

**INTERLOCAL COOPERATION AGREEMENT FOR
THE PROVISION OF UTILITY SERVICES (WASTEWATER)**

Dated as of _____, 2010

Entered into by and among the City of Indianapolis, the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works, and the Department of Public Utilities of the City of Indianapolis, acting by and through the Board of Directors for Utilities (and on behalf of the utility special taxing district by the Board of Directors for Utilities)

TABLE OF CONTENTS

ARTICLE I.	PURPOSE.....	3
ARTICLE II.	DEFINITIONS.....	3
ARTICLE III.	ADMINISTRATION.....	5
Section 3.1.	Establishment of Authority.....	5
Section 3.2.	Board of Directors.....	5
Section 3.3.	Governance, Staffing and Organization.....	5
Section 3.4.	Budget, Ratemaking and Method of Financing.....	6
Section 3.5.	Transfer of Assets and Assumption of Liabilities.....	6
Section 3.6.	Powers.....	6
Section 3.7.	Treasurer.....	7
Section 3.8.	Duration.....	7
ARTICLE IV.	REPRESENTATIONS AND WARRANTIES.....	7
ARTICLE V.	AMENDMENT AND TERMINATION.....	9
Section 5.1.	Amendment.....	9
Section 5.2.	Termination.....	9
Section 5.3.	Effect of Termination.....	9
ARTICLE VI.	REMEDIES, WAIVER AND IMMUNITY.....	9
Section 6.1.	Remedies.....	9
Section 6.2.	Waiver.....	10
Section 6.3.	Immunity of Officers, Directors, Members, Employees and Agents.....	10
ARTICLE VII.	MISCELLANEOUS.....	10
Section 7.1.	Governing Law.....	10
Section 7.2.	Counterparts.....	10
Section 7.3.	Severability.....	10
Section 7.4.	Agreement; Transfer of Powers.....	11
Section 7.5.	Reasonable Efforts; Cooperation.....	11
Section 7.6.	No Assignment.....	11
Section 7.7.	Limitation of Rights.....	11
Section 7.8.	Notice.....	11
Section 7.9.	Performance Due on other than a Business Day.....	13
Section 7.10.	Waiver of Assent.....	13
Section 7.11.	Gender; Section Headings and Table of Contents.....	13
Section 7.12.	Entire Agreement.....	13
Section 7.13.	Effective Date.....	13

**INTERLOCAL COOPERATION AGREEMENT FOR
THE PROVISION OF UTILITY SERVICES (WASTEWATER)**

This INTERLOCAL COOPERATION AGREEMENT FOR THE PROVISION OF UTILITY SERVICES (WASTEWATER), dated as of _____, 2010, is being entered into by and among the City, the District and Citizens.

WITNESSETH

WHEREAS, the City is a consolidated city organized and operating pursuant to Indiana Code 36-3-1 and is an Indiana political subdivision;

WHEREAS, the District is an Indiana political subdivision established and operating under Indiana Code 36-9-25;

WHEREAS, Citizens is an executive department of the City established and operating pursuant to Indiana Code 8-1-11.1 and its Board serves as the board of the City's utility special taxing district and is an Indiana political subdivision;

WHEREAS, the Act authorizes the City, the District and Citizens, as political subdivisions, to exercise powers jointly pursuant to a written agreement authorized by ordinance or resolution of each of them and to administer such agreement through a separate legal entity established thereby;

WHEREAS, the City, acting through the District, (a) owns the assets that the Authority would acquire under the Purchase Agreement and (b) is permitted and has the power pursuant to the Indiana Code and its ordinances or resolutions to own and operate the System for the benefit of the City's inhabitants;

WHEREAS, Citizens has the power pursuant to Indiana Code 8-1-11.1 to provide utility services within the City or outside the City within the limits authorized by law and to own all utility property related or belonging thereto;

WHEREAS, the City-County Council is authorized to create and terminate City departments, divisions, offices and other agencies and, except as otherwise provided by Indiana law, to transfer the powers, duties, functions and obligations to or from such entities;

