conflicts of law principles.

All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement and Section 1.2 [Construction] of the Credit Agreement shall apply to this Revolving Credit Note.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO REVOLVING CREDIT NOTE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has executed this Revolving Credit Note by its duly authorized officer with the intention that it constitute a sealed instrument.

**CITIZENS WASTEWATER OF WESTFIELD,
LLC**

By: _____ (SEAL)

Name: _____

Title: _____

Appendix A-C

[Form of Series 2014C Note]

UNITED STATES OF AMERICA
STATE OF INDIANA

CITIZENS WASTEWATER OF WESTFIELD, LLC
WASTEWATER REVENUE NOTES, SERIES 2014C

Registered
No. 14CR-1

Registered Owner: PNC NATIONAL ASSOCIATION

Dated Date: March 21, 2014

Citizens Wastewater of Westfield, LLC (the "Issuer"), for value received, hereby promises to pay (but only out of the Pledged Funds hereinafter provided) to the Registered Owner identified above, or registered assigns as hereinafter provided, the Termination Payments (as defined in the Master Indenture, as defined herein) at such time and in such manner as determined pursuant to the 2014 Swap (as defined in the Master Indenture) (but only out of the Pledged Funds and the Security Interest described in the Master Indenture) and the Regular Payments due under the 2014 Swap, plus interest on overdue payments at the rate specified in the 2014 Swap, such amounts being payable in lawful money of the United States of America at the Principal Office the Registered Owner or such other place as set forth in the 2014 Swap, upon notice to the Trustee (hereinafter defined) of such location given by the Counterparty to the 2014 Swap.

This Series 2014C Note is one of a duly authorized issue of notes of the Issuer known generally as "Wastewater Revenue Notes" all issued and to be issued from time to time, subject to the provisions of the laws of the State of Indiana and the terms and restrictions of the Master Indenture.

This Series 2014C Note and all other notes of this series, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to lien or otherwise of one note over another, by the Wastewater Trust Indenture dated as of March 1, 2014 (the "Master Indenture"), between the Issuer and the Trustee, and as supplemented by the Series 2014 Wastewater Supplemental Indenture, dated as of March 1, 2014 (the "Series 2014 Supplemental Indenture") (the Master Indenture and the Series 2014 Supplemental Indenture, as supplemented and amended, collectively, the "Indenture"). Pursuant

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to the Indenture, all amounts payable under this Series 2014C Note and all other notes issued under the Indenture (the "Notes") are payable from and secured by a pledge of the Pledged Funds and Security Interest under the Indenture, including the income from the investments thereof, all subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms set forth in the Indenture. Reference is made to the Indenture for a description of the funds so pledged, the nature and extent of the security, and the rights of the bondholders.

This Series 2014C Note is designated "Citizens Wastewater of Westfield, LLC Wastewater Revenue Notes, Series 2014C" (the "Series 2014C Note"). The Series 2014C Note are "Notes" under the Indenture. Simultaneously with the issuance of the Series 2014C Note, the Issuer is issuing the Issuer's Wastewater Revenue Notes, Series 2014A, the Issuer's Wastewater Revenue Notes, Series 2014B and the Issuer's Revolving Credit Notes, Series 2014, which notes are Notes under the Indenture. The notes of any subsequent series may vary as to dates of issuance, denominations, years of maturity, interest rates, redemption and certain other provisions, all as more particularly set forth in the Indenture. Subordinate obligations also may be issued under the Indenture.

This Series 2014C Note shall be deemed to have been paid and to be no longer outstanding under the Indenture when the 2014 Swap has terminated and all amounts payable thereunder by the Issuer, including any Termination Payment (as defined in the Indenture) have been paid.

This Series 2014C Note may be transferred or exchanged by the registered owner hereof in person or by his attorney duly authorized in writing at the Principal Office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2014C Note. Upon such transfer or exchange a new registered Series 2014C Note or Series 2014C Note, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Series 2014C Note shall be deliverable in the form of registered Notes without coupons in Authorized Denomination.

THE SERIES 2014C NOTE IS SUBJECT TO OPTIONAL REDEMPTION AS PROVIDED IN THE 2014 SWAP.

The owner of this Series 2014C Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Issuer, the Trustee, the Registrar and any other agent of the Issuer or the Trustee may treat the person in the Registered Owner as the owner hereof for the purpose of receiving

payment as herein provided and for all other purposes under the Indenture, whether or not this Series 2014C Note be overdue, and neither the Issuer, the Trustee, the Registrar, nor any such agent shall be affected by notice to the contrary.

The Indenture prescribes the manner in which it may be discharged and after which the Series 2014C Note shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment, registration, transfer or exchange of Series 2014C Note.

Modifications or alterations of the Indenture, or any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Terms which are used herein as defined terms and which are not otherwise defined shall have the meanings assigned to them in the Indenture.

This Series 2014C Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the certificate of authentication hereon shall have been duly executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2014C Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Indiana.

(Remainder of Page Intentionally Left Blank)

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IN WITNESS WHEREOF, CITIZENS WASTEWATER OF WESTFIELD, LLC, has caused this Series 2014C Note to be executed in its corporate name by the manual or facsimile signature of the President of the Issuer, all as of the Issue Date specified above.

CITIZENS WASTEWATER OF WESTFIELD,
LLC

By: _____
Aaron D. Johnson, President

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Appendix B
Initial Note Service Requirements

WASTEWATER TRUST INDENTURE

Dated as of March 1, 2014

between

CITIZENS WASTEWATER OF WESTFIELD, LLC

and

REGIONS BANK, as Trustee

Revenue Notes

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WASTEWATER TRUST INDENTURE

This WASTEWATER TRUST INDENTURE dated as of March 1, 2014 (the "Indenture"), between Citizens Wastewater of Westfield, LLC, an Indiana limited liability company (the "Issuer") and Regions Bank, a banking and financial institution incorporated under the laws of the State of Alabama, having a corporate trust office in Indianapolis, Indiana, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Issuer is authorized under its Organizational Documents (as defined herein) to issue notes; and

WHEREAS, to provide for the issuance and delivery of revenue notes under this Indenture (the "Notes"), the Issuer desires to enter into this Indenture to provide for the conditions and limitations and rights and remedies with respect to the Notes issued or to be issued under this Indenture; and

WHEREAS, the Issuer has duly and legally authorized, executed, acknowledged and delivered this Indenture for the purposes, among other things, of funding the capital, operating and other needs of the Issuer; and

WHEREAS, the Issuer may, from time to time, enter into a Qualified Derivative Transaction (as defined herein) with respect to all or a portion of debt issued by or on behalf of the Issuer and secured by a series of Notes issued hereunder, whereby regularly scheduled periodic payments (the "Regular Payments") on the Qualified Derivative Transaction with respect to the related Notes may be made from time to time to the provider of the Qualified Derivative Transaction and/or the Issuer may be obligated to make termination payments (the "Termination Payments") or other payments to the provider, and the Issuer may elect in a Supplemental Indenture (as defined herein) to have such Regular Payments constitute Parity Regular Payments (as defined herein) and such Termination Payments constitute Parity Termination Payments (as defined herein), respectively as provided herein and may elect in a Supplemental Indenture to have the Issuer's obligations for all or portion of such Termination Payments and/or Parity Regular Payments evidenced by a series of Notes or treated as payable on parity with payments due on the Notes; and

WHEREAS, the Issuer may, from time to time, enter into a Continuing Covenant Agreement (as defined herein) in relation to all or a portion of a series of Notes issued hereunder, whereby Continuing Covenant Obligations (as defined herein) may be due to the Lenders (as defined herein) and the Issuer may elect in a Supplemental Indenture to have such Continuing Covenant Obligations constitute Parity Continuing Covenant Obligations (as defined herein) as provided herein and may elect to have such Parity Continuing Covenant Obligations evidenced by a series of Notes or treated as payable on parity with payments due on the Notes; and

WHEREAS, the Issuer may elect in a Supplemental Indenture to evidence individual Continuing Covenant Obligations representing loans to specific Lenders through the issuance of Revolving Notes to such Lenders; and

WHEREAS, the Issuer has duly and legally authorized, executed, acknowledged and delivered the Mortgage (hereinafter defined) in favor of the Trustee to secure its obligations hereunder;

NOW, THEREFORE, the Issuer and Trustee hereby covenant and agree as follows:

THIS INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants contained in this Indenture and of the purchase and acceptance of the Notes by the holders thereof, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Notes are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, and to secure the payment of the principal of and redemption premium, if any, and interest on the Notes at any time issued and outstanding under this Indenture, to secure the payment of Regular Payments, Termination Payments and all other amounts due under Qualified Derivative Transactions according to their tenor and effect and to secure the Continuing Covenant Obligations, and the performance and observance of all the covenants and conditions in the Notes and in this Indenture, has executed and delivered this Indenture, and has pledged and assigned, and by these presents does hereby pledge, grant a security interest in and assign (collectively, the "Security Interest"), unto the Trustee, and to its successors in trust and to it and its assigns, the Pledged Funds (hereinafter defined), subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms set forth in this Indenture.

