

FILED
November 25, 2020
**INDIANA UTILITY
REGULATORY COMMISSION**

INDIANA-AMERICAN WATER COMPANY, INC.

AND

WASTEWATER ONE, LLC

INDIANA UTILITY REGULATORY COMMISSION

CAUSE NO. 45461

DIRECT TESTIMONY

OF

JUSTIN SCHNEIDER

SPONSORING ATTACHMENTS JS-1 THROUGH JS-3

**DIRECT TESTIMONY
OF
JUSTIN SCHNEIDER**

CAUSE NO. _____

BACKGROUND

1

2

3 **Q. Please state your name and business address.**

4 A. My name is Justin Schneider. My business address is 153 N. Emerson Avenue,
5 Greenwood, Indiana 46143.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Indiana-American Water Company, Inc. (“Indiana American” or the
8 “Company”) as Director of Consumer Affairs.

9 **Q. Please summarize your educational and professional qualifications.**

10 A. I hold a Bachelor of Science degree in Agribusiness Management from Purdue
11 University and a Juris Doctor from the Indiana University Mauer School of Law.

12 **Q. Please describe your business experience.**

13 A. From 2001 to 2005, I was employed as a judicial law clerk for the Indiana Court of
14 Appeals. From 2005 to 2019, I was employed by Indiana Farm Bureau, most recently
15 as the director of state government relations. In this role, I was responsible for leading
16 strategy development and implementation in working with the Indiana General
17 Assembly and executive branch agencies. From 2019 to the present, I have been
18 employed by Indiana American as Director of Consumer Affairs.

1 **Q. What are your current responsibilities?**

2 A. In my current role, I am responsible for several facets of the business. My position
3 includes the day-to-day management of our business development team which works
4 directly with water and wastewater utilities regarding acquisition of their assets as well
5 as finding other potential partnerships to serve the needs of their utility customers. I also
6 provide support to our team in finding solutions to concerns that are raised by our
7 customers.

SCOPE OF TESTIMONY

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony is to describe the purchase transaction between Indiana
10 American and Wastewater One, LLC (“Wastewater One”), describe what assets are
11 included in the purchase, explain the reasons for the transaction, describe the terms of
12 the purchase agreement, and outline the approvals requested by the Joint Petitioners in
13 this Cause. I will demonstrate the benefits of the transaction for the customers of
14 Wastewater One’s water and wastewater utility systems (respectively, the “River’s
15 Edge Water System” and the “River’s Edge Wastewater System” and collectively, the
16 “River’s Edge Systems”) and show how the customers of the River’s Edge Systems are
17 being notified of the transaction. I will also sponsor Attachments JS-1 through JS-3 in
18 support of this testimony.

19 **Q. Is Indiana American seeking the transfer of any certificates of territorial authority**
20 **(“CTA”) for sewage disposal service?**

1 A. Yes. Pursuant to the Commission’s Order dated August 25, 2010 in Cause No. 43115,
2 Wastewater One holds the CTA previously issued to River’s Edge Utility, Inc. We
3 seek the transfer of Wastewater One’s CTA to Indiana American. Indiana American
4 has the lawful power and authority to apply for such a certificate and to provide such
5 service, the financial ability to install, commence and maintain the proposed sewer
6 service, and public convenience and necessity require the rendering of such service in
7 the area in which Wastewater One is presently authorized to serve.

8 **Q. Please describe Indiana American’s operations and the areas it serves.**

9 A. Indiana American is a public utility incorporated under Indiana law. Indiana
10 American’s principal office is located in Greenwood, Indiana. Indiana American
11 provides residential, commercial, industrial and municipal water utility service to
12 approximately 320,000 water customers throughout the state. Indiana American also
13 provides sewer service to approximately 1,700 customers in the communities of Riley,
14 Sheridan, Somerset and Delaware County. A map of the State of Indiana showing the
15 locations of Indiana American’s operations is marked as Attachment JS-1.

16 **THE RIVER’S EDGE WATER AND WASTEWATER SYSTEMS**

17 **Q. Please describe the River’s Edge Water and Wastewater Systems.**

18 A. The River’s Edge Water System has approximately 93 customers and 149 total water
19 connections based upon the 2017 appraisal. The system consists of two six-inch
20 diameter wells, treatment, a distribution system and a backup generator. The River’s
21 Edge Wastewater System has 78 customers and 133 total wastewater connections based
22 on the 2017 appraisal. The system consists of lift stations, settling/septic tanks, mound

1 treatment systems, and a collection system. For both systems, the connections are a mix
2 of homes and campground lots.

3 **THE WASTEWATER ONE AGREEMENT AND REQUESTED APPROVALS**

4 **Q. Please describe Attachment JS-2.**

5 A. Attachment JS-2 is a copy of the Asset Purchase Agreement (the “Agreement”)
6 between Indiana American and Wastewater One providing for the acquisition by
7 Indiana American of the water and wastewater assets of Wastewater One.

8 **Q. Please describe the negotiations between Wastewater One and the Company?**

9 A. Discussions with Wastewater One began in 2016. The owner of Wastewater One was
10 seeking an opportunity to divest the water and wastewater assets. Indiana American
11 was interested in acquiring the systems both to serve the customers as well as to have
12 access to another wellfield for future supply for the Indiana American service area to
13 enhance reliability. An appraisal of the water and wastewater assets was completed in
14 2017 and a real estate appraisal was completed in 2019. Ongoing discussions through
15 the process described by Wastewater One Witness Stephen R. Tolliver led to the
16 execution of the Asset Purchase Agreement on July 9, 2020.

17 **Q. Were the negotiations leading up to the execution of the Agreement conducted at
18 arm’s length?**

19 A. Yes. The Agreement is the result of arm’s-length negotiations between a willing buyer
20 (Indiana American) and a willing seller (Wastewater One), both of whom were
21 represented by counsel. I describe below how the purchase price was determined.

1 **Q. What is the purchase price?**

2 A. As described in Section 2.3 of the Agreement, the total purchase price to be paid by
3 Indiana American for the River's Edge Systems is \$420,000. Assuming \$100,000 of
4 incidental expenses and other costs of acquisition, the original cost rate base for the
5 River's Edge Systems would be \$520,000. The journal entries accounting for this
6 transaction has been included in the direct testimony of Company Witness Gregory D.
7 Shimansky.

8 **Q. How was the price determined?**

9 A. As explained in the direct testimony of Mr. Tolliver, Wastewater One and Indiana
10 American appointed appraisers to determine the appraised value of the River's Edge
11 Systems. The process used to identify the appraisers and contract for their work was
12 similar to the process established in Indiana Code § 8-1.5-2-4 for municipal utility
13 acquisition and is now similarly applicable to non-municipal utilities in a process
14 established by Indiana Code § 8-1-30.3-5.5. The appointed appraisal firms include
15 HWC Engineering and Banning Engineering, both with appraisers licensed as
16 registered engineers under I.C. 25-31. The third appraisal firm was Integra Realty
17 Resources which employs individuals licensed to complete real estate appraisals under
18 I.C. 25-34.1. All three appraisers are disinterested, and they, through their education
19 and experience, possess the necessary expertise and technical knowledge and
20 qualifications as to make a proper appraisal and valuation. The engineering appraisal
21 was completed in 2017 and the real estate appraisal was completed in 2019. As
22 explained by Company Witness Ezat Nayeri, a team of operation and engineering
23 professionals from Indiana American reviewed the appraisals and conducted a site visit

1 in September 2020 to confirm the condition of the assets in the appraisal as well as any
2 updates that had been made to the systems. The appraised value of the River's Edge
3 Systems as determined by two of the appraisers is \$970,000 for the utility assets minus
4 any real estate. The third appraiser provided the appraised value of the land at
5 \$646,000, but this appraisal is signed by only one of the appraisers. Since the purchase
6 price for the utility assets and the land is less than the appraised value of just the utility
7 assets as determined by two appraisers, the purchase price is reasonable.

