

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

AARON KNOTT, ET AL.
Plaintiffs

* CIVIL ACTION NO.: 6:23-cv-00401

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VERSUS

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* JUDGE: DAVID C. JOSEPH

UNITED WATER SYSTEM, INC.,
ET AL.

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Defendants

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* MAG. JUDGE: DAVID J. AYO

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SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT (the “Agreement”) is made and entered into on the latest date indicated on the signature page by and among United Water System, Inc. (“United Water”), American Alternative Insurance Corporation (“AAIC”), National Union Fire Insurance Company of Pittsburgh, Pa. (“National Union”) (collectively, the “Defendants”), and Plaintiffs’ Lead Counsel (as defined in paragraph 1.7 below) (“Class Counsel”) on behalf of the Plaintiffs Class (as defined in paragraph 1.6 below) (“Class,” “Class Members,” “Plaintiffs” or “Plaintiffs Class”) and Plaintiffs’ class representatives (as indicated below in the signature block) (“Class Representatives”) in *Aaron Knott, et al. versus United Water System, Inc., et al.*, on the docket of the United States District Court for the Western District of Louisiana bearing civil action no. 6:23-cv-00401.

WHEREAS, this Action was filed by Aaron Knott, Michael Carruth, Karen Carruth, Christina Sonnier, and Christine Olivier, individually and on behalf of all others similarly situated, against United Water and AAIC on February 16, 2023 in the 16th Judicial District Court, St. Martin Parish, State of Louisiana;

WHEREAS, on March 29, 2023, United Water removed this Action to the United States District Court for the Western District of Louisiana;

WHEREAS, Plaintiffs allege that they sustained damages caused by water supplied by United Water from February 16, 2013 to the present. More specifically, Plaintiffs allege that they have received water from United Water that is regularly discolored, contains suspended particulate matter and contamination and has unpleasant and objectionable odors. Plaintiffs also allege that they have regularly suffered with drops in and fluctuating water pressures as well as total loss of water pressure/supply at times and boil advisories. Plaintiffs allege that all of these aforementioned issues, as well as the written and published notices of drinking water standard violations that they have received from United Water during the proposed class period, renders the water from United Water unfit for use and caused damage to their persons and/or personal property. Plaintiffs assert claims for breach of contract, redhibition, detrimental reliance, civil trespass, and general negligence. Plaintiffs claim various categories of damages including but not limited to out of pocket expenses for purchasing bottled water, ice, water/ice dispensers, for expenses of installing water filtration systems and related maintenance and filter replacement costs, loss of use and enjoyment of real property, homes, and leased properties, diminution in value of clothes and/or linens, mental and emotional distress, non-reimbursed personal expenses, nuisance, annoyance, discomfort, inconvenience, civil trespass, fear of bodily injury, fear of contracting disease, and fear of increased risk of contracting disease;

WHEREAS, AAIC and National Union issued insurance policies to United Water during portions of the time period in which United Water is alleged to have been deficient in the provision of potable water to Plaintiffs, and Plaintiffs allege that their losses are covered under these policies;

WHEREAS, the Defendants deny Plaintiffs' allegations and claims, and deny that any

conduct alleged by Plaintiffs caused any damage whatsoever, and have asserted a number of defenses to Plaintiffs' claims;

WHEREAS, AAIC and National Union deny that the policies they issued provide coverage for some and/or all of the Plaintiffs' alleged losses;

WHEREAS, all Plaintiffs and all Defendants agree that this Agreement shall not be deemed or construed to be an admission or evidence of any violation of any state regulation or of any liability or wrongdoing by United Water of the truth of any of the claims or allegations alleged in the Action or a waiver of any defenses thereto;

WHEREAS, all Plaintiffs and all Defendants agree that this Agreement shall not be deemed or construed to be an admission by AAIC or National Union that the insurance policies issued to United Water provide coverage for the damages claimed by any Plaintiff;

WHEREAS, arm's-length settlement negotiations have taken place between counsel for Plaintiffs and counsel for all Defendants, and this Agreement, which embodies all of the terms and conditions of the settlement between all Defendants and the Plaintiffs Class (the "Settlement") has been reached, subject to the final approval of the United States District Court for the Western District of Louisiana (the "Court");

WHEREAS, Class Counsel have concluded, after extensive fact and expert discovery and investigation of the facts, extensive motion practice over the history of the case, and after carefully considering the circumstances of the Action, including the claims asserted, and the possible legal and factual defenses thereto, that it would be in the best interests of the Plaintiffs Class to enter into this Agreement in order to avoid the uncertainties of litigation, particularly complex litigation such as this, and to assure a benefit to the Plaintiffs Class, and, further, that Class Counsel consider the Settlement set forth herein to be fair, reasonable, and adequate compensation, and in the best

interests of the Plaintiffs Class;

WHEREAS, Class Counsel for the Plaintiffs has explained to the Class Representatives the benefits and risks associated with proceeding forward and/or settlement of the Class Action, and all Class Representatives have agreed to the Settlement presented herein; and

