

WATER SUPPLY AND INTERLOCAL COOPERATION AGREEMENT

**BETWEEN THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT
OF PUBLIC UTILITIES FOR THE CITY OF INDIANAPOLIS, D/B/A
CITIZENS WATER**

and

CITY OF LEBANON UTILITIES

This WATER SUPPLY AND INTERLOCAL COOPERATION AGREEMENT (the “Agreement”) is made and entered into on the ____ day of _____, 2024 (the “Effective Date”), by and between The Board of Directors for Utilities of the Department of Public Utilities for the City of Indianapolis, d/b/a Citizens Water (“Citizens”) and City of Lebanon Utilities (“Lebanon”) (Citizens and Lebanon each a “Party” and collectively the “Parties”):

RECITALS:

WHEREAS, Citizens owns the municipal water utility system serving the City of Indianapolis, Indiana and other communities in Central Indiana; and

WHEREAS, Lebanon is a municipal utility which, among other activities, provides public water supply to its residents, and expects its water demand to continually increase, due to economic development and growth in and around its community including an Indiana Economic Development Corporation driven project known as the Limitless Exploration/Advanced Pace Lebanon and Research District (“LEAP District”) consisting of approximately 11,000 acres, such that it will require additional water to continue to supply its customers with water; and

WHEREAS, Lebanon has requested that Citizens provide wholesale water service to Lebanon, through multiple metered connection points to Lebanon’s water system located at mutually agreed locations, as more particularly described in this Agreement; and

WHEREAS, Citizens is willing to sell treated/finished water to Lebanon, on a wholesale basis, to serve Lebanon’s customers, upon the terms and conditions set forth below; and

WHEREAS, Indiana governmental entities are authorized to contract for the purchase of services between themselves by Interlocal Cooperation Agreement under Ind. Code §§ 36-1-7-2(b) and 36-1-7-12(a) and (c).

NOW, THEREFORE, in consideration of the promises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Citizens and Lebanon agree as follows:

AGREEMENT:

1. Term of Agreement

- 1.1. The initial term (“Term”) of this Agreement shall commence on the Effective Date and expire at 12:00:00 A.M. on the twenty-fifth anniversary of the Effective Date.
 - 1.1.1. At least twelve (12) months prior to the expiration of the Effective Date, provided that no Default (as defined below) has occurred and is continuing, Lebanon may provide to Citizens written notice of Lebanon’s intention to extend the Term for a period of an additional ten (10) years (the “First Extension Term”). During the First Extension Term, the terms and provisions of this Agreement shall continue as set forth herein, subject to the Indiana Utility Regulatory Commission (“IURC”)-approved wholesale rates and charges then in effect.
 - 1.1.2. At least twelve (12) months prior to the expiration of the First Extension Term, provided that no Default (as defined below) has occurred and is continuing, Lebanon may provide to Citizens written notice of Lebanon’s intention to extend the First Extension Term for a period of an additional five (5) years (the “Second Extension Term”). During the Second Extension Term, the terms and provisions of this Agreement shall continue as set forth herein, subject to the IURC-approved wholesale rates and charges then in effect.
- 1.2. Thereafter, the Agreement may be renewed or extended upon such terms, and for such period(s) of time, as are agreed to in writing by the Parties. In the absence of renewal or extension, the applicable tariff rate and terms and conditions of service will apply as between Citizens and Lebanon.
- 1.3. Termination of this Agreement prior to expiration may result from events of Default as set forth below (Section 11). Termination may also result from change in ownership if the City of Lebanon sells or otherwise transfers control or ownership of its municipal water utility to any other entity not affiliated with the City of Lebanon. Such will also be treated as a Default of Lebanon for purposes of Section 11, below.

2. Delivery of Water

- 2.1 Citizens agrees to deliver or make available for delivery to the Delivery Points, as defined herein, and to sell to Lebanon, and Lebanon agrees to purchase, treated/finished water, subject to the timing, volume, pressure, and flow requirements as provided herein. “Delivery Points” shall mean the connections between Citizens and Lebanon’s distribution systems located as shown on Exhibit A attached hereto and incorporated herein by this reference, in full, as a part of this Agreement. Citizens agrees it is solely responsible for developing and operating the

infrastructure improvements upstream of the Delivery Points, which shall at all times remain property of Citizens or affiliates thereof. The responsibility described in this Section 2.1 includes the responsibility for obtaining property rights, permits and other permissions needed to deliver the required water and water quality to the Delivery Points and to develop the infrastructure and to otherwise comply with Citizens' requirements in this Agreement. Specific requirements applicable to the delivery of water from Citizens to Lebanon are described below, in Section 5.