Except as expressly provided in a Supplemental Indenture, the Security Interest granted by this Indenture is, and shall be, also subject to this Indenture, for the equal and proportionate benefit, security and protection of (i) all Notes issued or to be issued under and secured by this Indenture, (ii) Reimbursement Obligations, (iii) Parity Regular Payments and Parity Termination Payments, and (iv) Parity Continuing Covenant Obligations (collectively, the "Parity Obligations") each without duplication of obligation and without preference, priority or distinction of any Parity Obligation over any other Parity Obligation by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation issued hereunder shall have the same rights and privileges under and by virtue of this Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of this Indenture.

If the Issuer shall pay or cause to be paid to the holders of the Notes the principal and interest and redemption premium, if any to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by Article XI, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay all amounts due under the other Parity Obligations and shall keep, perform and observe all the covenants and promises in the Parity Obligations and in this Indenture expressed to be kept, performed and observed by or on the part of the Issuer, and shall pay or cause to be paid to the

Trustee all sums of money due and to become due to it in accordance with this Indenture, then this Indenture and the rights hereby granted, including the Security Interest, shall cease, determine and be void, at the option of the Issuer (evidenced by a certified resolution of the Board delivered to the Trustee), but otherwise this Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Notes are to be issued, authenticated and delivered, Reimbursement Obligations, Qualified Derivative Transactions and Continuing Covenant Agreements entered into, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Issuer, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this Indenture, for the benefit of whomsoever shall hold the Notes, as follows:

ARTICLE I.

Definitions; Computations; Certificates and Opinions

Section 1.01. Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Accounting Principles” means accounting principles used by the Issuer and consistent with Generally Accepted Accounting Principles (“GAAP”).

“Adjusted Note Service Requirement” means for purposes of this Indenture for any period, the Note Service Requirement for a series of Notes, adjusted from time to time as specified in this Indenture as follows or as provided in a Supplemental Indenture:

(a) If the Issuer enters into a Credit Facility or a Liquidity Facility for Notes, the Note Service Requirement for the related Reimbursement Obligations shall be treated as one and the same with the obligations due on the Supported Notes for purposes of computing the Adjusted Note Service Requirement notwithstanding that the Reimbursement Obligations may also be issued as Notes;

(b) If the Issuer enters into an interest rate swap or similar derivative agreement in connection with the issuance of Notes, the Adjusted Note Service Requirement shall be determined, at the election of the Issuer as evidenced by a certificate of its Chief Financial Officer, by incorporating such swap or agreement into such Notes and treating such Notes and such payments or such swap or agreement as one and the same obligation; and

(c) With respect to Notes having a term of 60 months or more and 25% or more of the principal of which matures on the same date and which portion of the principal of such indebtedness is not required to be amortized by payment or redemption prior to such date, the Adjusted Note Service Requirement of such Notes shall be determined by amortizing level debt service over the term of 30 years from the date of original issuance of such Notes with principal amortization beginning in the year following the date that 25% or more of the principal of such Note matures assuming as the interest rate the 30 year Revenue Bond Index, or, at the option of the Issuer, if the actual term of such Notes is less than 30 years, on a level debt service basis over such term, assuming the interest rate shall be the Revenue Bond Index related to the actual term of (and with the same rating as) such Notes published by The Bond Buyer no more than two weeks prior to the date of calculation, or any similar index selected by the Issuer.

The Issuer may adjust the Adjusted Note Service Requirement from time to time for any series of Notes so long as, as a result of such adjustment, the Issuer is in compliance with Section 6.02(a). For purposes of this definition, the debt service and payments due on the 2014B Note and 2014C Note shall not be included in Adjusted Note Service Requirements.

“Administrative Agent” means initially PNC Bank, National Association, or any successor entity serving as the Administrative Agent under the CCA.

“Affiliate” means the Parent, any Subsidiary and any other entity owned in whole or in part by the Issuer, a Subsidiary or another Affiliate, that the Issuer designates the same as an Affiliate for purposes of this Indenture.

“Aggregate Adjusted Note Service Requirement” means for purposes of this Indenture for any period, the sum of the Adjusted Note Service Requirement for all outstanding Notes for such period.

“Aggregate Note Service Requirement” means for purposes of this Indenture for any period the sum of the Note Service Requirement for all outstanding Notes for such period.

“Amortization Installment” means the amount of money required to pay or provide for the payment of principal of the Notes (whether at maturity or by mandatory redemption and including redemption premiums, if any).

“Amortization Installment Date” shall have the meaning specified in this Indenture or in a Supplemental Indenture upon which an Amortization Installment is due.

“Authorized Issuer Representative” means the President, any Vice President, the Secretary or the Treasurer of the Issuer or any other authorized officer of the Issuer designated as such to the Trustee.

“Beneficial Owner” means the owner of a Note or portion thereof for federal income tax purposes.

“Board” means the Board of Directors of the Issuer.

“Bond Counsel” means nationally recognized bond counsel selected by the Board.

“Book Entry Note” means a Note authorized to be issued to and restricted to being registered in the name of a Securities Depository.

“Chief Financial Officer” means the person designated by the Board as having primary responsibility for the financial operations of the System.

“Citizens Entity” means any entity whose membership interests or stock are owned by the Department or any affiliate or subsidiary of the Department.

“Commission” means the Indiana Utility Regulatory Commission or any successor utility regulatory agency or commission.

“Construction Fund” means the fund by that name established in Section 5.06

“Consulting Engineer” means an independent engineer or engineering firm or corporation having favorable reputation for special skill, knowledge and experience in analyzing the operations of, preparing rate analyses for, forecasting the revenues of, or preparing feasibility reports with respect to the financing of utility systems.

“Continuing Covenant Agreement” or “CCA” means initially the Credit and Continuing Covenant Agreement dated as of March 1, 2014, as the same may be supplemented or amended by and among the Issuer, Administrative Agent, and the Lenders and their successors and assigns and any successor Credit and Continuing Covenant Agreement entered into in connection with an issue of Notes or with respect to the 2014A Notes. The Continuing Covenant Obligations under the initial Continuing Covenant Agreement are not Parity Continuing Covenant Obligations.

“Continuing Covenant Obligations” means obligations to be paid by the Issuer pursuant to a Continuing Covenant Agreement, including but not limited to, Obligations (as defined in the CCA), repayment of the Loans, fees and amounts owed by the Issuer with respect to yield maintenance, commitment fees, letter of credit fees, administrative fees and tax indemnification payments.

“Cost of Acquisition and Construction” means, with respect to a Project, the costs of acquisition, construction and equipping of any betterments, improvements, extensions or additions to the System, including all costs necessarily incurred in connection with the acquisition of such property or the making of such betterments, improvements, extensions or additions, including, but not limited to, the following to the extent funds are permitted by law to be provided therefor by the issuance of Notes:

- (a) working capital and reserves in such amounts as may be deemed necessary by the Issuer for the Project;
- (b) interest accruing in whole or in part on Notes prior to and during the acquisition and construction of the Project and for such additional period as the Issuer may reasonably determine;
- (c) acquisition of supplies and reserves, including land, rights, storage and leases, and options therefor, and working capital, equipment, structures, facilities or prepayments and reserves therefor, for the Project;
- (d) the deposit or deposits from the proceeds of Notes in any fund or account established pursuant to this Indenture or the Indenture to meet reserve requirements for Notes;
- (e) the deposit or deposits from the proceeds of Notes in any funds or accounts established pursuant to this Indenture or the Indenture as reserves for renewals, replacements and contingencies, and for decommissioning or termination for all or a portion of the System;
- (f) all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the acquisition, construction and equipping of the Project;

(g) all costs relating to injury and damage claims arising out of the acquisition and construction of the Project; and

(h) preliminary survey, investigation and development costs, engineering, contractors' fees, permits, licenses and approvals, labor, materials, equipment, lands, rights-of-way, franchises, easements and other interests in land, utility services and supplies, payments to other public agencies, training and testing costs, insurance premiums, principal of and interest on notes, the proceeds of which were or are to be applied to provide the Costs of Acquisition or Construction issued in anticipation of Notes, fees and expenses of trustees and paying agents, legal and financing costs, administrative and general costs, and all other costs incurred by the Issuer and properly allocable to the acquisition and construction of the Project, completing and placing the same in operation or the issuance of the Notes.

"Costs of Credit Facilities" means the costs and expenses incurred in connection with a Credit Facility, but "Costs of Credit Facilities" are not Reimbursement Obligations.

"Counsel" means a lawyer or firm of lawyers selected by the Issuer and reasonably acceptable to the Trustee.

"Credit Facility" means a credit facility, a guaranty, a letter of credit (whether direct pay or standby), a line of credit, a liquidity facility, a municipal bond insurance policy, a standby bond purchase agreement, a surety bond or any other related or similar agreement or document or any combination of agreements or documents described in this definition and issued by a Credit Provider. Execution and delivery of a Credit Facility by the Issuer is not subject to Article IV. A Credit Facility gives rise to Reimbursement Obligations, which may be evidenced by Notes.

"Credit Provider" means a bank, a financial institution, a guarantor, an insurance company, a surety or any other credit enhancer or liquidity provider which issues a Credit Facility for all or a part of a series of Notes.