WHEREAS, all Defendants have concluded, despite their belief that they are not liable for the claims asserted and that they have good defenses thereto, that it would be in their best interests to enter into this Agreement to avoid the uncertainties of litigation, and thereby avoid the risks inherent in complex litigation;

NOW THEREFORE, it is agreed by the undersigned, on behalf of the Plaintiffs Class and all Defendants, that all claims of the Plaintiffs Class against all Defendants be settled, compromised and dismissed with prejudice, each party to bear its own Court costs and fees, and with the costs for the administration of the Settlement to be satisfied as set forth herein, on the following terms and conditions:

ARTICLE I
DEFINITIONS

1.1. “Action” means *Aaron Knott, et al. versus United Water System, Inc., et al.*, on the docket of the United States District Court for the Western District of Louisiana bearing civil action no. 6:23-cv-00401 and the predecessor state filing.

1.2. “Administrative Costs” means all costs associated with the implementation and administration of the notice, allocation and claims processes contemplated by this Agreement, including without limitation Court-approved compensation and costs associated with the Claims Administrator, including any vendors, experts or legal counsel retained by the Claims Administrator, costs of the Notice Program, costs of establishing, implementing and administering the claims process, costs of the Claims Program, costs of establishing and operating the Settlement Fund, costs of distributing the Settlement Payment, and all other costs and compensation associated with the implementation and administration of this Agreement, as set forth in this Agreement.

1.3. “Claims Administrator” means a settlement administrator, special master, or other person appointed by the Court to oversee the Notice Program and the allocation and distribution of the Settlement Payment to Class Members.

1.4. “Claims” means all past, present, and future claims for breach of contract; negligence; detrimental reliance; redhibition; equitable contribution, mental anguish and emotional distress; non-reimbursed personal expenses; nuisance, annoyance, discomfort, and inconvenience; civil trespass; fear of bodily injury, fear of contracting disease, fear of increased risk of contracting disease; personal property damage/loss as it relates to clothes and/or linens including damage and staining of clothes and linens, replacement costs of clothes and linens damaged/stained by deleterious water and diminution in value of clothes and/or linens; out of pocket expenses, including but not limited to expenses for purchasing bottled water/ice, purchase of water/ice dispensers, expenses of installing water filtration systems and related maintenance and filter replacement costs or need for same in the future; loss of use and enjoyment of real property, homes and leased property(ies) arising from or related to the production or distribution of water by United Water System, Inc. to any and all Class Members, as defined herein and/or as expressed in the formal Class Definition in the Action ultimately adopted and certified by the Court, between February 16, 2013 and the present including but not limited to all liabilities, demands, causes of action, rights of action, complaints, lawsuits, regulatory proceedings, obligations, responsibilities, assertions, allegations, entitlements, expectations, demands, debts, expert opinions, interventions, assigned claims, cross-claims, third-party claims, subrogation claims, arbitration or mediation demands, declaratory relief, injunctive claims and/or obligations of any kind or character, known or unknown, foreseen or unforeseen, asserted or unasserted made or which could have been made or which could be made in the future, existing or contingent, whether at law or in equity, whether sounding in, grounded in or based upon or in tort, contract, quasi-contract, equity, bad faith or lack of good faith, third-party beneficiary, citizen suit, obligation, nuisance, trespass, negligence, gross negligence, negligence per se, strict liability, absolute liability, unjust enrichment, intentional or deliberate conduct, derivative or vicarious liability, direct action statutes, and/or any past, present or future law, statute, standard, jurisprudence, regulation or other legal theory or basis of liability whatsoever, whether local, state or federal, and whether for compensatory damages, special damages, punitive

damages, exemplary damages, costs, expenses, and/or fees of any kind whatsoever. “Claims” does not include claims for bodily injuries, health claims or claims for reimbursement of medical expenses.

1.5. “Claims Program” means the program to distribute the Settlement Payment to the Class Members, as described in Article III.

1.6. “Plaintiffs,” “Plaintiffs Class,” “Class,” or “Class Members” means “all natural persons who are residential property owners (including members of their household) and lessees of residential property (including members of their household) who at any time between February 16, 2013 and the present are/were United Water System account holders and received their water supply from United Water System, Inc. and, as a result of receiving water from United Water System, Inc. between February 16, 2013 and the present, have any of the following claims: mental and emotional distress; non-reimbursed personal expenses; nuisance, annoyance, discomfort, and inconvenience; civil trespass; fear of bodily injury, fear of contracting disease, fear of increased risk of contracting disease; personal property damage/loss as it relates to clothes and/or linens, diminution in value of clothes and/or linens, out of pocket expenses, including but not limited to expenses for purchasing bottled water/ice, purchase of water/ice dispensers, expenses of installing water filtration systems and related maintenance and filter replacement costs or need for same in the future; loss of use and enjoyment of real property, homes and leased property(ies).” However, if a formal class definition is adopted and certified by the Court in the Action, then “Plaintiffs,” “Plaintiffs Class,” “Class,” or “Class Members” shall mean the class definition certified by the Court which will supersede the definition of “Class” or “Class Members” set forth in this paragraph.