WHEREAS, the purposes of this Agreement are: (a) to establish a separate legal entity organized as an Indiana nonprofit corporation for the purpose of exercising all of the respective rights, powers, functions and duties of the City, the District and Citizens that are necessary, useful or appropriate to furnishing wastewater collection and treatment services, excluding in the case of the City and District, taxing power and taxing authority, that: (i) is qualified to own, operate and finance the System under various federal and state statutes and regulations; (ii) will be governed by the Authority Board, whose members will be the persons appointed as members of the Board, from time to time in the manner set forth in Indiana Code 8-1-11.1, by the Board of Trustees; (iii) will operate the System through the employees of Citizens and others; (iv) has all of the powers of Citizens, the District and the City that are necessary, useful or appropriate to the acquisition, ownership and operation of the System, including without limitation, the powers

required for an Approved POTW Pretreatment Program; (v) is a "qualified entity" under Indiana Code 5-1.4-1-10; (vi) is an "issuer" under Indiana Code 5-1-14-4(a); (vii) is a public body created pursuant to the Act and the Nonprofit Act; (viii) is a political subdivision and instrumentality of the State of Indiana and thus, a "municipality" under 11 United States Code § 101(40), (ix) is an eligible borrower under applicable environmental laws and regulations; (x) satisfies the State Revolving Fund/U.S. Environmental Protection Agency definition of a qualified owner/operator; (xi) has jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifies as a publicly owned pretreatment works within the meaning of the Clean Water Act and (xii) has the power and authority delegated to it under this Agreement; (b) to provide for the transfer of the System from the City and the District to the Authority to be operated and held to provide wastewater services, as specified in the Purchase Agreement and related conveyance documents, in perpetuity in public charitable trust in the same manner and to the same extent in which Citizens has operated and held its gasworks for over one hundred years, for the benefit of the inhabitants of the City and operated in coordination with any utility property that may be held, owned and/or operated by Citizens or its affiliates (including the Authority); (c) to transfer and/or delegate to, and vest in, the Authority all powers of the City, the District and Citizens that are necessary, useful or appropriate to the acquisition, ownership and operation of the System, excluding in the case of the City and the District, taxing power and taxing authority; and (d) to effectuate the exercise by the Authority of the powers delegated and/or transferred to it on behalf of the City, the District and Citizens for the benefit of the inhabitants of the City and the customers of the System in a manner consistent with Article I;

WHEREAS, the City, the District and Citizens do not have the power to compromise their respective debts or to file or be subject to a petition for relief under 11 United States Code § 101 *et seq.*;

WHEREAS, the City, the District and Citizens are negotiating the Purchase Agreement;

WHEREAS, in connection with the execution of the Purchase Agreement, the performance of the Authority's obligations thereunder and the provision of wastewater collection and treatment services from and after the consummation of the transactions contemplated by the Purchase Agreement, the City, the District and Citizens, having determined that it is in the best interests of the City, the District, Citizens, the inhabitants of the City and the customers of the System, desire to enter into this Agreement to set forth the terms of such joint agreement as required by the Act;

WHEREAS, the City-County Council for and on behalf of the City has adopted an ordinance authorizing the execution, delivery and performance of this Agreement and authorizing the transfer of the powers, duties, functions and obligations set forth herein from the District to the Authority;

WHEREAS, Citizens and the District have adopted resolutions authorizing the execution, delivery and performance of this Agreement;

WHEREAS, the City, the District and Citizens have adopted substantially identical resolutions authorizing the transfer and exchange of the System pursuant to Indiana Code 5-22-22-10 and Indiana Code 36-1-11-8;

WHEREAS, this Agreement shall be submitted for approval to all state bodies having the power to control the provision of services or facilities which would be provided hereunder pursuant to Indiana Code 36-1-7-5; and

WHEREAS, this Agreement involves only Indiana political subdivisions as Parties and has been approved by the fiscal body of each Party.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, the City, the District and Citizens agree as follows:

ARTICLE I.