"Date of Commercial Operation" and words of like import when used with reference to a Project means the date upon which the entire Project is first ready for normal continuous operation as determined by the Chief Financial Officer.

"Defeasance Securities" means for a series of Notes, those investments and securities specified in a Supplemental Indenture that may be used in the defeasance of such series.

"Department" means the Department of Public Utilities of the City of Indianapolis, d/b/a Citizens Energy Group.

"Deposit Account" means the Issuer's deposit account maintained with the Depository in which Pledged Funds may be deposited by the Issuer for its operations, and at the time of the initial issuance of the Notes means the deposit account at the Depository set forth in Depository Control Agreement.

“Depository” mean JPMorgan Chase Bank, N.A., or a substitute depository of the Deposit Account selected by the Issuer with the consent of the Trustee which consent shall not be unreasonably withheld or delayed.

“Depository Control Agreement” means that certain Blocked Account Control Agreement between the Issuer and the Depository of an even date herewith, or a replacement account control agreement on substantially the same terms and conditions with any successor depository selected in the manner provided for in this Indenture of the Deposit Account.

“Derivative Obligations” means obligations of the Issuer resulting from a Derivative Transaction relating to a series of Notes or other bonds or notes issued by or on behalf of the Issuer.

“Derivative Transaction” means for or relating to a series of Notes or other bonds or notes issued by the Issuer or bonds or notes issued for the benefit of the Issuer or a portion of such series, (a) a basis swap, a forward rate agreement, an interest rate hedge, an interest option or rate agreement, an interest rate cap agreement, an interest rate collar agreement, an interest rate floor agreement, an interest rate swap agreement or any other related or similar agreement, including an option to enter into any agreement described in this definition, (b) any combination of agreements described in this definition, and (c) a master agreement for an agreement or a combination of agreements described in this definition, together with all supplements and amendments to such master agreement.

“Designated Office” means the office of the Trustee or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee.

“Direct Obligations” is defined in clause (b) of the “Investment Securities” definition in this Section 1.01.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Escrow Deposit Agreement” means an escrow deposit agreement executed by the Issuer with respect to the redemption or defeasance of Notes.

“Escrow Securities” means investments and securities held under an Escrow Deposit Agreement as Defeasance Securities pursuant to Article XI.

“Event of Default” is defined in Section 7.01.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all expenses (including fees and expenses of Counsel) incurred by the Trustee under this Indenture other than Ordinary Services and Expenses.

“Fiscal Year” means the fiscal year established from time to time for accounting purposes by the Board.

“Fitch” means Fitch Ratings or any entity which succeeds to its function of rating debt obligations.

“Funds and Accounts” means the funds and accounts created and established or continued by the Issuer under this Indenture.

“Gross Plant” means the gross plant, as determined by the rules and regulations of the regulatory authority having jurisdiction thereof, in service at original cost excluding all construction in progress, and “Gross Plant for a Fiscal Year” shall be the amount of Gross Plant on the last day of the last month of such Fiscal Year.

“Gross Revenues of the System” mean all revenues and other income of the Issuer from the operation of the System entered on the Issuer’s books in accordance with Accounting Principles, but excluding (a) extraordinary items, (b) income on moneys or securities in (1) the Note Fund held for the retirement of Notes and (2) the Construction Fund, and (c) income earned on any Escrow Securities.

“Independent Certified Public Accountants” means a firm of certified public accountants of recognized national standing appointed by the Board.

“Indenture” means this Indenture, as the same may be amended, modified or supplemented by any amendments to or modifications of this Indenture or supplements to this Indenture entered into in accordance with this Indenture.

“Investment Securities” shall mean and include, subject to a Supplemental Indenture limiting such investments pursuant to Section 5.08, any of the following securities if and to the extent the same are legal for investment of the Issuer’s funds:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).

(b) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America (“Direct Obligations”).

(c) Senior debt obligations of other government sponsored agencies (“GSAs”).

(d) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- (1) Export-Import Bank
- (2) Farm Credit System Financial Assistance Corporation
- (3) Rural Economic Community Development Administration (formerly the Farmers Home Administration)
- (4) General Services Administration
- (5) U.S. Maritime Administration
- (6) Small Business Administration

- (7) Government National Mortgage Association (GNMA)
- (8) U.S. Department of Housing & Urban Development (PHAs)
- (9) Federal Housing Administration
- (10) Federal Financing Bank.

(e) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (1) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- (2) Obligations of the Resolution Funding Corporation (REFCORP)
- (3) Senior debt obligations of the Federal Home Loan Bank System.

(f) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and Fitch and maturing no more than 360 calendar days after the date of purchase. (The rating on a holding company is not considered to be the rating on the related bank.)

(g) Commercial paper which is rated at the time of purchase in the single highest short-term classification by the Rating Agencies and which matures not more than 270 calendar days after the date of purchase.

(h) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P or a U.S. Treasury Obligation Money Market Fund.

(i) "Pre-refunded Municipal Obligations" defined as follows: any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of the Rating Agencies; or
- (2) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (b) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(j) Municipal obligations rated "Aa" by Moody's and "AA" by S&P and Fitch or general obligations of states with a rating of at least "A2" or higher by Moody's and "A" or higher by S&P and Fitch.

The value of Investment Securities shall be determined in accordance with the following sentence. "Value" shall be determined as provided herein as of the end of each month and means the value of Investment Securities calculated as follows:

(k) For securities: (1) the closing bid price quoted by Interactive Data Systems, Inc.; (2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or (3) the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by the Rating Agencies and must be market makers in the securities being valued.

(l) For certificates of deposit and bankers' acceptances: the face amount thereof plus accrued interest.

"Issuer" is defined in the first paragraph of this Indenture.

"Lenders" means the Lenders party to the CCA from time to time.

"Loans" means with respect to the initial CCA the Revolving Loans as defined therein and with respect to any successor CCA the loans permitted to be made to the Issuer thereunder.

"Moody's" means Moody's Investors Service or any entity which succeeds to its function of rating debt obligations.

"Mortgage" means the Mortgage, Security Agreement and Fixture Filing executed by the Issuer in favor of the Trustee, granting a mortgage and security interest in all of the Issuer's real property and fixtures therein, owned from time to time, now or hereafter acquired, as provided therein.

"Mortgage Property Proceeds" means the proceeds, moneys and income received from the enforcement of the rights of the Trustee under the Mortgage.

"Net Revenues of the System" means the Gross Revenues of the System less the Operating Expenses of the System for any Fiscal Year.

"Note Fund" means the fund by that name created and established under Section 5.03.

"Note Register" means the Register maintained pursuant to Section 8.01 hereof.

"Note Service Requirement" means for purposes of this Indenture for any period for any series of Notes, the amounts specified from time to time in this Indenture or a Supplemental

Indenture due for payment of principal of, interest and any other amounts due on the Notes for such period.

“Noteholder,” “Holder,” “Owner,” “registered owner,” “holder of a Note,” “Noteholder” or any similar term means any person who shall be the registered owner of a Note or such owner’s duly authorized attorney-in-fact, representative or assigns.

“Notes” means any Notes issued and outstanding under the Indenture.

“Notes outstanding” or “outstanding” means all Notes which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Notes canceled by the Trustee because of payment or redemption prior to maturity.

(b) Notes for the payment or redemption of which moneys sufficient to pay when due the principal of, and redemption premium, if any, and interest accrued or to accrue on such Notes to the redemption date or maturity date shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Notes); provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee;

(c) Notes in lieu of which others have been authenticated, unless proof satisfactory to the Trustee is presented that any such Note is held by a bona fide holder in due course; and

(d) Notes which shall be deemed to be paid within the meaning of Section 11.02, but only when this Indenture shall have been discharged with respect to such Notes under Article XI.

“Operating Expenses of the System” mean all necessary and proper expenses of the Issuer entered on the Issuer’s books (in accordance with Accounting Principles) in connection with the ownership, operation and maintenance of the System.

“Opinion of Bond Counsel” means an Opinion of Counsel for a series of Notes to be issued to the effect that:

(a) the Board has the right and power to adopt the resolutions authorizing such series of Notes, such resolutions have been duly and lawfully adopted by the Board, and this Indenture and such resolutions are in full force and effect and are valid and binding upon the Issuer and enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting creditors’ rights generally;

(b) this Indenture creates the valid pledge and lien which it purports to create on the Pledged Funds as security for the payment of such series of Notes;

(c) such series of Notes is/are valid and binding obligations of the Issuer, enforceable in accordance with its/their terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally;

(d) such series of Notes has/have been duly and validly authorized and issued in accordance with law, such resolutions and this Indenture; and

(e) to the extent interest on such Notes is intended to be excludable from gross income for federal income tax purposes, the interest on such series of Notes is excludable from gross income for federal income tax purposes.

“Opinion of Counsel” means an opinion of Counsel for a series of Notes to be issued to the effect that:

(a) the documents submitted to the Trustee in connection with the authorization, issuance and sale of such series of Notes comply with this Indenture;

(b) such series of Notes is/are valid and binding obligations of the Issuer, enforceable in accordance with its/their terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally; and

(c) the issuance and execution of such series of Notes has/have been duly authorized, and all documents required by Article IV as a condition precedent to the delivery of such series of Notes has/have been delivered to the Trustee.