1.7. “Class Counsel” means Gordon J. Schoeffler, Adam R. Credeur, Kenneth W. DeJean, and Natalie M. DeJean.

1.8. “Class Notice” means a combined class notice satisfying the requirements of Federal Rule of Civil Procedure 23(c)(2) and settlement notice satisfying the requirements of Federal Rule of Civil Procedure 23(e)(1).

1.9. “Court” means the United States District Court for the Western District of Louisiana in the matter of *Aaron Knott, et al. versus United Water System, Inc., et al.*, bearing civil action no. 6:23-cv-00401.

1.10. “Effective Date” means the date on which the final approval order described in Section 6.5 becomes Final.

1.11. “Final,” with respect to any order of the Court, means an order for which either of the following has occurred: (1) the day following the expiration of the deadline for appealing the entry of the order, if no appeal or writ is filed, or (2) if an appeal of the order is filed, the date upon which all appellate courts with jurisdiction (including the United States Supreme Court by petition for writ of certiorari) affirm such order, or deny any such appeal or petition for writ of certiorari.

1.12. “Fairness Hearing” means the hearing before the Court to determine the fairness, reasonableness and adequacy of this Agreement pursuant to Federal Rule of Civil Procedure 23(e)(2).

1.13. “Notice Program” means the Class Notice, the procedure and schedule for the dissemination of the Class Notice and any and all response deadlines associated with same.

1.14. “Opt-Outs” means those persons who meet the definition of Class Members, but who timely and properly exercise their rights to opt out of the Class and therefore are not Class Members as described in Article VII.

1.15. “Parties” means United Water System, Inc., American Alternative Insurance Corporation, National Union Fire Insurance Company of Pittsburgh, Pa., and the Plaintiffs Class, including but not limited to the Plaintiffs’ Class Representatives.

1.16. “Released Parties” means United Water System, Inc. (“United Water”), American Alternative Insurance Corporation (“AAIC”), National Union Fire Insurance Company of Pittsburgh, Pa. (“National Union”), and their respective past, present and future officers, directors, stockholders, attorneys, agents, claims administrators, servants, representatives, employees, subsidiaries, parent corporations, affiliates, partners, sureties, insurers, independent contractors, predecessors in interest, successors in interest, reinsurers, and assigns.

1.17. “Settlement Fund” means the interest-bearing escrow account established for the benefit of the Class to receive the Settlement Payment and administered in accordance with the Settlement Agreement and pursuant to the applicable regulations of the United States Internal Revenue Service regarding qualified settlement funds.

1.18. “Settlement Payment” means the sum of **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000.00)** paid to resolve the Claims. Payments shall be made payable to the Claims Administrator.

ARTICLE II

SETTLEMENT PAYMENT

2.1 Released Parties shall make the Settlement Payment to resolve the Claims pursuant to this Agreement. After making the Settlement Payment, Defendants shall not be required to make, or have another make on their behalf, any further payments pursuant to this Agreement.

2.2 Under no circumstances shall any of the Defendants have any liability for amounts in excess of the Settlement Payment. All damages to Class Members, attorneys’ fees and costs and Administrative Costs shall be paid from the Settlement Payment.

ARTICLE III

DISTRIBUTION OF SETTLEMENT PAYMENT

3.1. Claims Program. Subject to the terms and conditions herein, the Class Counsel

shall establish a Court-supervised Claims Program for the Class members.

(a) Class Counsel shall, within fourteen (14) days of executing this Agreement join in an unopposed motion to appoint GARY RUSSO to serve as the Claims Administrator, subject to Court approval. Defendants shall not have any liability for any damages arising from any actions or omissions of the Claims Administrator.

(b) The Claims Administrator shall develop the Claims Program, subject to the terms of this Agreement and the approval of the Court and shall implement the Claims Program subject to Court supervision.

(c) The Claims Program is intended to distribute funds remaining after Administrative Costs have been paid. Distribution of the Settlement Payment under the Claims Program shall not occur until after the Effective Date occurs and the order approving the Claims Program is Final. The fact that the Court retains jurisdiction, after the Effective Date occurs and the order approving the Claims Program is Final, to oversee the Claims Program or other aspects of the administration of the Settlement Fund, shall not influence the timing of distribution of the Settlement Payment.

(d) If any payments are either made to Class Members through the Claims Program and remain uncashed after ninety (90) days from the date of issuance OR, in the Claims Administrator's discretion, are unable to be made to Class Members for another reason including because a payment cannot be delivered to the Class Member by US Mail, those funds shall be forfeited by the Class Member and returned to the Settlement Fund. In the event that funds remain in the Settlement Fund following implementation of the Claims Program in accordance with the orders of the Court, Class Counsel shall make a proposal, subject to the review and approval of the Court, for the distribution of the remaining funds to the Class Members, or for such other distribution as the Court may approve. Class Counsel may seek the assistance of the Claims Administrator in making the proposal for the distribution of remaining funds.