8 **Q. What are the significant terms and conditions of the agreement?**

9 A. All of the terms and conditions are set forth in the Agreement; however, some of the
10 significant terms and condition which I have not already mentioned include:

- 11 • the obtaining of certain approvals from the Indiana Utility Regulatory
12 Commission ("Commission") of the contemplated transaction and the
13 transfer of the River's Edge Systems,
- 14 • the proposed accounting and rate base treatment with respect to the
15 transaction including recognition of the full purchase price in net
16 original cost rate base,
- 17 • the application of Indiana American's depreciation accrual rates to the
18 assets being acquired,
- 19 • the application of appropriate rates,
- 20 • and the encumbrance of the real property being acquired under Indiana
21 American's mortgage indenture.

1 **Q. What approvals do the Joint Petitioners request in this proceeding?**

2 A. Joint Petitioners are requesting that the Commission:

3 • Grant such approvals as may be necessary to consummate the
4 acquisition of the River's Edge Systems on the terms described in the
5 Agreement;

6 • Find that public convenience and necessity require water and
7 wastewater service by Indiana American in the areas now served by
8 Wastewater One;

9 • Authorize Indiana American to charge the rates and charges currently
10 applicable to customers of the River's Edge Water and Wastewater
11 Systems from and after closing of the acquisition, as more particularly
12 described in the direct testimony of Mr. Shimansky.

13 • Authorize Indiana American to apply the same rules and regulations
14 applicable to its existing water customers to water utility customers to
15 be served by Indiana American as a result of this acquisition.

16 • Authorize Indiana American to apply the same rules and regulations
17 applicable to its existing wastewater customers in the Riley wastewater
18 operation to wastewater utility customers to be served by Indiana
19 American as a result of this acquisition.

20 • Approve the accounting entries described in the direct testimony of Mr.
21 Shimansky to reflect the acquisition of the River's Edge Systems;

22 • Authorize Indiana American to apply its existing depreciation accrual

1 rates to the River's Edge Systems as described in the direct testimony
2 of Mr. Shimansky; and
3 • Approve the encumbering of the properties comprising the River's Edge
4 Systems by subjecting such properties to the lien of Indiana American's
5 Mortgage Indenture, as described in the direct testimony of Mr.
6 Shimansky.

7 **Q. What assets does Indiana American propose to acquire from Wastewater One?**

8 A. Indiana American proposes to acquire all of the property necessary to operate the
9 River's Edge Systems, the property that is the subject of Wastewater One's appraisal,
10 as set forth in Section 2.1 of the Agreement. The acquired assets are listed in the
11 appraisals sponsored by Mr. Tolliver as Attachments SRT-2 and SRT-3.

12 **OFFERED UTILITY**

13 **Q. Why is Wastewater One proposing to sell the water and wastewater utility assets?**

14 A. Mr. Tolliver discusses the benefits to customers and the risks that will be mitigated by
15 Wastewater One's decision to sell the water and wastewater utility assets in his direct
16 testimony. The River's Edge Systems each serve fewer than 8,000 customers meaning
17 that any major improvements or repairs to the utility systems could have necessitated a
18 large rate increase to customers. The systems are currently managed only by Mr.
19 Tolliver and a contract employee who also works for a municipal utility. According to
20 the annual reports filed with the Commission in December of 2018 and 2019, the utility
21 has been operating at a loss for at least the past three years.

1 **Q. Does the phrase “offered utility” have a meaning in connection with the transfer**
2 **of a water and wastewater utility like Wastewater One’s?**

3 A. Yes. An “offered utility” is a utility company whose property is the subject of an
4 acquisition under Ind. Code § 8-1-30.3-5(a). The law establishes certain circumstances
5 under which a public water or wastewater utility that acquires the utility property of an
6 “offered utility” may petition the Commission to include any “cost differential”
7 associated with the acquisition as part of its rate base.

8 **Q. Please describe how the proposed acquisition of the River’s Edge Systems follows**
9 **this process.**

10 A. An “offered utility” is too small to capture economies of scale or is not furnishing or
11 maintaining adequate, efficient, safe and reasonable service and facilities if the
12 Commission finds any of the six (6) conditions listed in Ind. Code § 8-1-30.3-6 exist.
13 The River’s Edge Systems serve less than 8,000 customers so, as a matter of law, they
14 are too small to capture economies of scale or are not furnishing or maintaining
15 adequate, efficient, safe and reasonable services and facilities. Ind. Code § 8-1-30.3-6.
16 However, those systems are operating at a loss and have been for some time. Long
17 term, without a substantial rate increase, Wastewater One would not be able to provide
18 a sufficient level of customer service because continued operating losses eventually
19 would lead to an inability to properly maintain and invest in the system and provide
20 service that customers deserve.

21 **Q. What is the next step in the process?**

22 A. Because the systems constitute an “offered utility”, the Joint Petitioners in this Cause

1 have filed a petition under Ind. Code § 8-1-30.3-5. In order to qualify for ratemaking
2 treatment established in Ind. Code § 8-1-30.3-5 the acquisition must satisfy all of the
3 elements listed in subsection (d).

4 **Q. Does the proposed acquisition satisfy the elements of IC § 8-1-30.3-5(d)?**

5 A. Yes. The elements are listed in the Joint Petition filed in this Cause, which is attached
6 as Attachment JS-3. I will address them here in turn.

7 First, as evidenced by the appraisal and described by Mr. Nayeri, the utility property
8 being acquired is used and useful to Wastewater One in providing water and wastewater
9 service to their customers.

10 In addition, I have already explained how the River's Edge Systems qualify as an
11 "offered utility" that "is too small to capture economies of scale or has failed to furnish
12 or maintain adequate, efficient, safe and reasonable service and facilities" within the
13 meaning of the statute. This is evidenced by the fact that the River's Edge Systems
14 serve less than 8,000 customers. Indiana American will improve the economies of scale
15 and operations of the River's Edge Systems.