- 2.2 Lebanon agrees it is solely responsible for developing and operating the infrastructure improvements downstream of the Delivery Points, which shall at all times remain property of Lebanon, including but not limited to any new booster station(s), ground storage tanks, chemical feed systems, and control equipment downstream of the Delivery Points (collectively, the "Distribution Infrastructure"), to the extent needed, in order to utilize the water to be delivered by Citizens at the Delivery Points. The responsibility described in this Section 2.2 includes the responsibility for obtaining property rights, permits and other permissions needed to develop the Distribution Infrastructure and to otherwise comply with Lebanon's requirements in this Agreement.

3. Conditions of Service

- 3.1 Lebanon will provide to Citizens design documents for the Distribution Infrastructure, referenced in Section 2.2, above, as soon as reasonably practicable in advance of its construction; provided, however, that no approvals or consents from Citizens will be required for Lebanon to commence or complete construction of its Distribution Infrastructure. Citizens will provide to Lebanon the design documents for the infrastructure and related controls referenced in Section 2.1 above, to the extent interfacing with Lebanon's infrastructure (i.e., up to 100' from the Delivery Points), as soon as reasonably practicable in advance of its construction provided, however, that no approvals or consents from Lebanon will be required for Citizens to commence or complete construction of the necessary infrastructure or other related improvements.
- 3.2 Lebanon agrees that all water purchased hereunder shall be solely for its own use or for resale to its retail customers located within its applicable territorial boundaries in Boone County, Indiana, including to customers in the LEAP District, and further agrees that none of the water purchased under this Agreement will be sold by Lebanon to wholesale customers for resale or otherwise used for resale by or to any other public water supply utility, without Citizens' written consent.
- 3.3 The Parties acknowledge that Lebanon's purchase of water contemplated in this Agreement represents for Lebanon another source of water in addition to that which it currently produces and provides for its customers. Lebanon is not precluded from developing other water supply sources or from reselling treated or raw water from those other sources to other potential water customers, provided such actions do not prevent Lebanon from complying with its obligations under this Agreement.

- 3.4 The Parties will reasonably cooperate in the future development of their respective systems in a manner which encourages efficiencies in service and costs to both Parties' systems, while assuring adequate, safe and reliable service to their respective customers. This includes that the Parties agree to work toward establishment of a water service territory for Lebanon (pursuant to IC 8-1.5-6) within the relevant portions of Boone County (including but not limited to Center Township and the LEAP District).

4. Ownership and Responsibility

- 4.1 The Distribution Infrastructure, including but not limited to all mains and associated facilities installed downstream of the meter vaults at the Delivery Points shall at all times be owned, operated and maintained by Lebanon. All interfacing infrastructure needed to deliver water to the Delivery Points, including but not limited to all mains and associated facilities installed upstream of, and inclusive of, the meter vaults at the Delivery Points, shall at all times be owned, operated and maintained by Citizens or affiliates thereof.
- 4.2 Lebanon acknowledges that it accepts full responsibility for liabilities after water passes the meter at each Delivery Point and enters the main owned by Lebanon. Lebanon will protect, indemnify and save harmless Citizens (and its representatives, successors, assigns, affiliates, subsidiaries, trustees, officers and directors) from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses including reasonable attorneys' fees imposed upon or incurred by or asserted against Citizens or its affiliates by reason of Lebanon's: (a) failure to comply with any regulations or standards regarding quality of water after delivery of water at the Delivery Points; and/or (b) insufficiency of pressure or supply related to main breaks, power failures, weather conditions, use of water to fight fires and other emergencies or unusual conditions beyond the control of Citizens.