“Ordinary Services and Expenses” means the provision of normal, customary services of the Trustee under this Indenture, the fees and expenses of which are more fully described in the engagement letter executed by the Issuer and the Trustee.

“Organizational Documents” means the Issuer's Articles of Organization and Operating Agreement approved by the Board.

“Parent” means Citizens Westfield Utilities, LLC or any successor entity that owns all of the membership interests of the Issuer.

“Parity Continuing Covenant Obligations” means Continuing Covenant Obligations the Issuer has elected to pay on a parity basis with the Notes, as specified herein or in a Supplemental Indenture.

“Parity Derivative Obligations” means Derivative Obligations the Issuer has elected to pay on a parity basis with the principal and interest due on the Notes, which may include Parity Regular Payments and/or Parity Termination Payments, as specified herein or in a Supplemental Indenture.

“Parity Obligations” means the Notes, the Reimbursement Obligations, the Parity Derivative Obligations and the Parity Continuing Covenant Obligations.

“Parity Regular Payments” means Regular Payments the Issuer has elected to pay on a parity basis with interest due on the Notes, as specified herein or in a Supplemental Indenture.

“Parity Termination Payments” means Termination Payments the Issuer has elected to pay on a parity basis with the principal due on the Notes, as specified herein or in a Supplemental Indenture.

“Paying Agent” means the Trustee, as paying agent, and its successors and assigns. Additional Paying Agents may be appointed by the Board.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, limited liability companies and public bodies.

“Pledged Funds” means (a) the proceeds of the sale of the Notes; (b) the Net Revenues of the System; (c) those extraordinary items excluded from the definition of Net Revenues and (d) all moneys and securities in the Revenue Fund, Reserve Fund and the Construction Fund, including in each instance the income from the investment thereof, all subject to the further provisions of this Indenture, and more specifically means and includes such of the foregoing as shall take the form of, constitute or at any time consist of any or all of the following described property of the Issuer, now owned or hereafter acquired by the Issuer, as each term is defined in or is applied to Article 9 of the Indiana Uniform Commercial Code (“UCC”): accounts, general intangibles, chattel paper, deposit accounts, documents, instruments, investment property, money, and supporting obligations, and all proceeds thereof, including cash and noncash proceeds.

“Principal Office” means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 12.15.

“Project” means the acquisition of any property for and any betterments, improvements, extensions or additions to the System.

“Qualified Derivative Obligations” means Derivative Obligations on a Qualified Derivative Transaction.

“Qualified Derivative Transaction” with respect to specific Notes, means a Derivative Transaction in which all or a portion of the Derivative Obligation is a Parity Derivative Obligation, all as provided in the Supplemental Indenture authorizing such Derivative Transaction and series of Notes.

“Rate Stabilization Fund” means the fund by that name created and established by Section 5.07 hereof.

“Rating Agencies” means any of Fitch, Moody’s, S&P or any other nationally recognized rating agency then rating the Notes.

“Rating Category” or “Rating Categories” means one or more of the generic rating categories of a nationally recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Record Date” shall have the meaning specified in the Supplemental Indenture authorizing or controlling the issuance of a series of Notes.

“Refunding Notes” means Notes issued pursuant to Section 4.04 to refund Notes.

“Registrar” and “Note Registrar” means the Trustee acting as registrar for the Notes and any successor thereto.

“Regular Payments” means the scheduled periodic payments to be made by the Issuer pursuant to a Qualified Derivative Transaction, and does not include termination payments and obligations to collateralize the Issuer’s obligations under a Qualified Derivative Transaction or any other obligation due pursuant to a Qualified Derivative Transaction as provided in the Supplemental Indenture authorizing such Derivative Transaction and series of Notes.

“Reimbursement Obligations” means obligations owed to a Credit Provider and related to a Credit Facility and Supported Notes for payment of principal and purchase or tender price of and interest on a series of Notes, but Reimbursement Obligations are not “Costs of Credit Facilities.” Reimbursement Obligations may be evidenced by a Note, and also may be termed “Bank Notes” in a Supplemental Indenture. Subject to Articles V and VII of this Indenture, any Note evidencing a Reimbursement Obligation is, and shall be deemed to be, one and the same obligation with the Supported Notes.

“Reserve Fund” means the fund by that name established in Section 5.04.

“Responsible Officer” means when used with respect to the Trustee, any officer of the Trustee, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the Fund by that name referred to in Section 5.01.

“Revolving Note” means any Note issued to Lenders under a CCA, which evidence Loans made by a Lender in connection with such Lender’s Loans and lending commitment under the CCA and related obligations. Revolving Notes constitute “Notes” hereunder.

“S&P” means Standard & Poor’s Ratings Services, a Division of the McGraw-Hill Companies, or any entity which succeeds to its function of rating debt obligations.

“Securities Depository” means, with respect to a Book Entry Note, DTC or any person, firm, association or corporation constituting a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at

any time be substituted in its place to act as Securities Depository for the Notes, or its successors, or any nominee therefor.

“Series 2014 Notes” means the Issuer’s Wastewater Revenue Notes, Series 2014A (the “2014A Notes”), Wastewater Revenue Note, Series 2014B (the “2014B Note”) and Wastewater Revenue Note, Series 2014C (the “2014C Note”).

“Shifting Control Notice” mean a Shifting Control Notice as defined in the Deposit Control Agreement.

“Subordinate Obligations” means bonds, certificates, commercial paper, notes, obligations and other evidences of indebtedness issued by the Issuer pursuant to Section 4.06, which bonds, certificates, commercial paper, notes, obligations and other evidences of indebtedness are subordinate in payment and priority to the Notes or Reimbursement Obligations.

“Subsidiary” means any corporation, partnership or limited liability company all or substantially all of whose outstanding voting stock or ownership interests shall at the time be owned by the Issuer. For the purposes only of this definition, the term “voting stock,” as applied to the stock of any corporation, shall mean stock of any class or classes having voting power for the election of a majority of the directors of such corporation (other than such voting power created by events of default or upon the happening of any other contingency).

“Substitute Issuer” means a governmental entity or nonprofit organization acting on behalf of a governmental entity.

“Substitute Obligations and Agreements” means bonds, notes or other obligations of a Substitute Issuer and a bond or note resolution or indenture with respect thereto.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with Article X.

“Supported Notes” means a series of Notes or a portion of such series enhanced, secured or supported in some way by a Credit Facility.

“System” means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by the Issuer in trust or otherwise and used directly or indirectly to provide wastewater utility service, the rates and charges for which are subject to regulation by the Commission or, in the absence of Commission regulation, under rates and charges established by the Board pursuant to applicable state law or any successor provisions of law.

“Termination Payments” means the termination payments, obligations to collateralize the Issuer’s obligations under a Derivative Transaction and any other amounts (other than Regular Payments) due thereunder.

“Trustee” is defined in the first paragraph of this Indenture.

“2014 Revolving Notes” means the Issuer’s Wastewater Revenue Revolving Notes, Series 2014 issued to individual Lenders pursuant to the CCA.

“2014 Swap” means the Qualified Derivative Transaction dated March 11, 2014 between the Issuer and PNC Bank, National Association, which hedges the interest rate on the Indiana Finance Authority Utility Revenue Bonds, Series 2014A (Citizens Wastewater of Westfield Project) and which hedges the identical interest rate owed by the Issuer on the 2014A Notes, and under which the Derivative Obligations shall be evidenced by the obligations owed under the 2014C Note.

Section 1.02. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words “Note,” “owner,” “holder” and “person” shall include the plural as well as the singular number and the word “person” shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.03. Certain Other Terms. As used in this Indenture, the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Indenture.

Section 1.04. Computations. Unless the facts are otherwise and except as provided in this Indenture, all computations required under this Indenture shall be made on the assumption that (a) the principal of and interest on all Notes shall be paid as and when the same become due; (b) all deposits required by this Indenture to be credited to the Note Fund for the retirement of Notes shall be made in the amounts and at the times required by this Indenture; (c) all Notes required to be redeemed will be redeemed in the amounts and at the times as required by this Indenture; and (d) no Note for which moneys or Escrow Securities have been irrevocably deposited sufficient to provide the full principal and interest thereon shall be treated as outstanding.

Section 1.05. Certificates, Reports. Whenever pursuant to this Indenture a person is required to deliver a certificate or a report, such person, for the purposes of such person’s estimates, may take into account reasonably expected Gross Revenues from the System, projected other income, reasonable rate changes and projected changes in relevant Operating Expenses of the System and debt service requirements.

Section 1.06. Accounts. The cash required to be accounted for in each of the Funds and Accounts may be deposited into a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such Funds or Accounts as provided herein. The designation and establishment of the various Funds and Accounts under Article V shall not be construed to require the establishment of any completely independent, self-balancing funds or accounts, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish priorities for application of such revenues and assets as provided herein.

Section 1.07. Accounting Terms. Unless this Indenture prescribes, this Indenture shall be interpreted by giving to the accounting terms used herein the respective definitions given to such terms under Accounting Principles. The Issuer shall apply Accounting Principles in determining (i) the Gross Revenues of the System and (ii) the Operating Expenses of the System.