16 **Q. What do you mean by economies of scale?**

17 A. Economies of scale as used in the Indiana Code 8-1-30.3-6 is generally understood to
18 describe operational savings from larger size. In the utility business, it is usually
19 expressed in terms of cost per customer. It is important, however, to know what we
20 are comparing when we consider whether there are cost savings. This is not simply a

1 comparison of what it costs Wastewater One to operate its systems and what it will cost
2 us. It is far too simplistic to compare Wastewater One's cost structure or rates to ours,
3 as doing so suggests an expectation of the status quo in terms of service. Wastewater
4 One has water and wastewater systems that are well maintained with what appears to
5 be a good customer experience. However, those systems are operating at a loss and
6 have been for some time. Long term, without a substantial rate increase, Wastewater
7 One would not be able to provide a sufficient level of customer service because
8 continued operating losses would eventually lead to an inability to properly maintain
9 and invest in the systems and provide service that customers deserve. As noted by Mr.
10 Tolliver in his testimony, it is in the best interests of Wastewater One's customers to
11 become a part of the larger Indiana American customer base because our size will
12 minimize rate increases and Indiana American operates in a more cost-effective manner
13 than Wastewater One. You may occasionally hear us say that we are obsessed with
14 enhancing customer experience. We have a team of professionals in Indiana that are
15 backed by a national team of experts with access to new technology and a world class
16 lab. Those capabilities allow us to provide a higher level of service. This is the
17 commitment to customers that regulators, policy-makers, and customers should expect
18 from their utility service providers. We should expect of all our utilities the type of
19 service that Indiana American provides. The question then becomes whether it is less
20 expensive for Indiana American to provide that level of service because of our size than
21 it would be for Wastewater One to do so.

22 **Q. How will Indiana American improve the operations?**

23 A. Put simply, Indiana American is in the utility business and brings to bear all of the

1 financial, managerial and technical ability and expertise required to adequately run the
2 utility in a way that Wastewater One cannot because of its small size. For example,
3 whereas Wastewater One is operated by Mr. Tolliver and a part-time operator who also
4 works for a municipal utility, Indiana American has 99 employees with distribution
5 licenses, 101 employees with water treatment licenses, and 21 licensed wastewater
6 operators. Indiana American will maintain licensed operators for all of the systems we
7 own.

8 **Q. Can you provide some specific examples of improvements that Indiana American**
9 **can bring towards achieving this level of customer excellence that you describe?**

10 A. Yes. Following the acquisition, the River's Edge Systems will be included in Indiana
11 American's prioritization model for infrastructure replacement planning purposes. An
12 asset management plan will be implemented to establish and sustain a more cost-
13 effective level of service over the long term. The importance of this lies in Indiana
14 American's sophisticated planning experience to predict and prevent, through
15 investment with available funds, the most likely plant failures. Investing in prevention
16 of failures is a much more efficient use of investment dollars than responding to
17 emergencies and saves customers cost in the near and long term. Asset management
18 has become such a baseline expectation of every water and wastewater utility in Indiana
19 that if an entity has not implemented an approved asset management plan it is not
20 eligible to receive loans or grants from the Drinking Water, Wastewater, or
21 Infrastructure Improvement Revolving Funds.

22 **Q. Are there more customary examples of improvement?**

1 A. Yes. Under Indiana American ownership the customers will also benefit by leveraging
2 Indiana American's ability to purchase materials and services at more effective costs
3 due to the size of the company. Beyond bulk pricing, from which customers benefit,
4 Indiana American makes purchasing and contracting decisions based on the experience
5 of an industry leader which stays ahead or abreast of industry trends such as identifying
6 manufacturing defects or shortcomings of materials before they become (bigger)
7 problems.

8 **Q. Will Indiana American improve day-to-day operations?**

9 A. Yes. Operationally, Indiana American prides itself on safety and efficiency. Our
10 experience with neighboring systems and systems we have acquired has demonstrated
11 that not every system is operated as is ours. We have previously identified that
12 Wastewater One has two individuals who operate the systems. Indiana American will
13 have an entire team of water and wastewater professionals from our Southern Indiana
14 Operations facility available to address needs of these systems. Operations of the
15 systems will be coordinated with activities at Charlestown by our team from the SIO
16 location in Jeffersonville. We will not need to hire any additional staff to fully operate
17 and maintain the systems. Our team includes licensed plant operators, electricians and
18 SCADA operators which will allow for reduced operational costs and increased
19 efficiency through dispatch of employees and use of technology to manage the systems.
20 Our team will GPS locate and map the assets of the systems which will allow for more
21 efficient operation and response to main breaks or other maintenance concerns.
22 Additionally, all maintenance and operations records will be converted from paper,
23 which is how they are kept by Wastewater One, to our electronic systems using the

1 technology that has been developed by the American Water Technology and Innovation
2 (T&I) team. To make that change itself, Wastewater One would need to hire full time
3 personnel and implement computer programming, which would be much more costly
4 per customer over Wastewater One's small systems than it will cost us to include them
5 in our existing program.

6 Day-to-day operations also includes the safety of our employees. We have seen and
7 know of systems which have no employee training programs, no safety programs and
8 inadequate safety equipment and building security at sites or on trucks. The safety of
9 our employees is a cornerstone principle of our operations to efficiently and
10 consistently provide quality and affordable service to our customers.

11 **Q. Does being part of a larger system also provide benefits related to testing and**
12 **research?**

13 A. Yes. As part of American Water, the Wastewater One customers will benefit from
14 resources no system of Wastewater One's size could offer. Our lab in Belleville,
15 Illinois, supports research through sophisticated testing and analysis. Since its
16 inception, our research and development program has evolved to become a leading
17 water-related research program, achieving advancements in the science of drinking
18 water and wastewater. The lab has a history of being on the forefront of monitoring,
19 testing, identifying and controlling contaminants before specific federal regulations are
20 put in place. Our highly sophisticated analytical and research capabilities are why the
21 United States Environmental Protection Agency regularly taps into our lab and our
22 research team to help develop federal drinking water standards and regulations. This

1 is a quality of service that a system the size of Wastewater One could never afford.

2 As part of our R&D and innovation efforts, we have a staff of scientists who are
3 working with research institutions and partners to develop and pilot new technology
4 advances. As the whole water and wastewater sector examine and plan to respond to
5 emerging contaminants, much like infrastructure investment, American Water believes
6 it better for our customers to be proactive rather than reactive. We collaborate on a
7 significant number of our research projects with many stakeholders, including
8 governmental entities (such as the USEPA), consultants, universities, other utilities,
9 and research agencies (such as the Water Research Foundation, WateReuse Research
10 Foundation, and the Water Environment Research Foundation). We also participate and
11 collaborate with numerous state and local organizations through our state-regulated
12 entities. Again, this is the level of service that Indiana should expect from its water
13 and wastewater utilities. All of our citizens should benefit from this level of dedication
14 to water quality. But a system the size of Wastewater One could never afford it because
15 it lacks economies of scale.

16 Wastewater One customers will also benefit by gaining access to Indiana American's
17 technology and information systems.

18 **Q. Can you explain the benefit of the Wastewater One customers gaining access to**
19 **Indiana American's technology and information systems?**

20 A. As an example, beginning on the first day they will have access to 24/7 customer
21 service and emergency response. American Water's Technology and Innovation (T&I)
22 team has been working through all of its utility subsidiaries to develop technological

1 solutions to enhance employee effectiveness and allow customers to interact with us
2 more easily. These enterprise software solutions are customized products and
3 applications that utilities the size of Wastewater One simply cannot realistically expect
4 to implement. They include tools and technology that strengthen the fundamentals of
5 our business to improve our customers' experience, as well as operational effectiveness
6 through enhanced capital management and planning, timely visibility into asset
7 maintenance and inspections based on criticality, and enhanced meter management.
8 These tools include the following:

9 Customer1View: a one-stop shop for customer information that can be accessed by
10 employees that regularly interact with our customers. It provides a field service
11 technician the same information a call center operator would see and vice versa. If a
12 customer recently had work done, the call center would see the technician's notes and
13 if a customer had just spoken to the call center before the technician comes out, the
14 tech would see the notes of the conversation. This provides more efficient
15 communication between the customer and the company and allows our services to flow
16 more smoothly.

