

STIPULATION AND RECOMMENDATION

This Stipulation and Recommendation (“Stipulation”) is entered into this 14th day of August, 2023 by and among Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, “the Utilities”) and the Mercer County Fiscal Court (“Mercer”), (collectively “the Parties”).

W I T N E S S E T H:

WHEREAS, on December 15, 2022, the Utilities filed with the Kentucky Public Service Commission (“Commission”) their Joint Application for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan, *In the Matter of: Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan*, and the Commission established Case No. 2022-00402 to review that Joint Application;

WHEREAS, on May 10, 2023, the Utilities filed with the Commission their Joint Application for Approval of Seven Fossil Fuel-Fired Generating Unit Retirements, *In the Matter of Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Approval of Seven Fossil Fuel-Fired Generating Unit Retirements*, and the Commission established Case No. 2023-00122 to review that Joint Application, and, by Order of May 16, 2023, the Commission incorporated and consolidated Case No. 2023-00122 into Case No. 2022-00402 and amended the case style for Case No. 2022-00402 to *In the Matter of: Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements*;

WHEREAS, Mercer has participated as a full intervenor in Case No. 2022-00402 along with multiple other intervenors but no other intervenor is a party to this Stipulation;

WHEREAS, a remote and in person prehearing informal conference for the purpose of discussing settlement and the text of this Stipulation, attended by representatives of the Parties and the Commission Staff, took place on August 15, 2023, during which a number of procedural and substantive issues were discussed, including potential settlement of all issues pending before the Commission in Case No. 2022-00402, including issues unique to the Utilities and Mercer;

WHEREAS, the Parties hereto unanimously desire to settle all the issues between them pending before the Commission;

WHEREAS, it is understood by the Parties hereto that this Stipulation is subject to the approval of the Commission, insofar as it constitutes an agreement by the Parties for settlement, and, absent express agreement stated herein, does not represent agreement on any specific claim, methodology, or theory supporting the appropriateness of any of the Utilities' proposals in Case No. 2022-00402;

WHEREAS, the Parties have spent many hours over several days to reach the stipulations and agreements which form the basis of this Stipulation;

WHEREAS, the Parties agree that this Stipulation, viewed in its entirety, is a fair, just, and reasonable resolution of their issues resolved in this Stipulation; and

WHEREAS, the Parties believe sufficient and adequate data and information in the record of Case No. 2022-00402 support this Stipulation, and further believe the Commission should approve it without modifications or conditions;

NOW, THEREFORE, for and in consideration of the promises and conditions set forth herein, the Parties hereby stipulate and agree as follows:

ARTICLE I. MERCER COUNTY SOLAR FACILITY

1.1. In Case No. 2022-00402, the Utilities seek, among other things, a Certificate of Public Convenience and Necessity for the construction of an up to 120 MW ac solar photovoltaic facility (“Mercer County Solar Facility”) to be located on certain property¹ consisting of 858 acres in Mercer County, Kentucky which KU exclusively owns, without any encumbrances liens or other legal instruments or otherwise which might affect a clean title to the property. One of Mercer’s positions in Case No. 2022-00402 is that the property proposed to be used for that solar facility is better suited for Mercer’s or Mercer County’s development of an industrial park. Parties agree that the Purchase Agreement attached as Exhibit 1 will facilitate economic development in and for Mercer County and the Commonwealth of Kentucky by creating the opportunity for a unique industrial park in Mercer County adjacent to the Mercer County Solar Facility. The County is appreciative of the cooperativeness being shown by Utilities in allowing for the development of the 858 acre site and looks forward to working with Utilities in the event that it is successful in its application and acquires the contiguous property. The County recognizes the importance of renewable energy and withdraws its opposition to the proposed Mercer County Solar Facility. If approved, the Mercer County Solar Facility shall be maintained with appropriate plantings and ground maintenance consistent with the that provide a reasonable perimeter screening to reduce the effects to the viewscape of Mercer County Solar Facility from occupied residences. Utilities may satisfy the screening requirements by incorporating one or a combination of the following:

- (1) Where practical, any existing natural tree growth and landforms along the applicable boundary of the site shall be preserved and may create a sufficient buffer.

¹ The property proposed to be used is more specifically described in the Purchase Agreement attached hereto as Exhibit 1.

- (2) A vegetative buffer which shall incorporate a double row of evergreens a minimum of 8' in height at planting with a minimum height of 15' at full growth planted no more than 20ft from exterior of security fence. Trees are to be replaced upon dying within 30 days.
- (3) In lieu of vegetative buffers, an opaque fence may be used, provided, that the fencing material or veneer is, or has the appearance, of wood, stone, or other natural materials and is constructed so that it is at least eight (8) feet high when measured at grade.