5. Timing Expectations and Volume/Pressure Requirements

- 5.1 *Pressure Requirements:* Beginning on the Phase I Delivery Date, as defined in Section 5.2, Citizens shall provide water to Lebanon which, under normal operating conditions, shall be at a pressure sufficient for Lebanon's anticipated use; specifically, at the Delivery Points, pressure shall be a minimum of 35 pounds per square inch gauge (35 psig) under normal operating conditions, subject to revision as needed to comply with the Agreement. The Parties agree that actual pressure to be provided at the Delivery Points is to be determined in Citizens' reasonable discretion based on engineering and technical criteria. The Parties further acknowledge that Citizens makes no guarantee that the aforementioned pressure can be maintained at all times, and that main breaks, power failures, weather conditions, use of water to fight fires and other emergencies or unusual conditions may prevent Citizens from being able to maintain the aforementioned pressure. Citizens will use reasonable care and diligence to avoid interruptions and

fluctuations in its service in a manner consistent with the treatment of other wholesale customers and communities, but it cannot and does not guarantee that interruptions and fluctuations will not occur.

- 5.2 *Delivery Date(s)*: Beginning on the Phase I Delivery Date, as defined below, Citizens shall furnish treated/finished water to Lebanon at one or more of the Delivery Points as mutually agreed upon by the Parties. Lebanon, as of the Phase I Delivery Date, shall begin purchasing treated/finished water from Citizens, as is set forth in this Agreement. The “Phase I Delivery Date” shall be the date on which Citizens notifies Lebanon that Citizens is ready to provide the treated/finished water to Lebanon in the volumes required by that point. For purposes of this Agreement, the Phase I Delivery Date is assumed to begin at 12:00:00 A.M. on the date specified in Exhibit B and end at 11:59 P.M. that day, unless Citizens provides written notice of a revised Phase I Delivery Date, as generally agreed by the Parties. The subsequent, phased Delivery Dates shall follow after the Phase I Delivery Date as is set forth in the attached Exhibit B, incorporated by reference as if fully set forth herein, unless Citizens provides written notice of revised Delivery Dates, as generally agreed by the Parties.
- 5.3 *Volume Requirements*: Volume requirements and instantaneous rate limits applicable to the various Delivery Dates, collectively (i.e., not to any individual Delivery Point, necessarily), shall be as is set forth in the attached Exhibit B, unless otherwise agreed in writing by the Parties. Citizens will give Lebanon notice in advance of the Phase II Delivery Date, or any subsequent delivery date, respectively, if Citizens believes that it will be able to provide water at the volume and pressure required more than 30 days prior to the above-listed respective Delivery Date.
- 5.4 The Delivery Date timeline described herein assumes: the timely receipt of all necessary authorizations; the timely receipt of all permits, approvals and funding (including bond issuance or other debt financing); and the ability to procure required materials, real estate, supplies and services in a timely manner (collectively, the “Assumptions”). Any deviations from or delays in the Assumptions shall advance the Delivery Dates by an equal amount of time corresponding to such deviations or delays.
- 5.5 The Parties agree to cooperate regarding the allocation of flows at the connection points to ensure optimal water quality and system pressures in both systems.

6. Compensation to Citizens.

- 6.1 *Wholesale Tariff Rates*. Lebanon shall pay Citizens monthly, in accordance with Citizens’ normal billing procedures, an amount equal to the sum of: (a) a volume charge for the water delivered to Lebanon by Citizens (the “Volume Charge”); (b) a service charge for each of the meters based upon the applicable meter size (the “Service Charge”); and (c) any other applicable charges under Citizens’ WATER

SERVICE TARIFF RATES, TERMS AND CONDITIONS FOR WATER SERVICE (“Terms and Conditions”). The Volume Charge shall be the amount of metered water volume actually delivered by Citizens, at all Delivery Points combined (subject to Section 6.2, below), multiplied by Citizens’ rates as found in its Water Rate No. 8, Sale for Resale Customers, or any successor tariff for resale service, as approved by the IURC and as may be amended from time to time. The Monthly Service Charge shall be as set forth in Citizens’ Water Rate No. 8, Sale for Resale Customers, or any successor tariff for resale service as approved by the IURC and as may be amended from time to time.

6.2 *Monthly Minimum Volume (“MMV”).* In accordance with the dates and flows presented in Exhibit B and when Citizens makes water supply available to Lebanon, subject to Sections 7 and 11.2, Lebanon will guarantee a minimum monthly purchase corresponding to the average daily flow presented in Exhibit B until the next Delivery Date.