17 Meter Ops: an application that monitors over 20 key attributes for each meter and
18 allows local operations supervisors and managers a near real-time view of meter
19 performance. This may allow for differentiating between a leak and the filling of a
20 swimming pool.

21 Work1View: a tool that provides a single view for managing work in the field, customer
22 information and meter information, including a real-time operations map to see work

1 orders with optimized routing. Through efficient use of our employees' time, we can
2 provide better service to our customers at a lower cost.

3 MapCall: an intuitive interface among the Company's enterprise software, GIS and its
4 employees in the field, providing the flexibility to create work orders, configure
5 workflows and report progress while in the field.

6 **Q. Please continue to describe how the proposed acquisition satisfies the remaining**
7 **elements of IC 8-1-30.3-5(d).**

8 A. The Asset Purchase Agreement is the result of arm's-length negotiations and the
9 process described in Wastewater One witness Mr. Tolliver's direct testimony.

10 Pursuant to Indiana statute, appraisers were appointed to determine the appraised value
11 of the systems. The purchase price of \$420,000 for the Water and Wastewater Systems
12 was determined based upon and is less than the appraised value of the water and
13 wastewater utility assets (as shown in Attachments SRT-2 and SRT-3 to Mr. Tolliver's
14 direct testimony). The purchase price is therefore deemed to be reasonable under Ind.
15 Code § 8-1-30.3-5(c)(2) for purposes of Ind. Code § 8-1-30.3-5(d)(5), since it does not
16 exceed the statutory appraised value.

17 Wastewater One and Indiana American are not affiliated and share no common
18 ownership interests.

19 Mr. Shimansky is addressing how any cost differential will be added to Indiana
20 American's rate base and be amortized, and he is confirming that Indiana American's

1 rates and charges will not increase unreasonably in future general rate cases as a result
2 of the acquisition.

3 **IC 8-1-30.3-5(e)**

4 **Q. Are there additional requirements that must be met under Chapter 30.3?**

5 A. Yes. Indiana American must provide: (1) Notice to customers of the acquiring utility
6 company that a petition has been filed with the Commission, (2) Notice to the office of
7 the utility consumer counselor; and (3) A statement of known infrastructure,
8 environmental or other issues affecting the offered utility, and the process for
9 determining reasonable and prudent improvements upon completing the acquisition.

10 **Q. Will Indiana American provide the required notices and statement?**

11 A. Yes. A notice of the proposed acquisition containing the Cause number in this
12 proceeding will be provided to Indiana American customers approximately during the
13 week of November 23, 2020. A copy of the notice will be late-filed as Attachment
14 GDS-3 to the direct testimony of Mr. Shimansky. OUCC has been provided a copy of
15 the Joint Petition filed in this cause and testimony in support thereof. Mr. Nayeri
16 provides in his direct testimony a description of the known infrastructure,
17 environmental or other issues affecting the River's Edge Systems, and the process for
18 determining reasonable and prudent improvements upon completing the acquisition.

19 **Q. Has any customer contacted Indiana American to object to the transaction?**

20 A. No.

1 **Q. Does this conclude your prepared direct testimony?**

2 **A. Yes, it does.**

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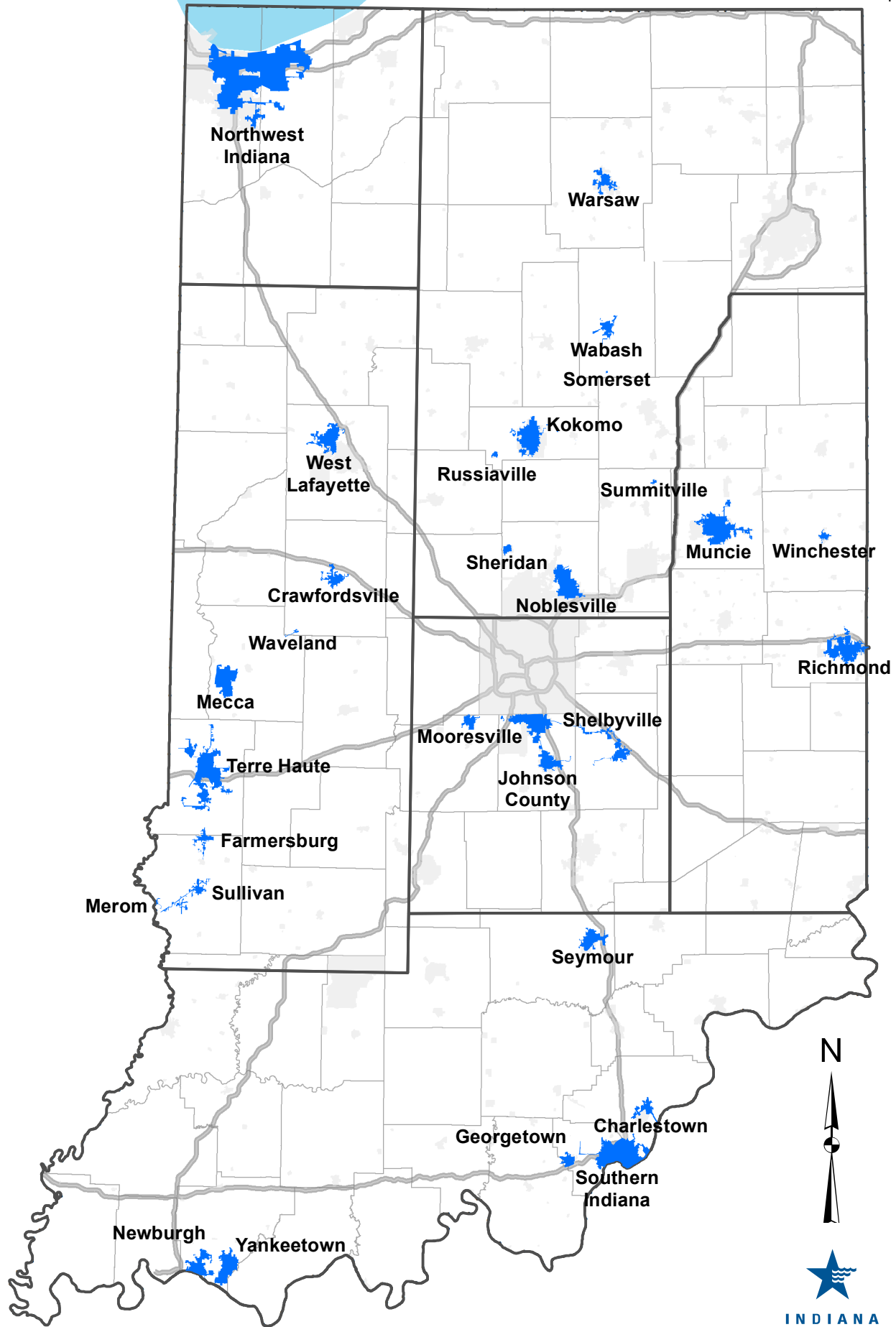
VERIFICATION

I, Justin Schneider, Director of Consumer Affairs, Indiana-American Water Company, Inc., affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Justin T Schneider

Justin Schneider

Date: 11/17/20_____



ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made and entered into this 9th day of July 2020 ("Effective Date") by and between **Indiana-American Water Company, Inc.**, an Indiana public utility corporation ("Buyer"), and **Wastewater One, LLC** ("Seller"). Hereinafter, the Buyer and Seller may be individually referred to as a "Party" or jointly as the "Parties".