ARTICLE II.

Amount and Equality of Notes

Section 2.01. Amount, Equality of Notes. This Indenture constitutes a continuing agreement to secure the full and final payment of the principal of and redemption premium, if any, interest and other amounts on all Notes which may, from time to time, be authenticated, delivered and issued hereunder, all Reimbursement Obligations, Parity Derivative Obligations and Parity Continuing Covenant Obligations on a parity one with another. The aggregate principal amount of Notes which may be so authenticated, delivered and issued hereunder is not limited, except as provided in Articles IV and XII, and as provided in a Supplemental Indenture authorizing a series of Notes. If the Issuer elects hereunder or under a Supplemental Indenture to evidence its obligation for Regular Payments and/or Termination Payments through the issuance of Notes, references to the "interest due" and the "principal of" the Notes shall be determined in the manner set forth in the Supplemental Indenture for such Notes.

Section 2.02. Issuance of Notes in Series. The Notes issued under and secured by this Indenture shall be issued from time to time in such series as the Issuer shall determine and each series shall bear the descriptive title "Wastewater Revenue Notes, Series _____," according to which series is then being issued, except that the title may also reflect the issuance of Refunding Notes and features of the Notes being issued. The Notes and the Trustee's certificate shall be substantially in the form set forth in this Indenture authorizing the issuance of any series of Notes, with such omissions, insertions and variations as may be authorized or permitted by this Indenture. The Notes may contain such specifications, or may have imprinted thereon such legends, as the Issuer may deem appropriate, as evidenced by a Supplemental Indenture, and not inconsistent with this Indenture.

Section 2.03. Details of Notes. The Supplemental Indenture authorizing each series of Notes shall state the purposes for which the Notes are being issued, the forms in which such Notes shall be issued, the terms of such series and the deposits to be made from the proceeds of such series.

In authorizing the issue of any series of Notes, the Board shall, by resolution, or in a Supplemental Indenture, determine and specify all matters in respect to the Notes of such series and shall also determine and specify the forms of the Notes of such series in the manner provided in this Indenture or such Supplemental Indenture.

ARTICLE III.

Redemption of Notes

Section 3.01. Procedures for Redemption. The procedure for redemption of a series of Notes shall be as set forth in a Supplemental Indenture providing for the issuance of such series of Notes.

ARTICLE IV.

Issuance of Notes

Section 4.01. Purposes of Issuance. The Issuer may authorize, execute and issue Notes of one or more series pursuant to the terms, conditions and limitations of this Indenture and a Supplemental Indenture, from time to time, for the purposes of providing funds to pay, reimburse or refund the cost of acquiring utility property, to pay, reimburse or refund Notes or any other obligations of the Issuer attributable to the System, the Cost of Acquisition and Construction of any Project, for payment of Continuing Covenant Obligations or Derivative Obligations or for any other purpose for which the Issuer, as to its System, is authorized to issue Notes under its Organizational Documents, including to evidence an obligation for moneys derived from the issuance of bonds of a separate entity and loaned to the Issuer for such purposes. Such Notes shall be authenticated and delivered by the Trustee, but only upon the terms and conditions provided in this Article IV and a Supplemental Indenture.

Section 4.02. General Conditions of Issuance. The Trustee shall not authenticate or deliver any Notes, other than the Series 2014 Notes, unless for such Notes there shall be delivered to the Trustee the following:

- (a) A written application or request for authentication signed by or on behalf of the Issuer.
- (b) A Supplemental Indenture executed by the Issuer and the Trustee setting forth the provisions and form of such Notes as provided in Section 2.03.
- (c) A certified copy of a resolution or resolutions of the Board authorizing the issuance and sale of such Notes and authorizing the execution and delivery of such Supplemental Indenture.
- (d) A certificate of the Trustee that the Issuer is not in default with respect to the Note Fund, and that the Trustee does not have knowledge of the existence of any other Event of Default under this Indenture.
- (e) A certificate of the Chief Financial Officer that there does not exist an Event of Default under this Indenture.
- (f) An Opinion of Counsel.
- (g) An Opinion of Bond Counsel.
- (h) Evidence acceptable to the Trustee of the applicability of a Continuing Covenant Agreement or Derivative Transaction to such Notes, if any, through provision of the documentation therefor.

Section 4.03. Additional Conditions for Issuance. Subject to the provisions of a CCA then in effect, except as provided in Sections 4.04 and 4.05, the Trustee shall not authenticate or

deliver any Notes, unless for such Notes, in addition to the items required by Section 4.02, there shall be delivered to the Trustee the following:

(a) If a Project is being financed, a report of the Chief Financial Officer or chief engineering officer of the Issuer responsible for such Project or a Consulting Engineer which shall (a) set forth a description of the Project to be financed from the proceeds of such series of Notes or financed or to be financed from short-term borrowings to be repaid from the proceeds of such Notes, and (b) estimate the Date of Commercial Operation or projected completion date of the Project.

(b) A certificate of the Chief Financial Officer certifying that the Net Revenues of the System for the (i) most recent Fiscal Year or (ii) a period of twelve (12) consecutive months beginning not more than 18 months prior to the date of issuance of the proposed Notes are not less than the greater of (A) 1.2 times the maximum annual Aggregate Adjusted Note Service Requirement for the Notes (except the 2014B Note) or (B) 1.0 times the maximum annual Aggregate Adjusted Note Service Requirement for the Notes (including the 2014B Note) and Regular Payments on any Qualified Derivative Obligations in any current or future Fiscal Year, including the series of Notes to be issued.

The Issuer may include in the determination of Net Revenues for the requirements of Section 4.03(b) the pro forma effect of any increase in rates and charges approved by the Commission for the entire period in which Net Revenues are determined. The provisions of this Section 4.03 shall not apply to the issuance of the Series 2014 Notes or during the term of a CCA.

Section 4.04. Refunding Notes. The Issuer may authorize, execute and issue Notes from time to time to provide for the refunding of Notes without the Issuer complying with Section 4.03. Such Refunding Notes may be issued as follows:

(1) Notes may be issued for the purpose of refunding (including by purchase, tender or exchange) at any time within one year prior to maturity any Note for the payment of which sufficient Net Revenues of the System will not be available. Any Notes issued for such purposes shall mature (or Amortization Installments therefor shall commence) not earlier than the latest stated maturity of any Note to be outstanding before such refunding.

(2) The Issuer may issue Notes at any time for the purpose of refunding (including by purchase, tender or exchange) Notes, including amounts to pay principal and redemption premium and interest to the redemption date (or purchase, tender or exchange date) and the expenses of issuing such Notes and effecting such refunding; provided, that: (A) the Aggregate Adjusted Note Service Requirement after the issuance of the Refunding Notes shall not be greater in any Fiscal Year during which debt service is due on the outstanding Notes than the Aggregate Adjusted Note Service Requirement in such Fiscal Year were such refunding not to occur as certified by the Chief Financial Officer; or (B) the requirements of Section 4.03 are satisfied. (The Chief Financial Officer's certificate shall be filed with the Trustee.)

Section 4.05. Notes for Emergencies. Subject to the Continuing Covenant Agreement, if any, the Issuer may authorize, execute and issue Notes from time to time if, in the opinion of the Chief Financial Officer, as evidenced by a certificate filed with the Trustee, it is necessary to finance repair to any damage or loss to the System, (a) if the System has been destroyed or damaged by disaster to such an extent that it cannot be operated, or (b) if it is necessary for the proper conduct of the operations of the System; provided, however, that the proceeds of any Notes issued for such purpose may only be used to return the System substantially to its former operating capacity; and provided further that such Notes may be issued only to the extent that insurance proceeds from such damage or loss are insufficient for the accomplishment of such purpose. Such Notes may be issued without complying with Section 4.03.

Section 4.06. Subordinate Lien Obligations. Subject to the provisions of the Continuing Covenant Agreement, if any, notwithstanding anything in this Indenture to the contrary, the Issuer may issue bonds, notes, certificates, warrants or other evidence of indebtedness payable as to principal and interest from the Revenue Fund and Pledged Funds subject and subordinate to payment of the Operating Expenses of the System and the deposits and credits to be made pursuant to Article V of this Indenture.

Section 4.07. Other Debt. Nothing in this Indenture shall limit or prohibit a Subsidiary or an Affiliate from incurring debt or issuing bonds, notes, certificates, warrants or other evidences of indebtedness, so long as such debt is not secured by a pledge of Net Revenues or Gross Revenues.

Section 4.08. Certificates Conclusive. Certificates delivered to the Trustee pursuant to this Article IV shall be conclusive, and the Trustee shall have no duty with respect thereto, except to mail a copy thereof to any Noteholder making a written request therefor.

ARTICLE V.

Creation of Special Funds and Accounts, Payments Therefrom

Section 5.01. Revenue Fund. The Issuer covenants and agrees that the Issuer will maintain the Revenue Fund for so long as any Notes are outstanding. The Issuer further covenants and agrees to deposit into the Revenue Fund all Gross Revenues of the System, moneys transferred from the Rate Stabilization Fund, Mortgage Property Proceeds and other moneys the Issuer is required to or elects to deposit into the Revenue Fund. The Revenue Fund is a special fund in the hands of the Issuer and shall be used and applied to the extent available in the manner and in the order of priority provided in this Article V.