6.2.1 In the event the amount of monthly metered water volume actually received by Lebanon in a given month exceeds the volume of the applicable MMV, that month’s MMV shall be replaced by actual usage.

6.2.2 The Parties agree that the aforementioned MMV is intended to ensure adequate water quality in the treated/finished water delivered by Citizens to Lebanon.

6.3 *Payment Terms.* Citizens shall report actual metered monthly usage (or estimate thereof, if necessary) to Lebanon. Citizens will invoice Lebanon on a monthly basis on Citizens’ regular billing cycle and, depending on the applicable Delivery Date, the first and final invoice may be for partial months. Lebanon shall pay each invoice from Citizens within thirty (30) days. Payments over thirty (30) days late shall be subject to the addition of eight percent (8%) annual interest, at the rate of 0.667 percent (0.667%) per month.

6.4 *Subject to Funding Availability.* The payment for the MMV by Lebanon to Citizens and Lebanon’s obligations described herein, as well as Citizens’ obligations described herein, assume the timely receipt of the necessary financing and loan proceeds to Lebanon for the construction of its Distribution Infrastructure and the expansion of Lebanon’s current wastewater treatment facility(ies) to a sufficient capacity to treat the volumes of water contemplated herein, as determined by Lebanon.

7. Water Quality.

7.1 Citizens agrees to employ commercially reasonable efforts to comply with all U.S. Environmental Protection Agency (USEPA) and Indiana Department of Environmental Management (IDEM) regulations or standards regarding quality of water at the Delivery Points. Citizens shall use commercially reasonable efforts to

provide a combined chlorine (chloramine) residual at the Delivery Points above 0.5 mg/l.

- 7.2 Citizens shall provide results from water quality testing at the Delivery Points in accordance with all applicable USEPA and IDEM regulations. Lebanon may from time to time request that Citizens, at Lebanon's expense, provide additional data relating to the water transferred into Lebanon's system to the extent requested or required by an Indiana or federal regulatory agency.
- 7.3 Both parties will provide each other SCADA data access for the Delivery Points, including, but not as a limitation, for data related to flow, pressure, chlorine residual and tank levels.
- 7.4 Lebanon shall bear responsibility for water quality beyond the Delivery Points, and for any additional costs associated with such responsibility, including boosting the total chlorine residual downstream of the Delivery Points.
- 7.5 Citizens shall bear responsibility for water quality before the Delivery Points, and for all costs associated with such responsibility.
- 7.6 Citizens will protect, indemnify and save harmless Lebanon (and its representatives, successors, assigns, affiliates, subsidiaries, trustees, officers and directors) from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses including reasonable attorneys' fees imposed upon or incurred by or asserted against Lebanon by reason of Citizens' failure to comply with any regulations or standards regarding quality of water before delivery of water at the Delivery Points.

8. Water Shortage/Diminished Supply.

Citizens will, at all times, endeavor to operate and maintain its system in an efficient manner. In the event of an extended shortage of water available for Lebanon at the Delivery Points, or if the supply of water available to Citizens at the Delivery Points is otherwise diminished over an extended period of time, the amount of water delivered to Lebanon shall be reduced or diminished by a ratio or proportion no greater than that applied to such reduction or diminution in the amounts supplied by Citizens to other similarly affected customers.

9. Regulatory Matters.

- 9.1 The Parties agree that this Agreement is not subject to nor contingent upon IURC approval. This Agreement is, however, subject to Citizens' rates, rules and regulations as are on file and approved by the IURC from time to time, which shall be binding upon the Parties hereto and their respective successors and assigns.
- 9.2 This Agreement is subject to the pertinent laws, regulations and rules of the State of Indiana, but not including Indiana's choice of law provisions, and subject to its

administrative agencies, and where permits, certificates or approvals may be required for operations or otherwise to effectuate this Agreement, the Parties agree to work together in good faith to assist each other as the case may be. Each Party shall be responsible for its own costs associated with such matters unless otherwise expressly agreed.