PURPOSE

In addition to the purposes set forth above, this Agreement provides for (a) the provision of wastewater collection and treatment services through the formation of the Authority as a separate legal entity organized as a nonprofit corporation, (b) the transfer to the Authority of the System as specified in the Purchase Agreement, (c) the delegation and/or transfer to, and vesting in, the Authority of all powers that are necessary, useful or appropriate, except the taxing power and taxing authority of the City and the District, (i) for the acquisition, ownership and operation of the System and/or (ii) for the Authority to have jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean Water Act, in each case, except the taxing power and taxing authority of the City and the District, and (d) the exercise by the Authority of the powers delegated and/or transferred to it herein on behalf of the City, the District and Citizens for the benefit of the inhabitants of the City and the customers of the System in a manner that (x) protects the City and its inhabitants against further sale or disposition of the System, and forever from private ownership, control or partisan political governance; and (y) is coordinated with other utility properties that may be held, owned and/or operated by the Citizens or its affiliates (including the Authority) and (z) is irrevocable.

ARTICLE II.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below:

(a) "Act" means Indiana Code 36-1-7, as amended from time to time.

(b) "Agreement" means this Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater), dated as of _____, 2010, by and among the City, the District and Citizens, as amended from time to time in accordance with its terms.

(c) "Approved POTW Pretreatment Program" means a program administered by a publicly owned treatment works that meets the criteria established in 40 C.F.R. 403.8 and 403.9, which has been approved in accordance with 40 C.F.R. 403.11.

(d) "Articles" means the Articles of Incorporation of the Authority in the form attached hereto as Exhibit A, as amended from time to time in accordance with their terms.

(e) "Authority" means CWA Authority, Inc., an Indiana nonprofit corporation, established pursuant to the terms of this Agreement, which is an affiliate of Citizens.

(f) "Authority Board" means the board of directors of the Authority.

(g) "Board" means the board of directors of Citizens serving as the fiscal body of Citizens.

(h) "Board of Trustees" means the Board of Trustees for Utilities of the Department of Public Utilities of the City.

(i) "Bylaws" means the Bylaws of the Authority, as amended from time to time in accordance with their terms.

(j) "Citizens" means the Department of Public Utilities of the City of Indianapolis, acting by and through the Board of Directors for Utilities (and on behalf of the utility special taxing district by the Board of Directors for Utilities), which holds, owns and operates utilities in public charitable trust for the benefit of the inhabitants of the City.

(k) "City" means the City of Indianapolis, Indiana.

(l) "City-County Council" means the City-County Council of the City serving as the legislative and fiscal body of the City and the fiscal body of the District.

(m) "Clean Water Act" means the Federal Water Pollution Control Amendments of 1972, as amended from time to time, and codified at 15 U.S. Code 1251 *et seq.*

(n) "District" means the Sanitary District of the City, acting by and through the Board of Public Works.

(o) "Effective Time" means the time at which all of the following shall have occurred: (i) the establishment of the Authority shall have become effective in accordance with Section 3.1 and (ii) all necessary approvals of state officers or state agencies having the power to control the provision of services by the System shall have taken effect.

(p) "Nonprofit Act" means the Indiana Nonprofit Corporation Act of 1991, Indiana Code 23-17, as amended from time to time.

(q) "Party" means a party to this Agreement, and "Parties" means all of them.

(r) "Purchase Agreement" means that certain Asset Purchase Agreement pursuant to which the Authority would, among other things, acquire the System from, and assume certain liabilities of, the District.

(s) "System" means the wastewater collection and treatment system owned and operated by the District, including without limitation, the Belmont and Southport wastewater treatment plants.

(t) "Treasurer" means the treasurer of the Board.

ARTICLE III.

ADMINISTRATION

Section 3.1. Establishment of Authority. Pursuant to the Act, the City, the District and Citizens hereby establish the Authority as a separate legal entity, organized as a political subdivision and instrumentality of the State of Indiana acting by and through an Indiana nonprofit corporation, named "CWA Authority, Inc." By reason of the powers vested in it by this Agreement, the Authority may exercise the powers of the City, the District and Citizens permitted by this Agreement and the Act. Except as otherwise provided and to the extent limited in this Agreement, the Authority shall have all of the powers of an Indiana nonprofit corporation and all of the powers, excluding in the case of the City and the District, taxing power and taxing authority, that may be exercised by the City, the District and Citizens that are necessary, useful or appropriate to acquiring, owning and operating the System and/or having jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean Water Act, in each case, in accordance with the purposes set forth herein, the Purchase Agreement and all applicable laws, including, without limitation, the powers specified in Section 3.6. The establishment of the Authority shall become effective upon the filing by Citizens of the Articles with the Indiana Secretary of State and the adoption by the Authority Board of the Bylaws.