(e) Defendants shall not have any responsibility or liability whatsoever for the Claims Program or the distribution or method of distribution of the Settlement Payment.

3.2. Administrative Costs. Subject to the supervision of the Court, the Claims Administrator shall disburse funds as needed from the Settlement Fund to cover Administrative Costs. Funds may be disbursed to cover Administrative Costs beginning as soon as the Settlement Payment is made into the Settlement Fund.

3.3. Attorneys' Fees.

(a) Subject to Court approval, all attorney's fees, costs and expenses incurred by the Class in connection with prosecuting this Action, will be paid by the Claims Administrator from the Settlement Fund. The Released Parties shall not be responsible for the payment of any attorney's fees, costs or expenses or other costs/expenses above or beyond the funds in the Settlement Fund.

(b) Class Counsel and the Released Parties have made no agreement regarding what the award of class counsel attorney fees, costs, and expenses should be.

(c) Class Counsel shall prepare and file with the Court an application, specifying the total amount of fees, costs and expenses they seek for (i) the reimbursement of reasonable costs and expenses incurred for the benefit of the Class, and (ii) the reasonable fees for services performed for the benefit of the Class, which shall be determined in accordance with applicable standards for such fees, including, as appropriate, consideration of the results achieved and the contingencies involved in the performance of such services.

(d) The Parties acknowledge and agree that neither Class Counsel, nor other attorneys who have represented the Class Members, nor Class Members, nor their respective agents, assigns, successors, creditors, lienholders, claimants or representatives, shall have any claim whatsoever against the Released Parties for payment of attorneys' fees, expenses or other costs, other than the Class Counsel attorney fees and expenses described in this Agreement, which shall be paid from the Settlement Fund.

3.4. Timing of Distributions. After the Effective Date, distributions to Class Members shall occur as soon as practicable, or in a timeframe ordered by the Court, consistent with the terms and conditions of this Agreement.

3.5. Class Representative Incentive Award. Class Counsel intends to make an application for an incentive award to the five (5) Class Representatives not to exceed \$1,000.00 per Class Representative, contemporaneous with the application for an award of attorneys' fees, costs and expenses. Any incentive award will be paid from the Settlement Fund. Defendants shall not oppose any reasonable request for Class Representative Incentive Awards.

3.6. Administration and Funding of Settlement Payment.

(a) The Settlement Payment shall be placed in the Settlement Fund. The Settlement Fund, including all accounts and subaccounts thereof, shall be treated as (i) a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1, et seq., and (ii) a qualified settlement fund or other analogous fund described in any other applicable local, state or foreign law (as described in (i) or (ii), a "QSF"). The Administrator shall be the administrator of the QSF pursuant to Treas. Reg. § 1.468B-2(k)(3) and any other applicable law and shall be responsible for the timely and proper performance of the undertakings specified in the regulations promulgated under 26 U.S.C. § 468B and any analogous provisions of local, state or foreign law, including, but not limited to, the obtaining of an employer identification number for the Settlement Fund, the filing of all required tax returns in accordance with Treas. Reg. § 1.468B-2(k)-(1), any required withholding of tax, the payment of any taxes (including estimated taxes) and associated penalties, interest or additions for which the Settlement Fund may be liable, and responding to any questions from or audits regarding such taxes by a tax authority. In cooperation with the Released Parties, Class Counsel and the Claims Administrator shall be responsible for and take all steps necessary for establishing and treating the Settlement Fund as a QSF and, to the fullest extent permitted by applicable law, shall not take a position (nor permit an agent to take a position) in any filing or before any tax authority inconsistent with such treatment. Class Counsel and the Claims Administrator

shall treat the Settlement Fund as a QSF from the earliest possible date, including through the making of a “relation-back” election as described in Treas. Reg. § 1.468B-1(j)(2) with respect to the Settlement Fund and any analogous election under other applicable law.

(b) Released Parties shall pay into the Settlement Fund, the entire Settlement Payment of **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000.00)** with payments to be made as follows: (a) **FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000)** will be transferred within fifteen (15) business days from the date the Court enters an order granting preliminary approval of the Settlement Agreement for initial Administrative Costs and (b) **ONE MILLION FOUR HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$1,450,000)** will be transferred within thirty (30) days from the date the Court enters an order granting preliminary approval of the Settlement Agreement. AAIC and National Union will each separately fund the Settlement Payment with the parties contributing as follows: AAIC will pay **ONE MILLION FIFTY THOUSAND AND 00/100 DOLLARS (\$1,050,000.00)**, and National Union will pay **FOUR HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$450,000.00)**. Failure of one Released Party to make its share of the Settlement Payment is not a breach by any other Released Party and will not affect the release of claims set forth in Article IV with respect to a paying Released Party.

(c) The Claims Administrator shall maintain and oversee the Settlement Fund. If any dispute arises with respect to the maintenance and oversight of the Settlement Fund or the scope and responsibilities of the Claims Administrator, the Court will resolve the matter consistent with the terms of this Agreement.