ARTICLE II. THE PURCHASE AGREEMENT

2.1 In an effort to resolve their differences in Case No. 2022-00402, the Parties have, in good faith, negotiated the Purchase Agreement attached as Exhibit 1. Subject to all of the terms, conditions, and covenants set forth in the Purchase Agreement, the Purchase Agreement provides for the following: (1) KU will sell to Mercer nearly all of the approximately 858 acres that was planned to be used for the Mercer County Solar Facility so that Mercer can use it for the development of an industrial park; (2) KU's obligation to sell that property to Mercer is contingent upon KU's successful acquisition of approximately 1007 acres of land located nearby in Mercer County which the Utilities will then use for development of the Mercer County Solar Facility in Case No. 2022-00402; (3) the obligations under the Purchase Agreement are contingent on the Commission's issuance of a CPCN for the Mercer County Solar Facility and approval of the sale of the property under KRS 278.218, and the Siting Board's issuance of a Site Compatibility Certificate for the Mercer County Solar Facility pursuant to KRS 278.216, with each such approval acceptable to Utilities.

ARTICLE III. REQUEST FOR APPROVAL TO SELL LAND UNDER KRS 278.218(1)(a)

3.1. KRS 278.218(a) requires Commission approval for the transfer of ownership of a utility asset having an original book value of one million dollars (\$1,000,000) or more if the asset to be transferred is for a reason other than obsolescence. The Parties hereby request Commission approval of the transfer of land described in the Purchase Agreement from the Utilities to Mercer in compliance with KRS 278.218(a).

ARTICLE IV. MISCELLANEOUS PROVISIONS

4.1. The Parties agree that the foregoing Stipulation represents a fair, just, and reasonable resolution of the issues addressed herein between them and request that the Commission approve the Stipulation. The Parties further agree no other intervenor in Case No. 2022-00402 is a party to this Stipulation and that the terms of this Stipulation apply only to the Utilities and Mercer.

4.2. Following the execution of this Stipulation, the Parties shall cause the Stipulation to be filed with the Commission on or about August 15, 2023, together with a request to the Commission for consideration and approval of this Stipulation.

4.3. This Stipulation is subject to the acceptance of, and approval by, the Commission. The Parties agree to act in good faith and to use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. The Parties commit to notify each other of any perceived violation of this provision so the Party may have an opportunity to cure any perceived violation, and they commit to work in good faith to address and remedy promptly any such perceived violation. In all events, counsel for the Utilities and Mercer will represent to the Commission that the Stipulation is a fair, just, and reasonable means of resolving all issues in these

proceedings that are the subject of this Stipulation and will clearly and definitively ask the Commission to accept and approve the Stipulation as such.

4.4. If the Commission issues an order adopting this Stipulation in its entirety and without additional conditions, each of the Utilities and Mercer agree that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin Circuit Court with respect to such order.

4.5. If the Commission does not accept and approve this Stipulation in its entirety, then any adversely affected Party may withdraw from the Stipulation within the statutory periods provided for rehearing and appeal of the Commission's order by (1) giving notice of withdrawal to all other Parties and (2) timely filing for rehearing or appeal. If any Party timely seeks rehearing of or appeals the Commission's order, all Parties will continue to have the right to withdraw until the conclusion of all rehearings and appeals. Upon the latter of (1) the expiration of the statutory periods provided for rehearing and appeal of the Commission's order and (2) the conclusion of all rehearings and appeals, all Parties that have not withdrawn will continue to be bound by the terms of the Stipulation as modified by the Commission's order.

4.6. This Stipulation has no effect on and does not apply to rehearing or appeal rights the Utilities or Mercer may have with respect to any intervenor in Case No. 2022-00402 except for Mercer. Further, this Stipulation does not apply to matters outside the scope of this Stipulation, including, but not limited to, matters relating to facilities proposed in Case No. 2022-00402 other than the Mercer County Solar Facility, the retirement of coal-fired generating facilities, or demand-side management programs.

4.7. If the Stipulation is voided or vacated for any reason after the Commission has approved the Stipulation, none of the Parties will be bound by the Stipulation.

4.8. The Stipulation shall in no way be deemed to affect or diminish the jurisdiction of the Commission of jurisdiction under Chapter 278 of the Kentucky Revised Statutes.