- 9.3 The Parties agree that this Agreement is intended to comply with the requirements of Indiana Code Sections 36-1-7-2(b) and 36-1-7-12 which apply to interlocal cooperation agreements entered into between Indiana governmental entities that want only to buy, sell, or exchange services between or among themselves and provide for the exercise of all powers necessary and adjacent thereto. Citizens represents that it only desires to sell at wholesale rates, water services to Lebanon and Lebanon represents that it only desires to buy at wholesale rates, water service from Citizens; and the Parties agree that in order to do so Citizens must own the necessary infrastructure in the City of Lebanon to deliver the wholesale water to the Delivery Points and Lebanon authorizes Citizens to do so. This Agreement does not confer any rights or responsibilities on Citizens to provide retail water services in Lebanon nor any right of Lebanon to be represented on the Citizens Service Advisory Board. If the Parties desire at any time that Citizens provide retail service to any customers or otherwise own property within the City of Lebanon for any purpose other than set forth in this Agreement, the Parties shall enter into a separate interlocal agreement pursuant to Ind. Code § 36-1-7-3.
- 9.4 To the extent required for either Party to obtain financing for any capital improvement contemplated or necessitated by this Agreement, the Parties will cooperate in good faith consistent with the understandings memorialized herein.
- 9.5 Citizens acknowledges Lebanon's ability to file a complaint with the IURC as a wholesale customer of Citizens.
- 9.6 Lebanon acknowledges Citizens' ability to file a general rate case and/or otherwise adjust the rates of all customers, including Lebanon.

10. Governing Law.

- 10.1 Citizens and Lebanon agree to comply with all applicable provisions of the Safe Drinking Water Act as amended and regulations formulated pursuant thereto, and the laws of the State of Indiana. In particular, Lebanon shall, in the operation of its water distribution system, comply with all applicable laws, rules and regulations, at its sole cost. By way of illustration, and by no means limitation, Lebanon agrees to comply with the following terms. These following terms are agreed by the Parties to be mutually acceptable minimum system operation guidelines that are intended to avoid adverse impacts on either system, and represent mutually acceptable terms.

- 10.1.1 Booster Pump Installations. Subject to Section 3.1, above, Citizens recommends that booster pumps should be designed to maintain a suction main pressure at or above 35 psi under normal operating conditions and should be equipped with pressure sensing controls to provide shut down when the main pressure drops below 35 psi. Requirements for backflow prevention devices, metering or flow detection will be considered at such time.
- 10.1.2 Backflow Prevention. The Parties agree to mutually cooperate in good faith to avoid backflow whether by appropriate meter vault valve(s), remote controlled valve(s), or otherwise, consistent with the requirements of Indiana law.

11. Default and Remedies.

- 11.1 *Default of Lebanon*. Any of the following (11.1.1 – 11.1.2) shall be deemed an event of Default by Lebanon.
- 11.1.1 Failure of Lebanon to pay for any water (either actual usage, or MMV, as applicable) supplied by Citizens under this Agreement when such payment becomes due; and/or
- 11.1.2 Failure by Lebanon to perform or observe any other term, covenant or condition of this Agreement to be performed or observed by Lebanon which, if curable, continues for more than thirty (30) days after notice thereof is given to Lebanon. If cure is not reasonably possible within thirty (30) days, then the applicable cure period shall be the amount of time reasonably required to cure. A failure to perform or observe any other term, covenant or condition of this Agreement to be performed or observed by Lebanon, if not curable, shall be immediately actionable by Citizens.
- 11.1.3 Upon the occurrence of any event of Default by Lebanon, Citizens shall have the right to terminate this Agreement at any time upon the date specified in a notice to Lebanon, and the right to seek all damages and/or other relief including injunctive relief available under applicable law and this Agreement including but not limited to those remedies prescribed in any applicable rules as filed with the IURC. All such rights and remedies shall be cumulative and non-exclusive. All remedies for breach or Default by Lebanon shall be available to Citizens, including those available to recover delinquent payments under this Agreement, to the extent such remedies are not explicitly prohibited by law.
- 11.1.4 In the event of non-payment such that Citizens is required to apply effort to obtain payment for water to be supplied hereunder, or other payments due hereunder, and prevails on such claim for payment whether or not litigation is commenced, then Citizens shall be entitled to recover its reasonable costs and attorneys' fees incurred in that effort.