(d) The Settlement Payment shall be held in the Settlement Fund until distribution, except that approved Administrative Costs may be disbursed from the Settlement Fund. All income earned on money held in the Settlement Fund, net of taxes, shall be subject to allocation by the Administrator.

(e) The Settlement Fund shall indemnify Defendants for (i) all taxes imposed on the income earned by or with respect to the Settlement Fund and (ii) any interest, penalties, or additions associated therewith. Without limiting the foregoing, the Claims Administrator shall reimburse Defendants from the Settlement Fund for any such taxes, interest, penalties, or additions to the extent they are imposed on or paid by Defendants for any period during which the Settlement Fund does not qualify as a QSF. Defendants shall have no responsibility for the establishment of the Settlement Fund, the maintenance of the Settlement Fund, the payment of taxes on income earned by or with respect to the Settlement Fund, the receipt of any employer identification number for the Settlement Fund, the preparation, filing or transmittal of any tax returns or statements required to be prepared, filed or transmitted by the Claims Administrator with respect to the Settlement Fund, the withholding of any amounts required to be withheld on the distribution of the Settlement Fund or the distribution of the Settlement Fund or the administration of the Agreement. Class Counsel and the Claims Administrator are solely responsible for all aspects of the Settlement Fund.

ARTICLE IV
RELEASE OF CLAIMS

4.1 Release of Claims.

(a) In consideration of the Settlement Payment and the terms and conditions of the Agreement, Plaintiffs' Class Representatives and Class Counsel on behalf of all Class Members agree that, upon the Effective Date and tender of the full Settlement Payment to the Claims Administrator, the Final order and judgment approving the Agreement shall operate as a release of the Released Parties by each and every Class Member, on behalf of each and every Class Member and all of his or her heirs, executors, administrators, and assigns, whereby the Class Members release, acquit, and forever discharge any and all Claims, as defined at section 1.4 herein, and covenanting not to sue the Released Parties regarding any and all Claims, as defined at section 1.4 herein.

(b) Plaintiffs' Class Representatives and Class Counsel, on behalf of the Class, acknowledges that the release provided for herein will be, and may be, raised as a complete defense to and will preclude any action or proceeding against the Released Parties regarding any Claims, as defined at section 1.4 herein.

(c) In connection with the release provided for herein, Plaintiffs' Class Representatives and Class Counsel acknowledge on behalf of the Class that claims presently unknown or unsuspected, or facts in addition to or different from those now known or believed to be true with respect to the matters released herein, may be discovered. Nevertheless, it is the intention of the Parties to fully, finally, and forever settle and release all such matters, and all Claims relating thereto, that now or hereafter may exist, be discovered or might have existed with respect to the Claims.

(d) In consideration of the Settlement Payment and the terms and conditions of the Agreement, the Released Parties agree that, upon both 1) the Effective Date and 2) after the entirety of the Settlement Payment funds clear the account of the Claims Administrator, the Agreement shall operate as a release of the Released Parties of Claims by and against each other, whereby each Released Party releases, acquits, and forever discharges any and all Claims, and covenants not to sue the other Released Parties regarding any and all Claims.

ARTICLE V
NO ADMISSION OF LIABILITY

5.1 The Parties agree that the negotiation and execution of this Agreement, or any payments made thereunder, are to compromise disputed claims and are not an admission of wrongdoing, noncompliance, or liability. Defendants deny all allegations of any wrongdoing, fault, noncompliance, and liability, and deny causing any damage associated with the production and distribution of water to the Class.

5.2 Regardless of whether the Agreement is approved in any form by the Court, not consummated for any reason, or otherwise terminated or canceled, this Agreement and all

documents related to the Agreement (and all negotiations, discussions, statements, acts, or proceedings in connection therewith) shall not be offered or received against any Party as evidence of, or construed as or deemed to be evidence of, any presumption, confession, or admission by any Party with respect to the truth of any fact alleged or the validity of any claims or defenses that ~~was~~ were or could have been asserted against Defendants or Plaintiffs arising out of, due to, resulting from, or relating in any way to come in directly or indirectly, the production and distribution of water by United Water to the Class, or of any liability, negligence, recklessness, fault, or wrongdoing of Defendants, or construed against any Party as an admission, concession, or presumption that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial.

ARTICLE VI
SETTLEMENT APPROVAL

6.1. Approval.

(a) The Parties agree to take all actions reasonably necessary for preliminary and final approval of the Agreement, and approval of the additional documents described herein.

(b) Pursuant to Section 6.2 below, unless the Parties agree to a different schedule for the filing of this motion, within fourteen (14) days after the last party has executed this agreement, the Parties shall jointly file with the Court a motion seeking the following relief:

- i. certification of the Class as defined at section 1.6 herein for settlement purposes only pursuant to FRCP 23(a) and FRCP 23(b)(3);
- ii. preliminary approval of this Agreement and the settlement as set forth herein as fair, reasonable and adequate;
- iii. appointment of a Claims Administrator;
- iv. approval of a combined class notice satisfying the requirements of Federal Rule of Civil Procedure 23(c)(2) and settlement notice satisfying the requirements of Federal Rule of Civil Procedure 23(e)(1), and
- v. approval of a proof of claim form to be used in connection with the Claims Program.