4.9. The Stipulation shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns.

4.10. The Stipulation constitutes the complete agreement and understanding among the Parties, and any and all oral statements, representations, or agreements made prior hereto or contemporaneously herewith shall be null and void and shall be deemed to have been merged into the Stipulation.

4.11. The Parties agree that, for the purpose of the Stipulation only, the terms are based upon the independent analysis of the Parties to reflect a fair, just, and reasonable resolution of the issues herein and are the product of compromise and negotiation.

4.12. The Parties agree that neither the Stipulation nor any of its terms shall be admissible in any court or commission except insofar as such court or commission is addressing litigation arising out of the implementation of the terms herein, the approval of this Stipulation, or a Party's compliance with this Stipulation. This Stipulation shall not have any precedential value in this or any other jurisdiction.

4.13. The signatories hereto warrant that they have appropriately informed, advised, and consulted their respective Parties in regard to the contents and significance of this Stipulation and based upon the foregoing are authorized to execute this Stipulation on behalf of their respective Parties.

4.14. The Parties agree that this Stipulation is a product of negotiation among all Parties hereto, and no provision of this Stipulation shall be strictly construed in favor of or against any Party. Notwithstanding anything contained in the Stipulation, the Parties recognize and agree that

the effects, if any, of any future events upon the operating income of the Utilities are unknown and this Stipulation shall be implemented as written.


4.15. The Parties agree that this Stipulation may be executed in multiple counterparts.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have hereunto affixed their signatures.

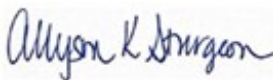
Kentucky Utilities Company and
Louisville Gas and Electric Company

HAVE SEEN AND AGREED:

By: 

Kendrick R. Riggs

-and-

By: 

Allyson K. Sturgeon

Mercer County Fiscal Court

HAVE SEEN AND AGREED:

By: /s/ Dennis G. Howard II

Dennis G. Howard II

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made and entered into on this 14th day of August, 2023 (the "Effective Date"), by and between **KENTUCKY UTILITIES COMPANY**, a Kentucky corporation, having its principal office and place of business at 820 West Broadway, Louisville, Kentucky 40202 (the "**Seller**"), and (ii) the **MERCER COUNTY FISCAL COURT and THE CITY OF HARRODSBURG**, both political subdivisions of the Commonwealth of Kentucky, having their principal offices and places of business at 207 W. Lexington Street, Harrodsburg, Kentucky and 208 S Main Street, Harrodsburg, Kentucky (the "**Buyers**").

WHEREAS, Seller is the owner in fee simple of that certain real property comprising approximately 858 acres located near U.S. Highway 127 in Harrodsburg, Mercer County, Kentucky; and

WHEREAS, Seller desires to sell, transfer and convey said real property; and, Buyers desire to buy said real property, and any and all improvements located thereon pursuant to the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual representations, benefits and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller and Buyers covenant and agree as follows:

1. Property; Purchase and Sale.

A. The Property. The real property to be sold by Seller comprises approximately 858 acres located near U.S. Highway 127 in Harrodsburg, Mercer County, Kentucky, together with any and all improvements now existing or hereafter located thereon and all rights, privileges and appurtenances belonging thereto, excepting (a) an approximately five (5) acre parcel, and associated access and transmission-line easements, as set forth in Section 1(D) below, and (b) the facilities, and associated easement, related to Seller's electric transmission and distribution facilities as set forth in Section 1(E) below, and which real property is identified as the "Southern Land" on the rendering attached hereto as Exhibit 'A', and as more particularly described on Exhibit 'B', both attached hereto and subject to change as set forth herein and to be further shown on the Minor Subdivision Plat defined in Section 1(C) below (the "Property").

B. Purchase and Sale. Seller agrees to sell, convey and transfer the Property to Buyers (or Buyers' designee), and Buyers agree to buy the Property from Seller, pursuant to the terms, conditions and covenants contained herein.

C. Contingencies to Seller's Performance.

(i) Seller's obligation to sell the Property to Buyers is subject to and contingent upon Seller's successful acquisition of approximately 1007 acres located in Mercer County, Kentucky (collectively, the "Northern Land"), from Ceres Farms LLC ("Ceres"), and Mercer County Solar Project, LLC ("MC Solar"), located generally north and adjacent to the Property. MC Solar owns a 459 acres parcel, and Ceres holds one option to purchase an additional 406 acres and a second option to purchase an additional 142 acres, with both options

having been assigned to MC Solar. Seller is currently under contract with MC Solar pursuant to a Real Estate Purchase, Sale and Assignment Agreement dated June 8, 2023, to purchase the Northern Property. (Seller proposes to build up to a 120 MW ac solar photovoltaic facility on the Northern Land).