Section 5.02. Payment of Operating Expenses. For each calendar month, the Issuer shall pay or make provision for payment from the Revenue Fund of the Operating Expenses of the System. For purposes of this paragraph, Operating Expenses of the System also include payment of (a) fees and expenses of the Trustee and any Paying Agents, (b) fees and expenses of any remarketing agents and tender agents related to series of Notes, and (c) fees and expenses due to any rating agency rating the Notes.

Section 5.03. Note Fund. The Issuer creates and establishes with the Trustee a separate and special trust fund to be known as the "Note Fund." Subject to Section 5.02, the Issuer shall pay to the Trustee from the Revenue Fund for deposit into the Note Fund in each month as and when due the amounts provided in the order of priority indicated, as follows:

(a) On a parity and pro rata (i) the amount accruing in such calendar month or otherwise for the payment of interest on the next ensuing interest payment dates for each of the Notes, which interest shall be deemed to accrue as provided in this Indenture or a Supplemental Indenture and (ii) Parity Regular Payments, (iii) interest on Reimbursement Obligations and (iv) Parity Continuing Covenant Obligations (other than repayment of the principal due on the Loans), taking into consideration any amounts paid or required to be paid into the Note Fund representing accrued interest received on the sale of Notes, interest funded from the proceeds of a series of Notes, investment income and any other transfers and credits made or required to be made (except for the deposits provided for herein). Moneys deposited under this subsection (a) shall be used to pay interest on the Notes, Parity Regular Payments, interest on Reimbursement Obligations and Parity Continuing Covenant Obligations (other than principal due on the Loans) when the payment is due.

(b) On a parity and pro rata (i) the amount accruing in such calendar month or otherwise for the payment of principal of Notes and including for the payment of all Amortization Installments or principal for Notes, including the payments due on the principal repayment of the Loans as principal of the 2014B Note and payments due on the 2014 Swap as principal on the 2014C Note, and (ii) Parity Termination Payments Transactions to the extent not otherwise due as a principal payment on the Notes, which shall be deemed to accrue as provided in this Indenture or a Supplemental Indenture, taking into consideration any amounts paid or required to be paid into the Note Fund (except for the deposits provided for herein). Moneys

deposited under this subsection (b) shall be used to pay principal of or applied to the retirement of Notes and such Parity Termination Payment when the payment is due.

(c) The amount accruing in such calendar month for the payment of Costs of Credit Facilities for Notes, which amounts shall be deemed to accrue in accordance with the instruments or agreements governing the same or any Supplemental Indenture authorizing the Notes with respect to which the Credit Facilities are provided. All such moneys shall be used to pay such Costs of Credit Facilities when due.

(d) The amount accruing in such calendar month or otherwise for the payment of all Reimbursement Obligations allocable to or representing interest due on or under Credit Facilities for Notes, which obligations shall be deemed to accrue as provided in this Indenture or a Supplemental Indenture authorizing such Reimbursement Obligations, taking into consideration any amounts paid or required to be paid into the Note Fund provided, that in the alternative, the Issuer may provide in a Supplemental Indenture that such regular payments are subordinate to the payments on the Notes. All such moneys shall be used to pay such obligations when due.

(e) The amount accruing in such calendar month for Derivative Obligations to the extent not already paid under subparagraphs (a) or (b) above. All such moneys shall be used to pay such obligations when due.

(f) The Issuer also shall pay or cause to be paid from the Revenue Fund to the Trustee for deposit into the Note Fund at least the amount accruing in such calendar month for the payment of all Reimbursement Obligations allocable to or representing principal due on or under Credit Facilities for Notes, which obligations shall be deemed to accrue as provided in this Indenture or a Supplemental Indenture. In connection therewith, any amounts paid or required to be paid into the Note Fund (except for the deposits provided for herein) shall be taken into consideration and allowed for. All such moneys shall be used to pay such obligations when due.

(g) Moneys in the Note Fund shall be made available by the Trustee to any Paying Agents on or before the date upon which any installment of interest, principal or Amortization Installment is due on Notes, either at maturity or by redemption, in amounts sufficient to meet any such installments when due.

(h) Moneys set aside from time to time with the Trustee or the Paying Agents for the purpose of paying the principal of or Amortization Installment, redemption premium, if any, and interest on Notes, Parity Regular Payments, Parity Termination Payments, Parity Continuing Covenant Obligations and Reimbursement Obligations shall be held in trust for the holders of such Notes or Reimbursement Obligations and the counterparties to any Qualified Derivative Transactions and the Lenders. Until set aside, all moneys in the Note Fund shall be held in trust for the equal and ratable benefit of the holders of all Notes and all Reimbursement Obligations at the time outstanding and the counterparties to any Qualified Derivative Transactions and the Lenders of Parity Continuing Covenant Obligations, subject to the further provisions of this Indenture.

(i) Whenever the amounts on deposit in the Note Fund shall be sufficient to provide moneys to retire all the Notes and other obligations under this Indenture, including interest which may become due and payable, and any redemption premium and all Parity Derivative Obligations and Parity Continuing Covenant Obligations then due, no further payments need to be made by the Issuer to the Note Fund.

Section 5.04. Reserve Fund. The Issuer creates and establishes with the Trustee a separate special trust fund to be known as the "Reserve Fund." In connection with the issuance of a series of Notes, the Issuer may create and establish in a Supplemental Indenture with the Trustee a separate and special trust account of the Issuer of the Reserve Fund and shall provide for the manner in which such account shall secure such series of Notes or any other Notes.

Section 5.05. Use of Balance of Moneys. Subject to 5.01 through 5.04 of this Indenture and subject to the Continuing Covenant Agreement, if any, the balance of any moneys remaining in the Revenue Fund at the end of each calendar month may be used by the Issuer for any lawful purpose in connection with the operation of the System, without limitation and without priority:

- (1) for contributions to or funding for any System activity or any Affiliate, which activity or Affiliate is reasonably expected by the Issuer to advantageously contribute to or economically benefit the System; or
- (2) pursuant to the Organizational Documents, payment of dividends, distributions or return of principal and interest to the Parent;
- (3) costs and fees of issuing, maintaining or paying Notes;
- (4) for payments related to Derivative Transactions which are not paid as provided in Section 5.03(a) or (b) and Continuing Covenant Obligations which are not paid as provided in Section 5.03(a); or
- (5) to fund the Rate Stabilization Fund.

Section 5.06. Construction Fund. The Issuer creates and establishes with the Trustee a special trust fund of the Issuer to be known as the "Construction Fund." The proceeds of each series of Notes issued to finance a Project shall be deposited in an account in the Construction Fund as set forth in the Supplemental Indenture authorizing such series of Notes. Moneys in each such account shall be disbursed in accordance with the Supplemental Indenture authorizing such series of Notes.

Section 5.07. Rate Stabilization Fund. The Issuer creates and establishes a Rate Stabilization Fund, which fund shall be maintained as a separate fund on the books of the Issuer. The Issuer may, as provided in Section 5.01 and Section 5.05 hereof, transfer any amount to the Rate Stabilization Fund from the Revenue Fund. Amounts held in the Rate Stabilization Fund shall be used to fund any shortfall in any other fund created for the Notes and thereafter may be used from time to time for any lawful purpose or purposes of the Issuer pertaining to the System, at the direction of the Chief Financial Officer, including but not limited to the following: (a) to

provide for a shortfall of revenues, or (b) to make transfers to the Revenue Fund. Upon an Event of Default hereunder, the amounts held in the Rate Stabilization Fund shall be deposited in the Revenue Fund.

Section 5.08. Invested Funds. (a) Moneys held by the Trustee under this Indenture shall, to the fullest extent practicable and reasonable, be invested by the Trustee as directed in writing by the Issuer in Investment Securities. Investment Securities held in the Revenue Fund, the Rate Stabilization Fund or the Note Fund shall mature or be subject to redemption at the option of the holder thereof, prior to the respective dates when the moneys held for the credit of such Funds and Accounts will be needed.

(b) Notwithstanding anything in this Indenture to the contrary, the Issuer may by Supplemental Indenture limit the Investment Securities in which moneys in the Funds and Accounts may be invested.

(c) Except as provided in this Indenture or any Supplemental Indenture, all income resulting from the investment of moneys shall be deposited in the respective Funds and Accounts from which such investments were made. In the case of each series of Notes, a Supplemental Indenture may provide that income resulting from investment of the moneys in the Note Fund for payment of interest may be deposited into an account of the Construction Fund to such series of Notes until the Date of Commercial Operation of the Project to be financed by the issuance of such series of Notes.

(d) In the event moneys so invested are needed in any Fund or Account to meet obligations for which other moneys are not available, the Trustee in the case of the Note Fund, and the Issuer in the case of the Revenue Fund shall sell or present for redemption, investments to the extent required to provide for such need, subject to the further provisions of this Indenture or any Supplemental Indenture.

ARTICLE VI.

Certain Covenants to Secure Notes

Section 6.01. Compliance with Indentures.