(c) Subject to the right of termination set forth in Article VII below, the Parties agree to take all actions necessary to obtain final approval of this Agreement and entry of Final orders dismissing the Released Parties from the Action with prejudice and dismissing and/or releasing the Claims against Defendants with prejudice.

6.2. Preliminary Approval. Unless the Parties agree to a different schedule for the filing of this motion, within fourteen (14) days after the last party has executed this Agreement, the Parties shall jointly file with the Court a motion seeking the relief as described in Section 6.1(b) herein.

6.3 Notice Program

(a) The Notice Program shall be as approved by the Court to meet all applicable notice requirements of both Federal Rule of Civil Procedure 23(c)(2) and Federal Rule of Civil Procedure 23(e)(1) and shall include direct mailing of the approved postcard notice to account holders of United Water, publication of the approved publication form notice in the TECHE NEWS and THE DAILY WORLD, and publication of a website to include all reasonable notices, including long-form notice, and forms, with a link to the website posted on the publicly available Facebook group entitled “United Water Complaints.”

(b) Within fourteen (14) days of the execution of this Agreement and in connection with the motion for preliminary approval, Class Counsel shall present to the Court for approval a combined class notice satisfying the requirements of Federal Rule of Civil Procedure 23(c)(2) and settlement notice satisfying the requirements of Federal Rule of Civil Procedure 23(e)(1) and a proposed procedure and schedule for dissemination of the notice as well as all associated response deadlines as set forth in Section 6.4 herein.

(c) The Claims Administrator shall first disseminate Notice to the Class, in the form and manner approved by this Court, no later than ten (10) days after the Court signs an Order (or Orders) certifying the class for settlement purposes only, granting preliminary approval of the Settlement Agreement, appointing a Claims Administrator, approving the combined class notice and settlement notice and approving the claim form.

6.4. Opt-Outs and Objections.

(a) Any Class Member who chooses to opt-out of the Class (“Opt-Out”) must complete and mail to the Claims Administrator a request for exclusion that is postmarked no later than the Opt-Out Deadline. Any Class Member who intends to object to the fairness, reasonableness and adequacy of this Agreement (“Objector”) must submit a written notice to the Court and mail a copy to Class Counsel and Defendants at the addresses set forth below in Section 8.4. The Notice Program shall specify a deadline, not less than thirty (30) days from the later of the date of direct mailing or the date of publication in the TECHE NEWS and THE DAILY WORLD, for the transmission of all written opt-outs and objections (the “Opt-Out Deadline”). Opt-Outs and Objectors must set forth in the written notice their full name, telephone number, home address, email address, any address at which they received water service from United Water between February 16, 2013 and the present or otherwise provide proof of membership in the Class, and personally sign the written notice. In addition to the above, Objectors must state in their Objection the reasons for objecting, and a statement whether the Objector intends to appear in Court at the Fairness Hearing either with or without separate counsel. If the Objector intends to appear at the Final Fairness Hearing, he/she must file a Notice of Appearance with the Court and mail it to Class Counsel and Defendants’ Counsel no later than ten (10) business days before the Final Fairness Hearing.

(b) Class Counsel agrees not to represent any Opt-Outs to this Settlement Agreement.

(c) Class Counsel and Defendants shall be provided with identifying information on Opt-Outs and Objections on a weekly basis by the Claims Administrator. Within fourteen (14) days after the Opt-Out Deadline, the Claims Administrator shall file a report of all Opt-Outs with the Court. All Class Members who do not timely and properly opt out shall in all respects be bound by all the terms of this Agreement and the Final order(s) with respect to the Class contemplated herein, and shall be permanently and forever barred from commencing, instituting, maintaining or prosecuting any action based on any Claim against any of the Released Parties in any court, arbitration tribunal, or administrative or other forum.

6.5. Final Approval. Provided that all conditions of settlement are met, including those set forth in Article VII below, the Parties shall seek the following Final order of the Court that:

- (a) Approves the Agreement as being fair, reasonable, and adequate;
- (b) Certifies the class for settlement purposes only pursuant to FRCP 23(a) and FRCP 23(b)(3).
- (c) Incorporates the terms of this Agreement and provides that the Court retains continuing and exclusive jurisdiction over the Parties to interpret, implement, administer and enforce the Agreement in accordance with its terms;
- (d) Approves the Settlement Fund, finds that the Settlement Fund is a QSF, and provides that the Settlement Fund is subject to the continuing jurisdiction of the Court in accordance with the terms of this Agreement;
- (e) Finds that the Notice Program, as carried out by the Claims Administrator, satisfies the requirements of both Federal Rule of Civil Procedure 23(c)(2) and Federal Rule of Civil Procedure 23(e)(1);
- (f) Permanently bars and enjoins the Class and each Class Member from commencing, asserting, and/or prosecuting any and all Claims against the Released Parties;

ARTICLE VII

TERMINATION OF AGREEMENT

7.1. Consistent with the Court's oversight of the process and its inherent jurisdiction, the Parties recognize that the Court may use its good offices to attempt to mediate any opt-out.