Section 3.2. Board of Directors. The business and affairs of the Authority shall be managed by, and the powers of the Authority shall be exercised by, or under the authority of, the Authority Board. The Authority Board may, in its sole discretion, determine the extent to which it exercises those powers or administers the System through delegation to Citizens. Pursuant to the Bylaws, the members of the Authority Board shall automatically, without necessity of further action, be those individuals who are appointed by the Board of Trustees, from time to time and in the manner set forth in Indiana Code 8-1-11.1-1, as members of the Board. The Authority Board shall have no authority to make appointments (either individually or jointly) to fill vacancies on the Authority Board.

Section 3.3. Governance, Staffing and Organization. Unless otherwise required by applicable law, the Authority shall be governed in accordance with the Nonprofit Act, its Articles

and its Bylaws, each as may be amended from time to time. The Authority Board shall have the authority, subject to any restrictions on that authority in any contracts of the Authority, to amend the Articles and Bylaws in a manner not inconsistent with this Agreement, to dissolve the Authority and distribute its assets in accordance with the Articles, to appoint and hire such officers, employees, consultants, agents and other persons and to organize the Authority's business and operations, in each case, as it may determine to be in the best interest of the Authority. Upon the request of the Authority and as needed, Citizens may provide staff and such other support as the Authority may require.

Section 3.4. Budget, Ratemaking and Method of Financing. Pursuant to the Bylaws, the Authority Board shall have the authority and responsibility for establishing and maintaining the Authority's budget. Prior to the consummation of the transactions contemplated by the Purchase Agreement, the expenses of the Authority shall be funded by Citizens. From and after the consummation of the transactions contemplated by the Purchase Agreement, the expenses of the Authority shall be financed from any and all sources that are permitted under applicable law and the powers delegated and/or transferred to the Authority hereunder, including without limitation, rates and charges, user fees, service fees, permit fees, grant proceeds and bond proceeds. To the extent that the Authority shall determine necessary, useful or appropriate, Citizens may, subject to applicable law, use its powers, as a municipal legislative body pursuant to Indiana Code 8-1-11.1-3.1, to adopt rates and charges provided by the Authority, subject to the approval of the Indiana Utility Regulatory Commission, and to provide bond, revenue obligation or certificate of indebtedness financing for the benefit of the Authority.

Section 3.5. Transfer of Assets and Assumption of Liabilities. Upon the consummation of the transactions contemplated by the Purchase Agreement, and pursuant to Indiana law, including, without limitation, Indiana Code 5-22-22-10, 36-1-7 and 36-1-11-8 after adoption of resolutions or ordinances by the Parties, the Authority shall acquire, and the City and the District shall transfer to the Authority, the assets that are specified therein comprising the System, and assume the liabilities specified therein, in accordance with the terms and conditions thereof.

Section 3.6. Powers.

(a) At the Effective Time, the City shall delegate and transfer to, and vest in, the Authority all of its powers, excluding taxing power and taxing authority, that are necessary, useful or appropriate to acquiring, owning and operating the System and/or having jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean Water Act, in each case, in accordance with the purposes set forth herein, the Purchase Agreement and all applicable laws.

(b) At the Effective Time, the District shall delegate to, and vest in, the Authority all of its powers, excluding taxing power and taxing authority, that are necessary, useful or appropriate to acquiring, owning and operating the System and/or having jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean

Water Act, in each case, in accordance with the purposes set forth herein, the Purchase Agreement and all applicable laws.

(c) At the Effective Time, Citizens shall delegate to, and vest in, the Authority all of its powers that are necessary, useful or appropriate to acquiring, owning and operating the System and/or having jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean Water Act, in each case, in accordance with the purposes set forth herein, the Purchase Agreement and all applicable laws.

(d) Notwithstanding anything to the contrary herein, the Authority shall have no more power to compromise its debts or to petition or be subject to a petition for relief under 11 United States Code § 101 *et seq.* than the City, the District and Citizens.