So long as any of the Notes heretofore issued remains outstanding, the Issuer shall comply in all respects with each of the provisions, covenants and agreements of the Issuer contained in the Notes and this Indenture and any Supplemental Indenture.

Section 6.02. Net Revenues. (a) The Issuer covenants that the Net Revenues of the System in each Fiscal Year (including amounts deposited to the Revenue Fund from the Rate Stabilization Fund less any amounts deposited to the Rate Stabilization Fund from the Revenue Fund for the tested Fiscal Year as provided in subsection (e) below) will be not less than the greater of:

(i) an amount equal to 2 times the Aggregate Adjusted Note Service Requirement for the Notes (except the 2014B Note and the 2014C Note) for such Fiscal Year; or

(ii) an amount equal to the sum of (A) all amounts required to be deposited in such Fiscal Year to the Note Fund (less regular payments received pursuant to a Derivative Transaction), (B) amounts required for the timely payment, establishment of or any deficiency in an account of the Reserve Fund and (C) any other required deposits to the Note Fund, including any Parity Derivative Obligations and Parity Continuing Covenant Obligations not otherwise included in (A) above, to the extent monies previously deposited into the Note Fund are not available to pay scheduled payments.

The provisions of Section 6.02(a) shall not be effective until the Fiscal Year ending in 2015 or during any period in which a CCA is in effect.

(b) If in any Fiscal Year the Net Revenues of the System are less than the greater of items (i) or (ii) of Section 6.02(a) (including amounts deposited to the Revenue Fund from the Rate Stabilization Fund less any amounts deposited to the Rate Stabilization Fund from the Revenue Fund for Fiscal Year as provided in subsection (e) below), then the Issuer shall take any appropriate action, under the law and within its power, to generate for the next Fiscal Year thereafter Net Revenues of the System in the amounts required by Section 6.02(a) for such next Fiscal Year. Actions which may be taken shall include, but not be limited to, (1) the filing of a proceeding seeking additional revenues or other relief before the Commission or (2) the Board taking any other action which would (A) increase Net Revenues of the System or (B) decrease Operating Expenses of the System. If any of such actions permit reasonable administrative or judicial review under the laws of the State of Indiana or the United States of America, such review shall be taken; provided, however, that additional filings seeking increased revenues or other relief before the Commission shall not be required so long as an issue of law or fact similar to that which would be raised by such additional filing is then pending or on appeal or such an issue of law or fact was previously determined adversely on appeal.

(c) Notwithstanding anything in this Indenture to the contrary, failure by the Issuer to comply with Section 6.02(a) in any Fiscal Year shall not constitute an Event of Default within the meaning of Section 7.01(f) so long as the Issuer is complying with Section 6.02(b).

(d) Except as provided in Section 6.02(a) above with respect to transfers of Net Revenues to the Rate Stabilization Fund, Net Revenues of the System in any Fiscal Year in an amount in excess of the amount specified in Section 6.02(a) for such Fiscal Year shall not be credited against the requirement for such aggregate amount for any subsequent Fiscal Year.

(e) For purposes of satisfying the rate covenant set forth in subsection (a) above, the Issuer may transfer funds in the Rate Stabilization Fund, if any, to the Revenue Fund in any tested Fiscal Year. The net amount so transferred (after taking into account any transfers into the Rate Stabilization Fund) shall be treated as Net Revenues for the tested Fiscal Year for purposes of calculating the foregoing rate covenant; provided, the amount of any such net transfer treated as Net Revenues for the tested Fiscal Year shall not exceed 20% of the Aggregate Adjusted Note Service Requirement for the tested Fiscal Year.

(f) The Issuer may include in the determinations of Net Revenues of the System in the requirements of Section 6.02(a) above for any Fiscal Year the full proforma effect of any increase in rates and charges approved by the Commission during such Fiscal Year as if the approval had applied for such Fiscal Year.

Section 6.03. To Maintain the System. (a) Subject to Section 6.08, the Issuer shall at all times (1) operate, or cause to be operated, the properties of the System and the business in connection therewith in an efficient manner and at reasonable cost, (2) maintain, preserve and keep, or cause to be maintained, preserved and kept, the properties of the System and all additions and betterments thereto and extensions thereof, and every part and parcel thereof in good repair, working order and condition, reasonable wear and tear excepted, (3) from time to time make, or cause to be made, all necessary and proper repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and (4) comply with, or be on an approved compliance schedule with respect to, or cause to be complied with, the terms and conditions of any permit or license for the System issued by any federal or state governmental agency or body and with any federal or state law or regulation applicable to the construction, operation, maintenance and repair of the System or requiring a license, permit or approval therefor, except the Issuer in good faith may contest the validity of any term or condition of any such permit or license or the validity of any such federal or state law by appropriate legal proceedings. The Issuer shall be deemed to be in compliance with this Section 6.03 so long as it is timely, diligently and reasonably seeking any such permit, license or approval.

(b) Subject to Section 6.08, the Issuer at all times shall (1) operate or cause to be operated the System and the business in connection therewith as a revenue-producing facility; and (2) maintain for the operation and maintenance of the System an adequate management and supervisory staff, the personnel of which is experienced and skilled in the operation and management of utility properties and business incidental thereto.

Section 6.04. To Make Improvements and Extensions. The Issuer shall not expend any of the Gross Revenues of the System for any renewals, replacements, additions, betterments or improvements which are not economically sound or which will not properly and advantageously contribute to the conduct of the business of the System in an efficient and economical manner unless required to do so by law or to permit the continued operation of the System.

Section 6.05. Payment of Taxes. The Issuer from time to time shall duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed upon the System or upon the Gross Revenues of the System, which might impair the security of the Notes, except any such assessments, charges or claims which the Issuer shall in good faith contest as to validity or amount by appropriate legal proceedings.

Section 6.06. Insurance. (a) Except as provided in Section 6.06(c), the Issuer shall keep, or cause to be kept, the System insured and will carry such other insurance, with responsible insurers with policies payable to the Issuer, against fire and other risks, accidents or casualties at least to the extent and of the kinds of insurance, including deductibles and reserves, usually carried by persons operating like utilities. All insurance proceeds shall be deposited in accordance with the Indentures and used in accordance with this Section 6.06, subject to the other Indentures.

(1) In the event of any loss or damage to properties covered by insurance, the Issuer with respect to each such loss shall promptly repair and reconstruct, to the extent necessary to the proper conduct of its operations, the damaged or lost portion of the properties of the System, unless in the opinion of the Issuer such repair and reconstruction shall be uneconomic or not feasible. The Issuer shall apply the proceeds of any insurance covering such damage or loss to such repair and reconstruction to the extent required therefor.

(2) If the Issuer should not use the entire proceeds of such insurance to repair or reconstruct such damaged or lost property, the proceeds of such insurance, or any portion thereof not used or required for such repair or reconstruction, as the case may be, that is attributable to the System, shall be applied promptly first, to make up any deficiency, if any, then existing in the Reserve Fund (including any deposits which would have been made from the Revenue Fund to such Fund have moneys been available therein for such deposits). To the extent such remaining proceeds are not required to make up deficiencies in accordance with the preceding sentence, such excess may be used for any lawful purpose of the System.

(b) Within 60 days after the close of each Fiscal Year, the Issuer will file with the Trustee a certificate describing in reasonable detail the insurance then in effect under this Section 6.06 and all reserves therefor and stating that such insurance and reserves therefor comply in all respects with such requirements. Such certificate shall be conclusive, and the Trustee shall have no duty or responsibility with respect thereto, except to make the same available for inspection by any holder of Notes, upon request.

(c) If the Issuer elects to self-insure differently from other similar utilities, or fails to carry insurance against any of the risks normally insured against by operators of similar utilities, it must secure the concurrence of a Consulting Engineer. In making its decision whether to concur in such self-insurance, such Consulting Engineer shall (1) make an estimate of the added financial risks, if any, assumed by the Issuer as a result of the self-insurance, (2) consider the availability of commercial insurance, the terms upon which such insurance is available and the costs of such available insurance, and the effect of such terms and costs upon the Issuer's costs and charges for its services and (3) determine whether the added financial risk, if any, being assumed by the Issuer is prudent in light of the savings to be realized from such self-insurance or in light of the general availability of insurance.

Section 6.07. Books of Accounts. The Issuer will keep, or cause to be kept, proper and respective books of account relating to the System in accordance with the rules and regulations of any regulatory authority having jurisdiction thereof. The Issuer will cause such books of account to be audited annually by Independent Certified Public Accountants as part of the combined audit of the Department, and within 150 days after the close of each Fiscal Year, file or cause to be filed with the Trustee copies of the System annual report, reflecting in conformity with Accounting Principles, the financial position of the System as of the close of the Fiscal Year and the respective results of operations and changes in financial position of the System for such Fiscal Year. The Trustee shall have no duty with respect to or responsibility for such annual report, except to furnish a copy thereof to any holder of Notes upon request, and the Issuer shall furnish to the Trustee sufficient copies for that purpose.

Section 6.08. Disposition of Properties.

(a) Except as may be provided under any subsection of this Section 6.08 and as provided in the Continuing Covenant Agreement, if any, the Issuer shall not abandon, sell or otherwise dispose of, lease or transfer possession of, mortgage or otherwise encumber, the System or any plant or property thereof then subject to the lien of the Mortgage.