7.2 In the event that any Class Representative or at least 741 other Class Members validly Opt-Out as set forth in Article VI, within fourteen (14) days after the Claims Administrator files a report of all Opt-Outs with the Court as set forth in Section 6.4 above, United Water and/or AAIC and/or National Union may give written notice to Class Counsel of their intent to terminate this Agreement. This right to terminate this Agreement must be exercised by written

notice to the Court no later than the conclusion of the Fairness Hearing.

7.3. This Agreement shall become null and void and shall have no further effect in the event that:

- (a) Any Defendant elects to terminate this agreement pursuant to Section 7.2;
- (b) The Effective Date of this Agreement cannot occur; or
- (c) The Court declines to enter the order(s) described in Sections 6.2 and 6.5 or any such order(s) described in Article VI fails to become Final. However, Defendants and Class Counsel may upon mutual written agreement, waive this provision and accept the order(s) of the Court as entered and thus waive one or more of the provisions of Article VI.

7.4. Effect of Termination. In the event the Agreement is terminated in whole or in part, this Agreement shall become null and void *ab initio*, and shall not be offered into evidence or used in this or any other action for any purpose, including, but not limited to, in support of or opposition to the existence, certification, or maintenance of any purported class. If this Agreement terminates, the Parties shall be restored to their respective positions, as they existed prior to the execution of the Agreement.

- (a) If this Agreement terminates pursuant to Section 7.3(a) above, Defendants shall be solely responsible for the payment of any accrued Administrative Costs prior to the date of termination. After payment of these accrued Administrative Costs, Defendants shall be entitled to the full balance of the funds in the Settlement Fund, including interest earned.
- (b) If this Agreement terminates pursuant to Sections 7.3(b) or (c), Class Members and Defendants shall be jointly responsible for the payment of any accrued Administrative Costs, with Class Members being responsible for fifty percent (50%) of any said costs and Defendants being responsible for fifty percent (50%) of any said costs. The Parties shall jointly move the Court to vacate any preliminary approval order entered with respect to this Agreement and any of the orders described in Sections 6.2 or 6.5 if any such orders have been entered.

7.5 Any Class Member exercising its right to opt-out shall have a right to rescind its opt-out and participate in the Settlement by notifying Plaintiffs' Class Counsel or the Administrator in writing, before the conclusion of the Fairness Hearing. To be effective, the rescission of the opt-out notice must set forth the full name and current address of the Class Member seeking to rescind the opt-out, be signed by the Class Member, provide their address, and contain a sentence stating: "The undersigned hereby rescinds its opt-out from the Settlement of Class Claims in the matter entitled *Aaron Knott, et al. versus United Water System, Inc., et al.*, United States District Court for the Western District of Louisiana, Civil Action No. 6:23-cv-00401."

ARTICLE VIII
ADDITIONAL PROVISIONS

8.1. Exhibits. Any exhibits to this Agreement are incorporated by reference as if fully set forth herein.

8.2. Entire Agreement. This Agreement, including its exhibits and the confidential Opt-Out materials filed with the Court under seal, contains the entire agreement between the Parties concerning the subject matter thereof and supersedes and cancels all previous agreements, negotiations, and commitments, whether oral or in writing, with respect to the subject matter of this Agreement. No representations, warranties or inducements have been made to any Party concerning the Agreement or its exhibits other than the representations and warranties contained and memorialized in the Agreement and its exhibits. This Agreement may be amended only by written agreement of the Parties, subject to Court approval.

8.3. Additional Documentation. The Parties recognize additional documents will be required in order to implement the Agreement and agree to be bound by the terms set forth herein with respect to such additional documentation. However, the Parties agree that this Agreement contains all of the essential terms necessary for a full, final, binding and enforceable Settlement Agreement between the Parties.

8.4. Notice. Any and all notices, requests, consents, directives, or communications by any party intended for any other party shall be in writing and shall, unless expressly provided otherwise herein, be given personally, or by express courier, or by electronic transmission (such as e-mail), or by postage prepaid mail, to the following persons, and shall be addressed, as follows:

To the Plaintiffs Class:

Gordon Schoeffler, Attorney at Law
Physical: 730 Jefferson St., 70501
Mailing: P.O. Box 4829
Lafayette, La 70502
Phone 337-234-5505
Fax: 337-261-0799
gordon@gjlawoffice.com

Co-Lead Counsel for the Plaintiffs and the Plaintiffs Class

To United Water System, Inc.:

JOHN E. W. BAAY, II (No. 22928)
Email: jbaay@gllaw.com
J. MICHAEL DiGIGLIA (No. 24378)
Email: mdigiglia@gllaw.com
NICHOLAS S. BERGERON (No. 37585)

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GIEGER, LABORDE & LAPEROUSE, L.L.C.
701 Poydras Street, Suite 4800
New Orleans, Louisiana 70139
Telephone: (504) 561-0400

Counsel for United Water System, Inc.