(e) Notwithstanding anything to the contrary herein, to the extent the powers to apply and enforce the requirements of Section 307(b) and 307(c) of the Clean Water Act, including national pretreatment standards as well as applicable state pretreatment standards and requirements described in 327 Indiana Administrative Code 5-18, as amended from time to time, required of an Approved POTW Pretreatment Program are deemed taxing powers or authority, the exclusion of taxing power and taxing authority from the delegation by the City and District shall not apply to such powers.

Section 3.7. Treasurer. The City, the District and Citizens hereby delegate to the Treasurer the duty to, and the Treasurer shall, receive, disburse and account for all monies of the Authority. The City, the District and Citizens agree that the Treasurer may, in his or her discretion, and authorize the Treasurer to, delegate such power and authority to such officers, employees or other agents of the Authority as he or she may determine. The City, the District and Citizens agree that the Treasurer (a) shall exercise on behalf of the Authority, all powers that are necessary, useful or appropriate to the receipt, disbursement, accounting, holding and investment of such monies, including any securities that may come into the possession of the Authority, and (b) shall maintain the Authority's books of accounts and records separate and apart, and its funds segregated, from those of any other of the utilities operated by the Board.

Section 3.8. Duration. The duration of this Agreement shall be perpetual as set forth in Section 5.2(b).

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Each of the City, the District and Citizens hereby represents and warrants that:

(a) except for obtaining all necessary approvals of state and federal governmental agencies, it has taken all necessary actions and has received all necessary approvals and consents (including the approval by its fiscal body) and adopted all necessary ordinances or resolutions in order to execute and deliver this Agreement, to perform its obligations hereunder to delegate and in the case of the City, transfer, pursuant to Indiana Code 36-3-4-23, to the Authority, and to vest in it, all powers of such

Party that are necessary, appropriate or useful to acquire, own and operate the System, and/or having jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifying as a publicly owned pretreatment works within the meaning of the Clean Water Act, including without limitation the powers described in Section 3.6, but excluding in the case of the City or the District, taxing power and taxing authority;

(b) the execution, delivery and performance of this Agreement by it are within its power and authority and do not violate the laws of the State of Indiana (or any other federal, state or local law) applicable to it or its organizational statute, instrument or documents or any other applicable federal, state or local ordinance, resolution, rule or regulation;

(c) the execution, delivery and performance of this Agreement has been duly authorized and this Agreement is the legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity), and it is to be understood that the rights of the Parties to this Agreement and the enforceability of the Agreement may be subject to the valid exercise of the constitutional powers of the Parties, the State and the United States of America;

(d) the execution, delivery and performance of this Agreement do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default or an event, which, with notice or lapse of time, or both, would constitute a default or an event of default under the terms of any contract or permit to which it is a Party or by which it or its properties are bound;

(e) it intends that upon consummation of the transaction contemplated by the Purchase Agreement, this Agreement be irrevocable;

(f) it will take no action to impair its obligations under this Agreement or any bonds issued or other contractual obligations entered into by Citizens or the Authority with regard to ownership, operation or management of the System; and

(g) it intends that the System, including the assets acquired pursuant to the Purchase Agreement and the assets transferred hereunder, be protected against further sale or disposition by being operated and held to provide wastewater services as part of an integrated waterworks system in public charitable trust in the same manner and to the same extent in which Citizens has operated and held its gasworks for over one hundred years, for the benefit of the inhabitants of the City, and that such assets will be operated in accordance with this Agreement, the Articles, the Bylaws, the Purchase Agreement, and Indiana Code 8-1-11.1, but not the Indiana Trust Code (Indiana Code 30-4).

ARTICLE V.

AMENDMENT AND TERMINATION

Section 5.1. Amendment. Unless explicitly set forth otherwise in this Agreement, this Agreement may only be changed, amended, modified, appended to or supplemented prior to the Effective Time and then only by a writing consented to as a change, amendment, modification, appendix or supplement to this Agreement by all of the City, the District and Citizens. After the Effective Time, this Agreement shall not be, or deemed to be, changed, amended, modified, appended to or supplemented, for any reason or in any manner by agreement, conduct of the parties, or operation of law or otherwise, it being the intent of the Parties that the formation of the Authority, the delegation and transfer of powers to, and the vesting of such powers in, the Authority pursuant hereto, and the acquisition and transfer of assets pursuant to the Purchase Agreement and this Agreement be permanent and irrevocable.

Section 5.2. Termination.