- 11.1.5 In the event Lebanon fails to meet its payment obligations as required by this Agreement, Lebanon shall not be liable for consequential damages of Citizens.
- 11.1.6 Regardless, it is specifically agreed by the Parties that none of Lebanon's officers, directors, employees, affiliates, agents, representatives or managers shall have personal liability with regard to any provision of this Agreement, or any liability arising from or in connection with this Agreement in the event of a breach or Default by Lebanon of any of its obligations.
- 11.1.7 Citizens hereby acknowledges and agrees that the obligations and liabilities of Lebanon are payable only from the water revenues and assets of the water utility of Lebanon as defined for purposes of this Agreement, and no other assets or revenues owned by or available to Lebanon with respect to any other business, system or division owned by or affiliated with Lebanon shall be a source of payment or satisfaction of any remedy hereunder.
- 11.2 *Default by Citizens.* Any of the following (11.2.1 – 11.2.2) shall be deemed an event of Default by Citizens.
- 11.2.1 Failure of Citizens to consistently supply potable water meeting the minimum quality requirements for human consumption prescribed by the USEPA and IDEM regulations or standards regarding quality of water at the Delivery Points, if such failure continues for thirty (30) days after notice thereof is given to Citizens, or if cure is not reasonably possible within thirty (30) days, then the applicable cure period shall be the amount of time reasonably required to cure.
- 11.2.2 Failure to perform or observe any other term, covenant or condition of this Agreement to be performed or observed by Citizens which, if curable, continues for more than thirty (30) days after notice thereof is given to Citizens. If cure is not reasonably possible within thirty (30) days, then the applicable cure period shall be the amount of time reasonably required to cure. A failure to perform or observe any other term, covenant or condition of this Agreement to be performed or observed by Citizens, if not curable, shall be immediately actionable by Lebanon. All remedies for breach or Default by Citizens shall be available to Lebanon, to the extent such remedies are not explicitly prohibited by law.
- 11.2.3 In the event Citizens fails to supply the daily volume of water at the minimum pressure as required by this Agreement, Citizens shall not be liable for consequential damages of Lebanon.

- 11.2.4 In the event of a breach or Default by Citizens and Lebanon is required to apply effort to obtain compliance with Citizens' obligations hereunder, and prevails on such claim for compliance whether or not litigation is commenced, then Lebanon shall be entitled to recover its reasonable costs and attorneys' fees incurred in that effort.
- 11.2.5 Regardless, it is specifically agreed by the Parties that none of Citizens' officers, directors, employees, trustees, owners, affiliates, agents, representatives or managers shall have personal liability with regard to any provision of this Agreement, or any liability arising from or in connection with this Agreement, or any liability arising from or in connection with this Agreement in the event of a breach or Default by Citizens of any of its obligations.
- 11.2.6 Lebanon hereby acknowledges and agrees that the obligations and liabilities of Citizens are payable only from the revenues and assets of Citizens, as defined for purposes of this Agreement, and no other assets or revenues owned by or available to Citizens with respect to any other business, system or division owned by or affiliated with Citizens shall be a source of payment or satisfaction of any remedy hereunder.
- 11.3 *Venue.* Unless filed before an administrative agency (for which the applicable venue shall be Marion County or whichever county in the State of Indiana within which that agency sits), if filed in court, as applicable and appropriate, any formal action pursued in connection with enforcement of this Agreement shall be filed within Boone County, Indiana, to the extent possible. To the extent personal jurisdiction concepts are applicable to any action filed by the Parties to enforce this Agreement, each Party expressly consents to personal jurisdiction over it within Boone County, Indiana.
- 11.4 *Force Majeure.* Neither Party shall be liable for any delay or failure of performance of any term of this Agreement (except for proportionate obligations to pay money) to the extent such delay or failure of performance is caused by or results from catastrophic events reasonably beyond the control of such Party (such as, but not limited to, natural disasters, pandemics, acts of terrorism, war or orders of governmental bodies not resulting from the actions of the affected Party). A Party whose performance is excused under this paragraph will give notice of suspension of performance and use commercially reasonable efforts to resume performance as soon as reasonably practicable. Excuse from any covered performance shall not commence until such notice is provided. Until resumption of performance by the Party asserting *force majeure*, the other Party shall not have any obligation to perform under this Agreement (except for any applicable proportionate obligation to pay). A Party asserting *force majeure* whose performance is excused under this paragraph will give notice of its resumption of performance, as soon as such resumption becomes possible, and such notice shall end any period of excuse from performance for both Parties.