RECITALS:

A. Seller owns and operates water and wastewater systems which provides service to customers located within its service area, as such area is graphically depicted on Exhibit A attached hereto and incorporated herein (the "Service Area") (collectively referred to as the "Business").

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

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

ARTICLE 1 Definitions and Related Matters

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

ARTICLE 2 Purchase and Sale of Assets; Closing

2.1 Transfer and Description of Assets. Subject to and upon all other terms and conditions of this Agreement, effective as of the Effective Time on the Closing Date, Seller shall sell, convey, transfer, assign and deliver to Buyer free and clear of all Encumbrances with the exception of the Permitted Encumbrances, and Buyer shall acquire from Seller, all of Seller's right, title and interest in and to all of Seller's assets, other than the Excluded Assets, regardless of where located, which are part of the production, transmission and distribution system utilized to provide water service to Seller's water customers and which are part of the collection, pumping and treatment facilities and related assets to provide sewer service to Seller's wastewater customers in the Service Area, including but not limited to the following:

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

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

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

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

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

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

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

- (a) all insurance policies and rights thereunder;
- (b) all personnel Records and other Records that Seller is required by Law to retain in its possession;
- (c) all office furniture and equipment, including computers, used in the operation of the Business;
- (d) all rights in connection with and assets of the employee benefit plans and employment or independent contractor Contracts;
- (e) all rights of Seller under the Transaction Documents;
- (f) cash, cash equivalents and short-term investments;
- (g) accounts receivable arising prior to the Effective Time;
- (h) Customer Service Connections, which shall remain the property of the customer; and
- (i) two (2) collection wells that Seller does not own and have been previously identified to Buyer.

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

2.3 Consideration. The consideration for the Assets (the “Purchase Price”) will be the sum of Four Hundred and Twenty Thousand Dollars (\$420,000.00). The assets shall be in substantially the same condition as they are as of the date hereof and shall be in such condition to permit Buyer to operate the Business in the manner in which it is currently conducted.

2.4 Liabilities. The Buyer shall not be responsible for any of the Liabilities of Seller, including any that may arise after Closing, and any such Liabilities shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller.

2.5 Closing. The purchase and sale provided for in this Agreement will take place at a location and time of day agreed upon by the parties (the “Closing”). The date of the Closing shall be no later than forty-five days after the Indiana Utility Regulatory Commission (the “IURC”) issues an Order approving the Contemplated Transaction and the terms and conditions contained in 5.1 (d) herein, or at such later date as is agreed upon by the parties (“IURC Approval”). Closing shall be effective as of 12:01 am local time (the “Effective Time”) on the actual date of Closing (the “Closing Date”).

2.6 Closing Obligations.

- (a) At or prior to Closing, Seller shall deliver to Buyer the following documents, duly executed:
 - (i) a Bill of Sale for all of the Assets that are Tangible Personal Property in a commercially reasonable form acceptable to Buyer;
 - (ii) an assignment of all of the Assets that are intangible personal property in a commercially reasonable form acceptable to Buyer;

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

(iv) such other assignments, certificates of title, documents and other instruments of transfer and conveyance as may be reasonably requested by Buyer, each in a commercially reasonable form satisfactory to Buyer;

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

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

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

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

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

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

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

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

2.7 **Title and Survey Review.**

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

(b) Title Commitment. Buyer, at its sole cost and expense, within ten (10) business days of the Effective Date shall order a commitment (hereinafter referred to as the "Title Commitment") for an Owner's Policy of Title Insurance (ALTA standard form of owner's policy) (the "Policy") which shall have attached thereto legible copies of all documents set forth in the Commitment as affecting the Real

Property. The Title Company shall agree to insure in the name of Buyer fee simple title to the Real Property free and clear of all mortgages, liens, the preprinted ALTA Schedule B-1 exceptions (provided a Survey is ordered) and other encumbrances except Permitted Exceptions, upon execution and delivery of the Deed.

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

ARTICLE 3

Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Buyer:

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

3.2 Enforcement; Authority; No Conflict.

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

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

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

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

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

(iv) contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person, or give any Person the right to declare a default or exercise any

remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract, indenture, mortgage, note, lease or other instrument or document of which Seller is a Party or by which any of the Assets are bound; or

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

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

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

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

3.6 Contracts. Set forth on Schedule 3.6 is a complete and correct list of all Contracts related to the Business to which Seller is a Party and to which Buyer agrees to accept. Seller has delivered or caused to be delivered to Buyer correct and complete copies of each Contract (including all amendments thereto), a description of the terms of each Contract which is not in writing, and all documents affecting the rights or obligations of any Party thereto. The Contracts have not been modified or amended except as disclosed on Schedule 3.6. Each Contract is valid and enforceable against Seller in accordance with its terms and is in full force and effect, and, to Seller's knowledge, each Contract constitutes a legal, valid and binding obligation of the other parties thereto, enforceable against them in accordance with its terms. To Seller's knowledge, no default and no event which, with the giving of notice, lapse of time, or both, would be a default has occurred under any Contract, except as set forth in Schedule 3.6. and such Schedule 3.6 shall be updated at Closing to reflect any Customers that default in the interim. Except as set forth in Schedule 3.6, to Seller's knowledge there are no setoffs, counterclaims or disputes existing or asserted with respect to such Contracts, and Seller has not made any agreement with any other Party thereto for any deduction from or increase to any amount payable thereunder. To Seller's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforcement of any Contract or tend to reduce or increase the amounts payable thereunder. Seller has not, directly or indirectly, by operation of Law or otherwise, transferred or assigned all or any part of its right, title or interest in and to any Contract to any other Person. There are no Proceedings pending nor, to Seller's knowledge, threatened against any Party to any of the Contracts which relate to the subject matter of the Contracts.

3.7 Environmental Matters.

Except as set forth on Schedule 3.7(a):

(a) Seller has not received any actual or threatened Order, notice or other communication from any Governmental Authority or private citizen acting in the public interest of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Assets or any other properties (whether real, personal or mixed) in which Seller has or has had an interest or with respect to the Real Property or any other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other

Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

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

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

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

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

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

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

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

3.9 Insurance. Seller maintains and has maintained commercially appropriate insurance necessary for the protection of the Assets, Business, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to be outstanding and in full force and effect up to the Effective Time on the Closing Date and the premiums therefor have been paid in full as they become due and payable. There are no pending Proceedings

arising out of, based upon or with respect to any of such policies of insurance and to Seller's knowledge no basis for any such Proceedings exists which will result in an Encumbrance against the Assets, Business, operations, products or services. Seller is not in default with respect to any provisions contained in any such insurance policies and no insurance provider is in default with respect to such insurance policies.

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

3.11 Conduct of Business In Ordinary Course. Since the effective date of the appraisal(s) used to determine the value of the System and the impact of COVID-19, if any, Seller has operated the Business in the ordinary course of business.