(a) This Agreement may be terminated by either the City, the District or Citizens upon written notice to the other Parties at any time prior to the consummation of the transactions contemplated by the Purchase Agreement:

(i) if the City, the District and the Authority have not executed the Purchase Agreement prior to _____, 2010; or

(ii) if the Purchase Agreement is terminated in accordance with its terms.

(b) This Agreement may not be terminated from and after the consummation of the transactions contemplated by the Purchase Agreement and shall continue in perpetuity thereafter.

Section 5.3. Effect of Termination. Upon the termination of this Agreement or any dissolution or winding up of the Authority, the property of the Authority shall be distributed in accordance with its Articles.

ARTICLE VI.

REMEDIES, WAIVER AND IMMUNITY

Section 6.1. Remedies.

(a) In the event of any breach, threatened breach, non-performance or other violation of any obligation of this Agreement by any Party, the sole and exclusive remedy of any other Party under this Agreement shall be the remedy of injunctive relief for specific performance. Under no circumstances shall any Party have a right to any other remedy, including but not limited to rescission, cancellation, or reformation of this Agreement for any reason, or monetary damages of any kind.

(b) Any action, suit or other proceeding related in any way to this Agreement, including but not limited to an action, suit or proceeding that alleges a breach, threatened breach, non-performance or any other violation by a Party of any obligation under this Agreement shall be instituted, prosecuted and maintained exclusively in a court of competent jurisdiction located in Marion County, Indiana. Any right that may exist to a change of venue from Marion County, Indiana to another court outside Marion County, Indiana is hereby WAIVED and shall not be asserted in any litigation.

(c) No action, suit or other proceeding for any breach, threatened breach, non-performance or any other violation by a Party under this Agreement shall be instituted, prosecuted or maintained by another Party, unless, prior to instituting such action, suit or other proceeding: (i) the Party seeking to institute such action, suit or other proceeding has given such other Party notice of such breach, threatened breach, non-performance or any other violation and demand for performance; and (ii) the Party upon which notice was served has failed to cure such breach or violation within thirty (30) days after such notice.

(d) Notwithstanding anything to the contrary herein, this Agreement shall not preclude or otherwise affect the exercise of by a Party of any right, remedy, duty or obligation it may have under the Purchase Agreement, which rights, remedies, duties and obligations shall be governed by the Purchase Agreement.

Section 6.2. Waiver. A failure by a Party to institute any suit, action or other proceeding for any breach or violation by another Party of any obligation under this Agreement shall not constitute a waiver by such Party of such breach or violation.

Section 6.3. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future official, officer, director, member, employee or agent of the Parties, as such, under any rule of law or equity, statute or constitution.

ARTICLE VII.

MISCELLANEOUS

Section 7.1. Governing Law. This Agreement is executed by the Parties and delivered in the State of Indiana, and the rights of the Parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Indiana, without reference to principles of conflicts of law.

Section 7.2. Counterparts. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 7.3. Severability. The sections, sentences and provisions of this Agreement are severable, and if any one or more of such sections, sentences or provisions (the "Conflicting Provisions") are in conflict with any applicable laws, the Conflicting Provisions shall be deemed

never to have constituted a part of this Agreement and this Agreement may be amended pursuant to Section 5.1 to remove the Conflicting Provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the delivery or removal of the Conflicting Provisions.

Section 7.4. Agreement; Transfer of Powers. This Agreement is intended to be an interlocal agreement or contract pursuant to the Act, in which the Parties have undertaken to provide that which is required by the Act and is intended to vest in the Authority those powers of the City specified in Section 3.6 that may be transferred to, and vested in it, pursuant to Indiana law. If and to the extent this Agreement is not such an interlocal agreement or contract or does not effectively vest or transfer such powers, this Agreement shall be deemed to include such terms not otherwise included herein and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be deemed a valid interlocal agreement or contract under State law and to transfer and vest such powers pursuant to Indiana law.