12 Notices.

Any notice given pursuant to this Agreement and any applicable amendment hereof, unless otherwise agreed in writing by the Parties, must be in writing and shall be effective when delivered personally or by a reputable delivery service to the address set forth below or such other address as a Party may designate for itself in accordance with this Section:

If to Citizens:

Citizens Water
ATTN: Vice President, Water Ops
2150 Dr. Martin Luther King Jr. St.
Indianapolis, IN 46202

If to Lebanon:

Ed Basquill, GM
401 S. Meridian St.
Lebanon, IN 46052

Copy to:

Citizens Energy Group
Legal Department
2020 N Meridian Street
Indianapolis, IN 46202

Copy to:

Jeff Jacob
Hackman Hulett LLP
1620 West Oak St.
Suite #200
Zionsville, IN 46077

13 Representation of Counsel.

The Parties acknowledge that each has been represented by counsel in this matter, and, for purposes of the rule of contract interpretation that construes a document against its drafter, the Parties agree that neither Party nor its counsel shall be considered the drafter hereof.

14 Binding Agreement/Assignment.

The Parties acknowledge that the provisions contained within this Agreement are binding upon and inure to the benefit of the Parties hereto, and upon the Parties' respective successors and assigns. Neither Party shall assign this Agreement without the prior written consent of the other Party, but such consent shall not be unreasonably withheld.

15 Non-Waiver.

The delay or failure by either Party to exercise or enforce any right under this Agreement shall not constitute or be deemed a waiver of such right or any other right under this Agreement. No waiver by either Party of any breach or Default of this Agreement by the other Party shall constitute or be deemed a waiver of any subsequent breach or Default.

16 Amendment.

This Agreement may be amended or modified only in writing signed by the Parties.

17 No Third Party Rights.

Except as otherwise expressly provided in this Agreement, this Agreement and any amendments hereto shall not be construed to create any legal, equitable or beneficial interest in any third party or to vest in any third party any interest with respect to the enforcement of this Agreement.

18 Severability.

If any term or provision of this Agreement is found by a court of competent jurisdiction or an administrative body with jurisdiction to be invalid, illegal or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

19 Survival.

The provisions of this Agreement that by their nature extend beyond the termination or expiration of this Agreement will survive termination or expiration of this Agreement.

20 Entire Agreement.

This Agreement constitutes the entire understanding between the Parties and supersedes all prior proposals and communications, whether oral or written, with respect to the subject matter hereof.

21 Headings.

The titles and headings of the sections and paragraphs hereof are for convenience only and shall not be deemed a part hereof or affect the construction or interpretation of any provision hereof.

22 Authority and Counterparts.

Each Party and signatory hereto has the authority to enter into the Agreement and at all times has full authority to bind his or her respective Party to perform this Agreement. Except as otherwise may be provided in Sections 5.4 and 6.4, no further approval or consent by any other person or authority is required. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the undersigned certify that they are duly authorized and empowered to execute this Water Supply Agreement and thus bind the entity in whose behalf each signs as of the Effective Date.

“CITIZENS”

The Board of Directors for Utilities of the Department of
Public Utilities for the City of Indianapolis,
d/b/a Citizens Water

By: _____

Title: _____

“LEBANON”