(ii) Seller's obligation to sell the Property to Buyers are further subject to and contingent upon the Kentucky Public Service Commission ("KPSC") granting Seller in KPSC Case No. 2022-00402 (a) a certificate of public convenience and necessity to construct up to a 120 MW ac solar photovoltaic facility on the Northern Land, (b) the Generation and Transmission Siting Board's issuance of an Site Compatibility Certificate for the Mercer County Solar Facility pursuant to KRS 278.216, and (c) approval, if necessary, to sell the Property to Buyers pursuant to KRS 278.218. In consideration of this Agreement, Buyers agree to sign and file the Stipulation and Recommendation executed by the Parties on August 14, 2023.

(iii) Seller's obligation to sell the Property to Buyers is further subject to and contingent upon the approval of a Minor Subdivision Plat (the "Minor Plat") by the Mercer County Joint Planning and Zoning Commission which subdivides the Property from Seller's existing real property/the Northern Land, creates the Substation Parcel defined in Section 1(D) below, and further creates and reserves the various easements described in Sections 1(D) and 1E below. The Buyers agrees to support the approval of the Minor Plat by the Mercer County Joint Planning and Zoning Commission.

(iv) In the event, that the contingencies set forth in subparagraphs C(i),(ii) and (iii) are satisfied, Sellers agree that they will sell to Buyers the approximately 100 acres of the Northern Land containing the railroad. The approximate location of this 100 acres is shown on Exhibit D to this Agreement. The parties understand that the acquisition of this parcel by Buyers is essential to Buyers' future development plans. The sale of this portion of the Northern land will be included in the final survey and sales price as set forth in section 1A.

D. Property Exception and Associated Easements. Within forty-five (45) days after the Effective Date (the "Seller's Survey Period"), Seller shall obtain and internally approve a survey identifying an approximately five (5) acre parcel (the "Substation Parcel"), an associated access easement connecting the Substation Parcel to a public road (the "Substation Access Easement"), and an associated transmission-line easement connecting the Substation Parcel to Seller's adjacent property or existing electric-transmission facilities located on the Property (the "New Transmission Line Easement"). Seller shall provide Buyers with a copy of said survey by no later than five (5) days after the expiration of the Seller's Survey Period. The Substation Parcel is excepted from the Property and will be retained by Seller at Closing. The Substation Access Easement will be reserved by Seller at Closing. Upon conveyance of the Property to Buyers, Buyers shall, at closing (defined below) convey to Seller the New Transmission Line Easement for the future construction, operation, and maintenance of electric lines in accordance with the Easement Agreement attached hereto as Exhibit C. The Substation Parcel and the easements described herein shall be further identified and shown on the Minor Plat. Seller is responsible for all costs associated with the Substation Parcel, Substation Access Easement and Easements, including the costs of the Minor Plat application and approval, surveys, legal descriptions, and recordings.

E. Electric Line and Easement. Upon conveyance of the Property to Buyers, Buyers shall, at Closing (defined below) convey to Seller an easement across the Property for the construction, operation, and maintenance of Seller's existing electric lines on the Property, which remain the property of Seller (the "Existing Transmission Line"), in accordance with the Easement Agreement attached hereto as Exhibit C. Seller is responsible for all costs associated with the Existing Transmission Line, including the costs of the Minor Plat application and approval, surveys, legal descriptions, and recording.

2. Purchase Price. The purchase price for the Property is \$20,820.00 per acre. The actual acreage of the Property shall be determined by the Survey to be obtained by Buyers in accordance with Section 7(A)(iv) below. The Purchase Price shall be paid by Buyers to Seller on the Closing Date by cashier's check or by wire transfer of immediately available federal funds to such account as Seller may designate.

3. Closing; Closing Adjustments and Costs; Closing Documents.

A. Closing Date. The closing of the transaction contemplated hereby (the "Closing") shall be held within one hundred eighty (180) days after (i) Seller obtains the regulatory approvals described in Section 1(C)(ii) above, (ii) the date on which the Minor Plat is approved, and (iii) Seller's attainment of the release of the Indenture lien against the Property as defined in Section 5(E) below, whichever is later (the "Closing Date").

B. Closing Time and Place. The closing shall be held on the Closing Date at a place and time that is mutually agreed upon by Buyers and Seller.