(b) The Issuer may sell, lease or otherwise dispose of such plant or property as may be produced or acquired for the purpose of sale or resale.

(c) The Issuer may sell, lease or otherwise dispose of such assets or property, real or personal, of the System which shall be or shall have become unserviceable, inadequate, uneconomic, obsolete, worn out, unfit or unadapted or property, real or personal, which is unnecessary, immaterial to, unuseful, or unprofitable in the operation of the System.

(d) The Issuer may sell, lease or otherwise dispose of any assets or property, real or personal, of the System to the extent permitted by law if the book value of such assets or property sold or disposed of by the Issuer during any Fiscal Year shall not exceed five percent of the depreciated book value of the Gross Plant of the System.

(e) The Issuer may sell or otherwise dispose of any assets or property, real or personal, of the System in exchange for cash or cash equivalent to the extent permitted by law if:

- (1) such sale or disposition will not impair or destroy the ability of the Issuer to continue to operate those assets and properties of the System not sold or disposed of in an efficient manner;
- (2) the terms and conditions of such proposed sale or disposition are, in the judgment of the Issuer, fair and reasonable;
- (3) Such sale or disposition does not constitute more than 15% of the value of the Gross Plant of the System; and
- (4) the estimated Net Revenues of the System to be derived for the then current Fiscal Year from the assets and properties of the System remaining after such sale or disposition, after taking into consideration the use by the Issuer of the proceeds of such proposed sale or disposition, will be sufficient to enable the Issuer to comply with all covenants and conditions of this Indenture, as shall be established by a certificate of the Chief Financial Officer or Consulting Engineer.

(f) The Issuer may sell, lease or otherwise dispose of any assets or property of the System in exchange for consideration other than cash or cash equivalent to the extent permitted by law if:

- (1) such sale, lease or disposition will not impair or destroy the ability of the Issuer to continue to operate the assets and properties of the System remaining after such sale, lease or disposition in an efficient manner;
- (2) the terms and conditions of such proposed sale, lease or disposition are, in the judgment of the Issuer, fair and reasonable;
- (3) Such sale or disposition does not constitute more than 15% of the value of the Gross Plant of the System; and
- (4) (A) the estimated Net Revenues of the System to be derived from the current and the next three succeeding Fiscal Years from the assets and properties of the System remaining after such sale, lease or disposition will be sufficient to enable the Issuer to comply with all the covenants and conditions in this Indenture, all as shall be established by a certificate of the Chief Financial Officer or Consulting Engineer; provided, however, that no consideration shall be given to the application of the proceeds of the proposed sale, lease or disposition other than those proceeds received by the Issuer in cash or cash equivalents contemporaneous with the effective date of such sale, lease or disposition; or
(B) (i) the estimated Net Revenues of the System to be derived from the current and next three succeeding Fiscal Years from the assets and properties of the System remaining after such sale, lease or disposition, after taking into account the use by the Issuer of the proceeds of such proposed sale, lease or disposition will be sufficient to enable the Issuer to comply with all covenants and conditions in the Indenture, as shall be established by a certificate of the Chief Financial Officer or Consulting Engineer;

(ii) all payments required to be made to or for the account of the Issuer under such sale, lease or other disposition shall be a prior charge and lien upon the Gross Revenues to be derived from the operation of the assets and properties to be sold, leased or disposed of; and

(iii) the Trustee or any Noteholder's committee, representing the holders of the Notes may, in its name or in the name of the Issuer, enforce the obligations of the parties to any such lease, sale or disposition to the same extent that such obligations may be enforced by the Issuer, in the event reasonable enforcement actions have not been taken by the Issuer.

(g) The Issuer shall be authorized to sell, dispose or transfer from the System any assets or properties which the Commission or a court has ordered or the law otherwise permits to be excluded from a utility plant used and useful to provide services under the jurisdiction of the Commission.

(h) Compliance with subsection (e) or (f) shall be evidenced by a certificate of the Issuer delivered to the Trustee prior to the effective date of any such sale, lease or disposition.

(i) The Issuer may transfer the System in whole and its obligations under this Indenture and all Outstanding Notes to a Substitute Issuer if such Substitute Issuer acquires the System and succeeds to the duties, privileges, powers, liabilities, disabilities, immunities, and rights of the Issuer under this Indenture and the Outstanding Notes; and either (1) (A) (I) the Substitute Issuer assumes such obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Indenture and the Notes and becomes the "Issuer" under this Indenture and under the Outstanding Notes or (II) the Substitute Issuer becomes obligated under Substitute Obligations and Agreements to operate and maintain the System and to fix and collect Net Revenues in a manner substantially equivalent, as determined by the Board, to the manner provided in this Indenture and the Outstanding Notes so that the security interests and rights of any holder of the Outstanding Notes are protected by the provisions of the Substitute Obligations and Agreements, and (B) the Issuer shall provide the Trustee with either (I) a report of an independent advisor that demonstrates that in the first full Fiscal Year following such assumption or succession by the Substitute Issuer that the rate covenant in Section 6.02 shall be satisfied after giving effect to such succession or (II) evidence that the ratings on the Outstanding Notes, without regard to credit enhancement, by each rating agency then rating the Notes will not be lowered as a result of the assumption or succession by the Substitute Issuer, and (C) an Opinion of Bond Counsel to the effect that its substitution or succession complies with the provisions of this Indenture; or (2) the holders of a majority in principal amount of Outstanding Notes shall agree to accept (A) the assumption by the Substitute Issuer of the obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Indenture and the Notes or (B) such Substitute Obligations and Agreements in full replacement and satisfaction of this Indenture and the Outstanding Notes.

All of the covenants, stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the Issuer or the Board contained herein shall then bind and inure to the benefit of the Substitute Issuer to whom or to which there shall be transferred by or

in accordance with law any right, power, or duty of the Issuer or the Board or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions hereof.

(j) The Trustee is hereby directed and is authorized to execute a release from the lien of the Mortgage any property that the Issuer may transfer, sell or lease pursuant to the provisions of this Section 6.08 hereof.

Section 6.09. To Pay Parity Obligations. The Issuer shall duly and punctually pay, or cause to be paid, but only from the Pledged Funds received by the Issuer and Mortgaged Property Proceeds, the principal of, and Amortization Installment and redemption premium, if any, and interest on all Parity Obligations on the dates and at the places, and in the manner provided in the Parity Obligations and the CCA. The Issuer shall faithfully do and perform and at all times fully observe and keep any and all of its covenants, undertakings, stipulations and provisions contained in the Notes and this Indenture.

Section 6.10. Further Assurances. The Issuer at any and all times, insofar as it may be authorized so to do, shall enact, adopt, pass, make, do, execute, acknowledge, deliver, register, file or record all further resolutions, acts, deeds, conveyances, assignments, transfers, assurances and instruments as may be reasonably necessary or desirable for the better assuring, pleading, assigning and confirming any and all of the rights, Net Revenues of the System and other Pledged Funds pledged or charged or assigned or intended so to be.

Section 6.11. Segregation of Funds and Accounts. All Funds and Accounts for the System and all Funds and Accounts created, established or continued under this Indenture shall be segregated and kept separate and apart.

Section 6.12. Merger; Consolidation. The Issuer agrees that during the term of this Indenture it will maintain its existence, will continue to be a single-member limited liability company in good standing in the State of Indiana, will cause its sole member to remain a Citizens Entity, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it; provided that the Issuer may, without violating the agreement contained in this Section, consolidate with or merge into another legal entity, or permit one or more legal entities to consolidate with or merge into it, or sell or otherwise transfer to another legal entity all or substantially all of its assets as an entirety and thereafter dissolve; provided (i) that in the Opinion of Bond Counsel, such acquisition, consolidation, merger or transfer will not affect the exclusion from the gross income of the recipients thereof of the interest on the Notes (the interest on which is intended to be excludable from gross income for federal income tax purposes) for federal income tax purposes; (ii) that if the surviving, resulting or transferee legal entity, as the case may be, is not the Issuer, then such legal entity shall be a legal entity organized and existing under the laws of one of the states of the United States of America, shall be a limited liability company whose sole member is a Citizens Entity, shall be qualified to do business in the State, shall be a single-purpose entity whose only business operations shall be operation of the System and whose only assets and liabilities shall be the System (and assets and liabilities related thereto), and shall assume in writing in form and

substance satisfactory to the Trustee all of the obligations of the Issuer under this Indenture; (iii) that in the opinion of Bond Counsel, this Indenture shall be a valid and enforceable obligation of such surviving, resulting or transferee entity; (iv) that no Event of Default has occurred and is continuing hereunder; (v)(A) evidence is furnished that the ratings on the outstanding Notes, without regard to credit enhancement, by each nationally recognized securities rating agency then rating the Notes, will not be lowered as a result of such disposition, merger or consolidation, or (B) approval by the holders of a majority in principal amount of outstanding Notes (not including the holders of the 2014B Note and 2014C Note); and (vi) that prior to such acquisition, consolidation, merger or transfer, the Issuer shall furnish a certificate of its Chief Financial Officer evidencing compliance with these requirements to the Trustee.