To American Alternative Insurance Corporation:

NICHOLAS P. ARNOLD (No. 31602)
narnold@bluewilliams.com
BLUE WILLIAMS, LLC
3421 N. Causeway Blvd., Suite 900
Metairie, Louisiana 70002
Telephone: (504) 831-4091

Counsel for American Alternative Insurance Corporation

To National Union Fire Insurance Company of Pittsburgh, Pa.:

Thomas Kent Morrison (No. 25802)
PHELPS DUNBAR LLP
Canal Place
365 Canal Street, Suite 2000
New Orleans, Louisiana 70130
Telephone: (504) 566-1311
Email: morrisok@phelps.com

Counsel for National Union Fire Insurance Company of Pittsburgh, Pa.

Any of the parties may, from time to time, change the address to which such notices, requests, consents, directives, or communications are to be delivered, by giving the other parties prior written notice of the changed address, in the manner hereinabove provided, ten (10) calendar days before the change is effective.

8.5. Choice of Law. All terms of this Settlement Agreement shall be governed by and interpreted according to the substantive laws of the State of Louisiana without regard to its choice of law or conflict of laws principles.

8.6. Consent to Jurisdiction. All parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Western District of Louisiana, for any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement or the applicability of this Settlement Agreement. Nothing in this paragraph shall prohibit (a) the

assertion in any forum in which a claim is brought that any release herein is a defense, in whole or in part, to such a claim or (b) in the event that such a defense is asserted in such forum, the determination of its merits in that forum.

8.7. No Waiver. The waiver by any Party of any breach of this Agreement by another Party shall not be deemed or construed as a waiver of any other breach of this Agreement, whether, prior, subsequent, or contemporaneous.

8.8. Mutuality. This Agreement shall be deemed to have been mutually prepared by the Parties and shall not be construed against any of them by reason of authorship.

8.9. Counterparts. This Agreement may be executed in counterparts, and an electronic signature shall be deemed an original signature for purposes of this Agreement.

8.10. Headings. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

8.11. Assignment. No Party to this Agreement shall assign or delegate any of the rights, interests, or obligations under or relating to this Agreement without the prior written consent of the Parties. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

ARTICLE IX
REPRESENTATIONS AND WARRANTIES REGARDING AUTHORITY


9.1. Class Counsel on behalf of the Class Members represents and warrants that he has authority to enter into this Agreement on behalf of the Class, subject to the Court's appointment of Class Counsel. This agreement has been duly and validly executed and delivered by Class Counsel, and constitutes a legal, valid and binding obligation of the Class, subject to Court approval of the Agreement.

9.2. Counsel for United Water, AAIC, and National Union represent and warrant that each of them has all requisite authority to execute this Agreement. The execution, delivery and performance of this Agreement by United Water, AAIC, and National Union has been duly authorized by all necessary corporate action and constitutes the legal, valid and binding obligation of United Water, AAIC, and National Union subject to Court approval.


IN WITNESS WHEREOF, the parties hereto through their fully authorized representatives have agreed to this Settlement Agreement as of the latest date entered below.


On behalf of the Class Plaintiffs

 1-8-25
Aaron Knott, Class Representative

 1-8-25
Michael Carruth, Class representative

 1-8-25
Karen Carruth, Class Representative

 1-8-25
Christina Sonnier, Class representative

 1-8-25
Christine Olivier, Class Representative



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Phone 337-234-5505
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LAW OFFICES OF KENNETH W. DEJEAN

Kenneth W. DeJean (No. 4817)
Adam R. Credeur (No. 35095)
Natalie M. DeJean (No. 32423)
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(337) 235-5294 – Telephone
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kwdejean@kwdejean.com
adam@kwdejean.com
natalie@kwdejean.com

Date: 1-7-25

On behalf of United Water System, Inc.


JOHN E. W. BAAY, II (No. 22928)

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J. MICHAEL DiGIGLIA (No. 24378)

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NICHOLAS S. BERGERON (No. 37585)

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GIEGER, LABORDE & LAPEROUSE,
L.L.C.

701 Poydras Street, Suite 4800
New Orleans, Louisiana 70139

Telephone: (504) 561-0400

Facsimile: (504) 561-1011

Date: 1/7/25

On behalf of American Alternative Insurance Corporation



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3421 N. Causeway Blvd., Suite 900

Metairie, Louisiana 70002

Telephone: (504) 831-4091

Facsimile: (504) 837-1182

Date: 1/7/25

*On behalf of National Union Fire Insurance
Company of Pittsburgh, Pa.*

PHELPS DUNBAR-LLP



Thomas Kent Morrison (LA Bar No. 25802)

Katharine R. Colletta (LA Bar No. 27552)

Michael J. Catalano (LA Bar No. 38159)

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Email: michael.catalano@phelps.com

Date: January 7, 2025