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

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

ARTICLE 4

Representations and Warranties of Buyer

Buyer hereby makes the following representations and warranties to Seller:

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

4.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a Party and to perform its obligations hereunder and thereunder, and such action has been duly authorized by all necessary action by Buyer's board of directors.

(b) Neither the execution and delivery of this Agreement, nor the consummation of the Contemplated Transaction nor compliance by Buyer with any of the provisions hereof will result in: (i) a violation of or a conflict with any provision of the Organizational Documents of Buyer; (ii) a material

breach of or default under any term, condition or provision of any Contract to which Buyer is a Party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation; or (iv) any Person having the right to enjoin, rescind or otherwise prevent or impede the Contemplated Transaction or to obtain Damages from Seller or to obtain any other judicial or administrative relief.

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

ARTICLE 5

Conditions Precedent to Closing

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

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

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

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

(d) **Approvals.** Buyer shall have, at its own expense and cost, applied for and received prior to Closing; (i) an Order from the IURC approving the Contemplated Transaction and the transfer of Seller's System thereunder, its proposed accounting and rate base treatment with respect to the Contemplated Transaction including recognition of the full Purchase Price in net original cost rate base, the application of its depreciation accrual rates to the Assets, the application of appropriate rates, and the encumbrance of the Real Property with the lien of its mortgage indenture; and (ii) all other regulatory approvals required by any Governmental Authority to operate the Business within the Service Area;

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

(f) **Due Diligence.** This Agreement and all obligations of Buyer hereunder are expressly conditioned upon Buyer determining, in its sole and absolute discretion, on or before the two-hundred tenth (210th) day after the Effective Date (the "Due Diligence Period"), that the Assets are physically and economically suitable for its intended use. Buyer and its representatives shall have free and full access to the Real Property for inspections. Buyer shall (i) indemnify, defend, protect and hold Seller harmless from claims against Seller because of Buyer's conduct or damage done to the Real Property with respect to Buyer's investigation of the Real Property, (ii) perform all work in a safe manner, (iii) not create any hazardous condition on the Real Property, (iv) not violate any applicable laws and

governmental regulations, (v) obtain all required permits, and (vi) keep the Real Property lien-free. Buyer may notify Seller at any time prior to the expiration of the Due Diligence Period that it is terminating this Agreement, at which time the Agreement shall be terminated;

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

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

(i) Board Approval. Buyer shall have obtained approval of the Contemplated Transaction by Buyer's board of directors.

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

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

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

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

ARTICLE 6

Covenants and Special Agreements

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

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

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

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

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

(e) Further Covenants.

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

(ii) Condition of Property. Consistent with past practice, Seller shall maintain and keep the Assets in substantially the same condition as of the date hereof, normal wear and tear excepted;

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

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

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

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

6.3 Certain Post-Closing Covenants of Seller.

(a) Seller:

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

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

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

**ARTICLE 7
Indemnification**

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

affect the right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants and obligations.

7.2 Indemnification and Payment of Damages by Seller. Seller hereby unconditionally, irrevocably and absolutely agrees to fully pay, protect, defend, indemnify and hold harmless Buyer and Buyer's past, present and future officers, directors, shareholders, employees, agents, attorneys, representatives, successors and assigns (collectively, the "Indemnified Persons"), from any and all manner of actions, suits, debts, sums of money, interest owed, accounts, controversies, agreements, charges, damages, judgments, executions, and reasonably incurred costs, expenses, fees (including reasonable attorneys' fees and court costs), counterclaims, claims, demands, causes of action, liabilities and losses and award all other Liabilities incurred, paid or sustained by any of the foregoing (hereinafter referred to in this Agreement as "Damages") in excess of Ten Thousand Dollars (\$10,000.00), in each case, arising out of, or caused by: (i) the misrepresentation, breach of warranty or nonfulfillment of any provision of this Agreement by Seller or; (ii) all Liabilities and/or duties of Seller, whether accruing prior to or after the Effective Time on the Closing Date, and any Encumbrance affecting the Assets; (iii) assessments, charges and other similar claims due or owing, directly or indirectly, by Seller or otherwise as a result of or on account of the Assets or the Business at any time prior to the Effective Time on the Closing Date; (iv) the ownership and/or operation of any of the Assets or the Business prior to the Effective Time on the Closing Date; (v) any claim or Proceeding now existing or hereafter arising and relating to the Assets or the Business of Seller and arising from events or matters occurring prior to the Effective Time on the Closing Date; and (vi) any claim by an employee of Seller for any severance payment or arising out of such employee's employment with Seller or under the Worker Adjustment and Retraining Notification Act, COBRA (Sections 601 through 608 of the Employee Retirement Income Security Act of 1974), or under any employee benefit plan or employment Contract to which Seller is a Party.

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

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

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

the Closing Date); or (ii) Released or allegedly Released by Seller or any other Person for whose conduct it is or may be held responsible, at any time on or prior to the Effective Time on the Closing Date.

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

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

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

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

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

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

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

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

(ii) If the Indemnifying Party elects to assume control of the defense of any third party claim pursuant to Section 7.5(c)(i), the Indemnifying Party may nevertheless reserve the right to dispute the amount of indemnification claimed or dispute Claimant's right to be indemnified with respect to all or any portion of the claim. Except with the written Consent of the Claimant, the Indemnifying Party shall not, in defending any claim or any litigation resulting therefrom, consent to entry of any judgment or enter into any settlement which does not release the Claimant from all Liability in respect of such claim or

litigation. In the event the Claimant fails to consent to any settlement or compromise which such failure results in Damages in excess of the amount for which Consent was requested, the limitation of the Indemnifying Party's obligations to indemnify the Claimant with respect to the subject matter of the claim shall be the amount of the proposed settlement or compromise rejected by Claimant and the Claimant shall be responsible for, and shall hold harmless the Indemnifying Party from, all Damages (including, without limitation, reasonable attorneys' fees incurred with respect to matters subsequent to the rejection of the settlement by Claimant) in excess of the amount of the proposed settlement or compromise rejected by Claimant.

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

7.6 Means of Indemnification and Right to Setoff. In addition to any other right or means Buyer may have to enforce the indemnities provided for in Sections 7.2 and 7.3 hereof, Buyer shall be entitled to set off any amount to which it may be entitled under this Agreement or Damages which Buyer may incur as a result of any breach of this Agreement or any covenant, guaranty or other provision contained within this Agreement against any payments of the Purchase Price and/or any indebtedness or obligation owed to Seller whether under this Agreement or any agreement or document related hereto. Buyer's right to setoff or its exercise thereof shall not prejudice the right of Buyer to pursue, in addition or as an alternative to such right, any other right or means Buyer may have to enforce the indemnification provided for in Sections 7.2 and 7.3 hereof and in no event shall the amount actually setoff limit Buyer's right to indemnification under Sections 7.2 and 7.3 hereof.

ARTICLE 8 Termination

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

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

8.2 Effect of Termination. The right of each Party to terminate this Agreement under Section 8.1 is in addition to any other rights such Party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations set forth in Sections 9.9 ("Legal Fees; Costs") and 9.15 ("Publicity; Announcements"); and all other covenants and agreements which by their terms continue after the termination of this Agreement will survive; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one (1) or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 9 General Provisions

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

waiver of any provision of this Agreement and any Consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

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

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

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

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

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

9.7 Failure or Delay. Except as otherwise provided by this Agreement, no failure on the part of any Party hereto to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any Party hereto in any case entitles such Party to any other or further notice or demand in similar or other circumstances.