Section 7.5. Reasonable Efforts; Cooperation. Subject to the terms and conditions of this Agreement, each Party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. In addition, the Parties each agree to cooperate and take such actions, including any necessary amendments hereto, as may be required in the judgment of the Authority for the Authority to obtain all necessary qualifications and approvals, including any that may be required by any state and federal governmental agencies, and to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement, and from time to time, upon the request of another Party to this Agreement and without further consideration, to execute, acknowledge and deliver in proper form any further instruments, and take such other action as the other Parties may reasonably require, in order to effectively carry out the intent of this Agreement, including without limitation, the delegation of any further powers that may be necessary, useful or appropriate to permit the Authority to carry out its purposes.

Section 7.6. No Assignment. No Party may sell, assign, pledge or otherwise transfer any of its rights or benefits under this Agreement to any other person, without the consent of all other Parties, and any purported sale, assignment, pledge or other transfer without such consent shall be null and void.

Section 7.7. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to any other person, other than the Parties and the Authority, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Parties and the Authority.

Section 7.8. Notice. Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in United States mail, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission or electronic mail or (iii) by depositing the same with a courier delivery service for delivery on the following business day, addressed:

If to the City or the District, to:

City of Indianapolis
Office of the Mayor
2501 City-County Building
200 East Washington Street
Indianapolis, Indiana 46204
Attention: Mayor

with a copy to (which copy shall not constitute notice for the purposes of this Agreement):

City of Indianapolis
Office of Corporation Counsel
1601 City-County Building
200 East Washington Street
Attention: Corporation Counsel

If to Citizens, to:

Citizens Energy Group
2020 N. Meridian Street
Indianapolis, IN 46202
Attention: President and Chief Executive Officer

with a copy to (which copy shall not constitute notice for the purposes of this Agreement):

Citizens Energy Group
2020 N. Meridian Street
Indianapolis, IN 46202
Attention: General Counsel

(c) shall be deemed to have been given on the day of such mailing, transmission or deposit; and

(d) any of the methods specified in Section 7.8(b) hereof shall be sufficient to deliver any notice required hereunder; notwithstanding that one or more of such methods may not be specifically listed in the Sections hereunder requiring such notice.

Section 7.9. Performance Due on other than a Business Day. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 7.10. Waiver of Assent. Notice of acceptance of or other assent to this Agreement is hereby waived.

Section 7.11. Gender; Section Headings and Table of Contents.

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa. Unless otherwise indicated, the words "hereof," "herein," "hereby" and "hereunder" or words of similar import refer to this Agreement as a whole and not to any particular article, section, subsection, clause or other portion of this Agreement.

(b) Any headings preceding the texts of the several articles and sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

Section 7.12. Entire Agreement. This Agreement and the Purchase Agreement shall constitute the entire agreement of the Parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

Section 7.13. Effective Date. This Agreement shall become effective at the Effective Time.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

CITY

By: _____

Printed: _____

Its: _____

DISTRICT

By: _____

Printed: _____

Its: _____

CITIZENS

By: _____

Printed: _____

Its: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____ Date: _____
Samantha Karn, Corporation Counsel, City of Indianapolis

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, the undersigned, a Notary Public in and for said County and State, this _____ day of _____, 2010, personally appeared _____, personally known to me to be the _____ of the City, and acknowledged the execution of the foregoing Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater) for and on behalf of the City.

WITNESS my hand and notarial seal.

(Seal)

(Written Signature)

(Printed Signature) Notary Public

My Commission Expires:

My County of Residence:

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, the undersigned, a Notary Public in and for said County and State, this _____ day of _____, 2010, personally appeared _____, personally known to me to be the _____ of the District, and acknowledged the execution of the foregoing Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater) for and on behalf of the District.

WITNESS my hand and notarial seal.

(Seal)

(Written Signature)

(Printed Signature) Notary Public

My Commission Expires:

My County of Residence:

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, the undersigned, a Notary Public in and for said County and State, this _____ day of _____, 2010, personally appeared _____, personally known to me to be the _____ of the Citizens, and acknowledged the execution of the foregoing Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater) for and on behalf of Citizens.

WITNESS my hand and notarial seal.

(Seal)

(Written Signature)

(Printed Signature) Notary Public

My Commission Expires:

My County of Residence:

I affirm under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law.

Signed: _____

This instrument was prepared by Anthony P. Aaron, Esquire, Ice Miller LLP, One American Square, Suite 2900, Indianapolis, Indiana 46282.

EXHIBIT A

Articles of Incorporation

I/2452701.21