City of Lebanon Utilities

By: _____

Title: _____

EXHIBIT A

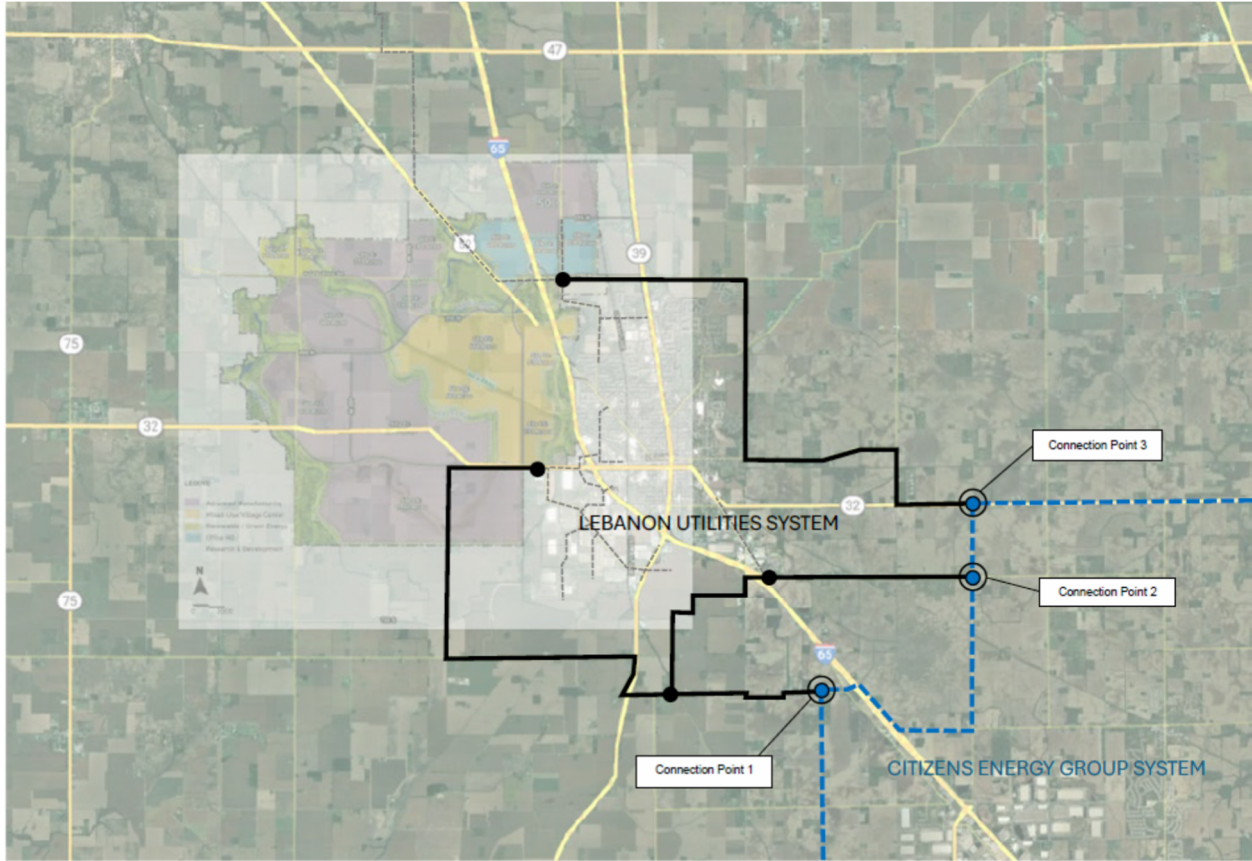


EXHIBIT "A" - WATER SUPPLY AGREEMENT - CEG-LU



EXHIBIT B

Delivery Dates (each effective 12:00 A.M.)	Peak Volume at Delivery Point(s) (million gallons per day)	Maximum, Aggregate Instantaneous Rate (gallons per minute)	Average Daily Flow (Minimum) related to MMV (million gallons per day)
By the Effective Date	0.0 MGD	0.0 gpm	0.0
By January 1, 2027 (Phase I)	Up to 2.0 MGD	1,390 gpm	1.21 MGD ^A
By January 1, 2028 (Phase II)	Up to 10.0 MGD	6,950 gpm	3.15 MGD ^B
By January 1, 2029 (Phase III)	Up to 12.0 MGD	8,335 gpm	3.15 MGD ^B
By August 1, 2029 (Phase IV)	Up to 17.1 MGD	11,875 gpm	3.15 MGD ^B
By January 1, 2031 (Phase V)	Up to 25.0 MGD	17,360 gpm	3.15 MGD ^B
Notes:			
A. Minimum, average daily flow rate at Delivery Point near West County Road 250 South and County Road 200 East in Boone County, Indiana.			
B. Minimum, average daily flow rate sum of all Delivery Points.			