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

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

9.10 Notices. All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person, (ii) three (3) days after deposited in the United States mail, first class postage

prepaid, (iii) in the case of overnight courier services, one (1) Business Day after delivery to overnight courier service with payment provided, or (iv) in the case of electronic mail, when sent, verification received, in each case addressed as follows:

if to Seller:

Attn: Stephen R. Tolliver, President
Wastewater One, LLC
1829 East Spring Street, Suite 106
New Albany, IN 47150

with a copy to (which will not constitute notice):

Attn: J. Christopher Janak
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204

if to Buyer:

Attn: President
Indiana-American Water Company, Inc.
153 N. Emerson Avenue
Greenwood, Indiana 46143

with a copy to (which shall not constitute notice):

Attn: Corporate Counsel
Indiana-American Water Company, Inc.
153 N. Emerson Avenue
Greenwood, Indiana 46143

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

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

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

9.13 Successors and Assigns. Subject to Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties hereto and their

respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

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


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

9.16 Cooperation. Any notices or certifications given under this Agreement or any related agreement shall be given in good faith without any intention to unfairly impede or delay the other Party. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement including, without limitation, actions required to be taken with respect to obtaining any applicable regulatory approval of the Contemplated Transaction. Buyer and Seller shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement. Each Party agrees to use all reasonable efforts to consummate the Contemplated Transaction including, without limitation, doing all things reasonably necessary to obtain the requisite regulatory approval.

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

Buyer

INDIANA-AMERICAN WATER COMPANY, INC.,
an Indiana public utility corporation

By: 
Matthew Prine, President

Seller

Wastewater One, LLC


By: 
Name: Stephen R. Tolliver
Title: President

Exhibit A
Service Area

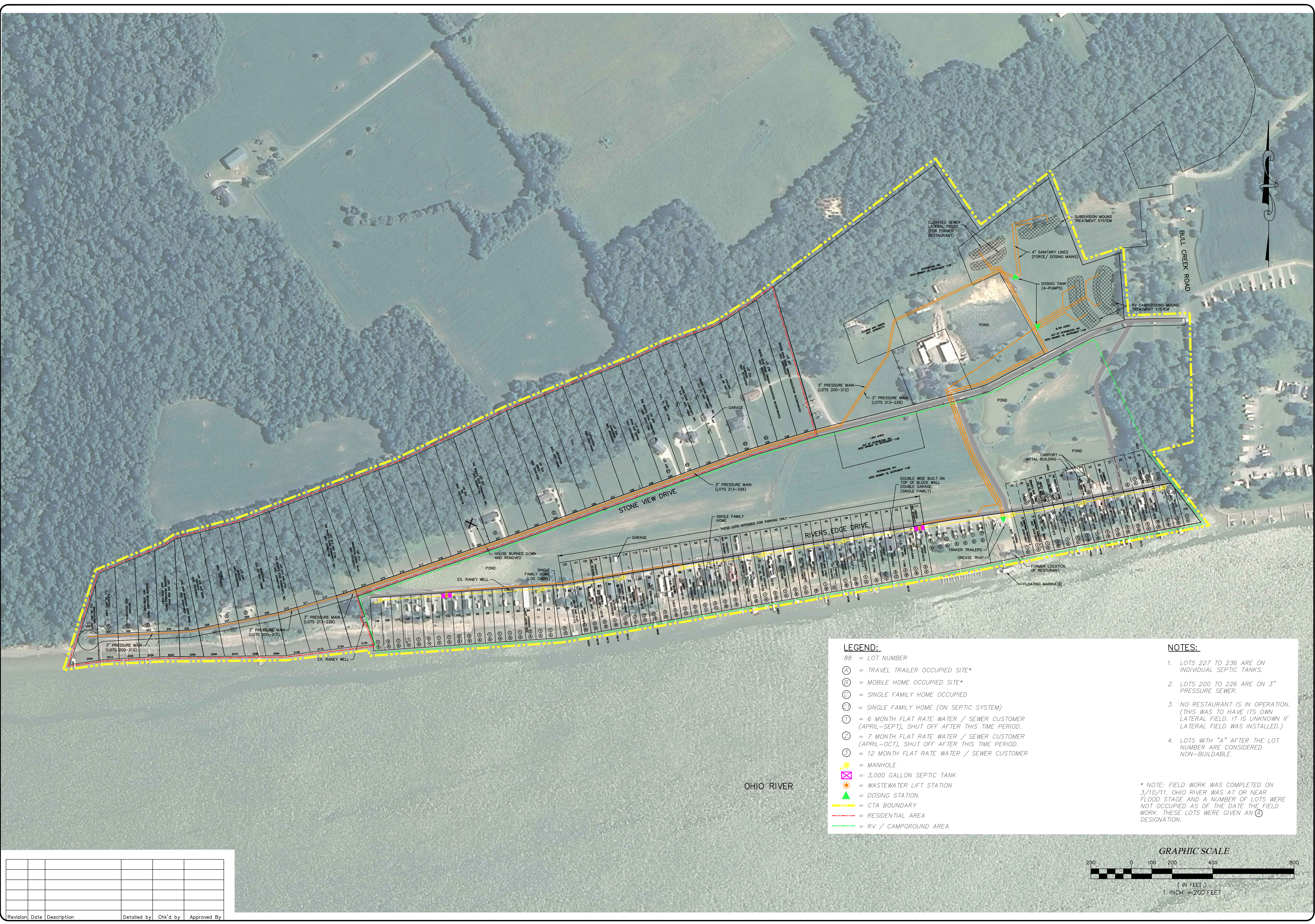
DEVELOPER:

PROJECT:
**AERIAL EXHIBIT
RIVERS EDGE**

JOB NO: 11001
HORI. SCALE: 1"=200'
VERTICAL SCALE: N/A
DESIGNED BY: MDR
DETAILED BY: MAW
CHECKED BY: MDR
DATE: 3/23/11

SHEET
1
of 1

X:\AA-Projects-2011\11001-River's Edge Utility Assist\11001-Rivers Edge.dwg PLOT DATE: March 23, 2011 - 5:04pm



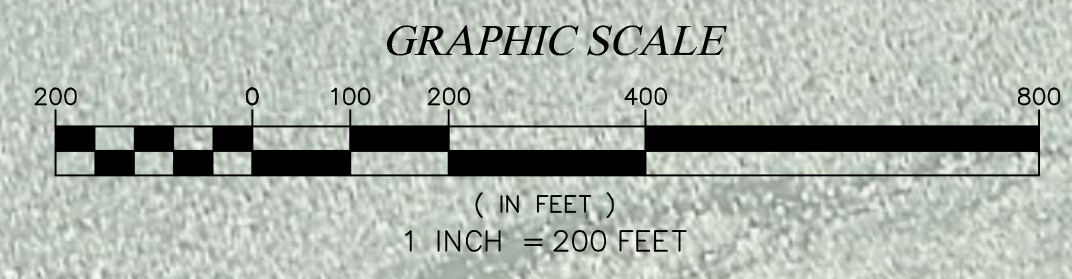
LEGEND:

- 88 = LOT NUMBER
- (A) = TRAVEL TRAILER OCCUPIED SITE*
- (B) = MOBILE HOME OCCUPIED SITE*
- (C) = SINGLE FAMILY HOME OCCUPIED
- (D) = SINGLE FAMILY HOME (ON SEPTIC SYSTEM)
- (1) = 6 MONTH FLAT RATE WATER / SEWER CUSTOMER (APRIL-SEPT), SHUT OFF AFTER THIS TIME PERIOD.
- (2) = 7 MONTH FLAT RATE WATER / SEWER CUSTOMER (APRIL-OCT), SHUT OFF AFTER THIS TIME PERIOD.
- (3) = 12 MONTH FLAT RATE WATER / SEWER CUSTOMER
- (M) = MANHOLE
- (L) = 3,000 GALLON SEPTIC TANK
- (W) = WASTEWATER LIFT STATION
- (D) = DOSING STATION
- = CTA BOUNDARY
- = RESIDENTIAL AREA
- = RV / CAMPGROUND AREA

NOTES:

1. LOTS 227 TO 236 ARE ON INDIVIDUAL SEPTIC TANKS.
2. LOTS 200 TO 226 ARE ON 3" PRESSURE SEWER.
3. NO RESTAURANT IS IN OPERATION. (THIS WAS TO HAVE ITS OWN LATERAL FIELD. IT IS UNKNOWN IF LATERAL FIELD WAS INSTALLED.)
4. LOTS WITH "A" AFTER THE LOT NUMBER ARE CONSIDERED NON-BUILDABLE.

* NOTE: FIELD WORK WAS COMPLETED ON 3/10/11. OHIO RIVER WAS AT OR NEAR FLOOD STAGE AND A NUMBER OF LOTS WERE NOT OCCUPIED AS OF THE DATE THE FIELD WORK. THESE LOTS WERE GIVEN AN (A) DESIGNATION.



Revision	Date	Description	Detailed by	Chk'd by	Approved By

Exhibit B

Rates as of Effective Date of This Agreement

WASTEWATER ONE, LLC
DBA RIVERS EDGE UTILITY
IURC NO.2

RATES AND CHARGES FOR SEWER AND WATER SERVICE

Locality Where Applicable

Pursuant to the Commission's Final Order in Cause No. 44876-U, issued August 09, 2017 ("Order"), the following rates and charges are applicable as of the date of the Order to customers located in areas within Rivers Edge Utility, Inc.'s Certificate of Territorial Authority.

Recurring Charges:

Metered Water Service	\$12.90 per 1,000 gallons
Sewer Service	\$7.97 per 1,000 gallons
Mobile Home and Camp Lots	A flat fee of \$104.34 per month (6-month minimum)

Non-Recurring Charges:

Residential Water Connection Charge	\$200
RV Site Water Connection Charge	\$75
Residential Sewer Connection Charge	\$150
RV Site Sewer Connection Charge	\$75
Returned Check Charge	\$25
Reconnection Fee (during normal business hours)	\$45
Reconnection Fee (after normal business hours)	\$125
Disconnection Fee	\$45
Tampering Fee	\$200

EFFECTIVE
August 9, 2017
Indiana Utility Regulatory
Commission

Issued Pursuant to
Cause No. 44876-U
August 9, 2017
Indiana Utility Regulatory Commission
Water/Wastewater Division

RATES AND CHARGES FOR SEWER AND WATER SERVICE (Cont.)
Tampering Fee \$200

Late Fee Water	10% of the first \$3, and 3% of the excess of \$3
Late Fee Sewer	10% of the first \$3, and 3% of the excess of \$3

Schedule 1 Definitions

“Area One Group Rates” means the then-applicable rates approved by the IURC and designated as Area One Group Rates. Attached as Exhibit B are the Area One Group Rates as of Effective Date of this Agreement.

“Assets” as defined in Section 2.1.

“Agreement” as defined in the introductory paragraph.

“Assignment and Assumption Agreement” as defined in Section 2.6(a)(ii).

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

“Business” as defined in the Recitals.

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

“Buyer” as defined in the introductory paragraph.

“Claimant” as defined in Section 7.5(a).

“Closing” as defined in Section 2.5.

“Closing Date” as defined in Section 2.5.

“Confidential Information” means (i) information not available to the general public concerning the Business and financial affairs with respect to a Party hereto, and (ii) analyses, compilations, forecasts, studies and other documents prepared on the basis of such information by the parties or their agents, representatives, any Related Person, employees or consultants.

“Consent” means any approval, consent, ratification, waiver or other authorization.

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

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

“Cure Period” as defined in Section 2.7.

“Customer Premises” means a dwelling, building, structure or parcel of real estate which is supplied with water service through a Service Line.

“Customer Service Connection” means that portion of water pipe extending from the Customer Premises to the curb box containing the curb service stop which Customer Service Connection shall be owned and maintained by the customer.

“Damages” as defined in Section 7.2.

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

“Effective Time” as defined in Section 2.5.

“Encumbrance” means any charge, claim, community property interest, condition, easement, equitable interest, lien, mortgage, option, pledge, security interest, right of first refusal, right of way,

servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

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

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

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

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

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

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

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

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

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

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

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

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

(e) Protecting resources, species or ecological amenities;

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

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

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

“Excluded Assets” as defined in Section 2.2.

“Governmental Authority(ies)” means any:

- (a) Nation, state, county, city, town, village, district or other jurisdiction of any nature;
- (b) Federal, state, local, municipal, foreign or other government;
- (c) Governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal);
- (d) Multi-national organization or body; or
- (e) Body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

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

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

“Indemnifying Party” as defined in Section 7.5(a).

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

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

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

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

“Objections” as defined in Section 2.7.

“Occupational Safety and Health Law” means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether

governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

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

“Organizational Documents” means the articles or certificate of incorporation and the bylaws of a corporation and any amendment thereto.

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

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

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

“Policy” as defined in Section 2.7.

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

“Purchase Price” as defined in Section 2.3.

“Real Property” as defined in Section 3.4.

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

“Related Person” with respect to a particular individual, means:

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

With respect to a specified Person other than an individual:

- (e) Any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;
- (f) Any Person that holds a Material Interest in such specified Person;
- (g) Each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity);

- (h) Any Person in which such specified Person holds a Material Interest;
- (i) Any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and
- (j) Any Related Person of any individual described in clause (b) or (c).

For purposes of this definition, (i) the “Family” of an individual includes (A) the individual, (B) the individual’s spouse, (C) any other natural person who is related to the individual or the individual’s spouse within the second degree, and (D) any other natural person who resides with such individual; and (ii) “Material Interest” means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

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

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

“Service Area” as defined in the Recitals.

“Service Line” means that portion of water pipe extending from the water main to and including the curb stop and curb box located at or near the property line of a Customer Premises.

“Survey” as defined in Section 2.7.

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

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

“Title Commitment” as defined in Section 2.7.

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

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

Rules of Construction

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

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

**Schedule 2.1
Real Property and Easements**

Real Property

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

Easements

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

Schedule 3.3
Assets Leased or on Loan

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

Schedule 3.6
Contracts

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

Schedule 3.7(a)
Environmental Matters

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

Schedule 3.8
Permits

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

**Schedule 3.12
Proceedings**

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

Current Litigation _____

ATTACHMENT JS-3

PETITION – NOT DUPLICATED HERE