C. Closing Costs. Buyers shall pay the recording fee for the deed and all title examination fees and title insurance premiums necessary to provide Buyers with an owner's policy of title insurance and Buyers' lender, if applicable, with a loan policy of title insurance. Seller shall pay for the preparation of the deed and the transfer tax and/or documentary stamps due and owing on the transfer of the Property. Buyers and Seller shall each be responsible for the payment of their own attorneys' fees and expenses.

D. Special Warranty Deed. On the Closing Date, Seller shall convey to Buyers an unencumbered, marketable fee simple title to the Property by recordable deed of Special Warranty, such that any national title insurance company shall insure, and subject to the following: (i) governmental laws, ordinances and regulations affecting the Property; (ii) liens for real property taxes and assessments due and payable in the year of Closing and thereafter, which Buyers assume and agrees to pay (subject to proration at Closing); and (iii) any other easements, restrictions and stipulations of record or such other matters as may be shown on the Survey of the Property to Buyers' satisfaction.

E. Easement Agreement. On the Closing Date, Buyers shall execute the Easement Agreement defined in Sections 1(D) and 1(E) in favor of Seller.

F. Real Property Taxes. All real property ad valorem taxes and assessments against or on the Property, due and payable in the year of Closing, shall be prorated between Seller and Buyers as of the Closing Date on a calendar year or fiscal year basis, whichever is appropriate;

Seller shall further be responsible for all real property ad valorem taxes and assessments against or on the Property for any years prior to the year of Closing.

G. Affidavit of Title. On the Closing Date, Seller shall deliver to Buyers an affidavit of title sufficient to allow the title insurance company of Buyers and Buyers' lender, if applicable, to insure against any and all standard exceptions, including mechanics' liens and materialmen's liens, and rights of all parties, other than Buyers and Seller, to possession of all or any part of the Property and addressing such other items as the title insurance company shall reasonably request.

H. Non-Foreign Status Certification. On the Closing Date, Seller shall deliver to Buyers a non-foreign status certification as required by Section 1445 of the Internal Revenue Code of 1986, as amended.

4. Possession. Possession of the Property shall be delivered to Buyers on the Closing Date.

5. Representations, Warranties and Covenants of Seller. Seller represents, warrants and covenants to Buyers that:

A. Seller possesses full right, power and authority to execute, deliver and perform this Agreement, and no legal or administrative proceeding is in effect which would prohibit Seller's execution of this Agreement. At Closing, Seller shall deliver to Buyers evidence of such authority as may be reasonably requested by Buyers, Buyers' attorney or the title insurance company.

B. There is no pending condemnation litigation, action, suit or proceeding pending, threatened against or affecting Seller, insofar as the Property or any portion of the Property or relating to or arising out of ownership or use of the Property is concerned, in any court or before any agency, department, commission, or other governmental instrumentality to the best of Seller's current knowledge.

C. No other party other than the Seller has any rights with respect to the Property, including contractual rights, licenses, option to purchase or lease.

D. There are no mechanics or materialmen's or similar claims or liens presently claimed against the Property to the best of Seller's current knowledge.

E. Seller shall make no deed restrictions encumbering the Property or limiting future use thereon prior to Closing, subject to the lien of the First Mortgage Indenture in favor of the Bank of New York Mellon of record with the Clerk of Mercer County, Kentucky (the "Indenture Lien"), which Seller shall have released against the Property as a condition to Closing.

F. To the best of Seller's knowledge, information and belief, (i) there are no Hazardous Substances on, or under the Property that require remediation under any Environmental Law, ordinance, or directive, (ii) Seller has not received any written communication from any governmental authority that alleges that Seller is not in compliance with any Environmental Law, and (iii) Seller has not released Hazardous Substances on, in, or from the Property. As used herein, "Environmental Laws" means any and all applicable federal,

state and local statutes, regulations, ordinances and rules as presently existing or as may be amended or adopted in the future, pertaining to the protection of human health and/or the environment, and "Hazardous Substances" means any hazardous, toxic or radioactive substance, waste, or material, including without limitation petroleum oil and its fractions, listed, governed or defined by applicable Environmental Laws.

G. Seller has not filed for relief as a debtor under any state receivership laws or federal bankruptcy laws.

H. Seller has and will have on the Closing Date fee simple title to the Property, subject only to the exceptions set forth in Section 3(D), and Seller has full right and power to convey the Property to Buyers.

I. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended from time to time.

All representations and warranties of Seller contained in this Agreement, whether under this Section or elsewhere, shall be true as at the date of Closing as if those representations and warranties were made at such time, and if requested, Seller agrees to execute and deliver to Buyers an affidavit at closing certifying that all of the representations and warranties made in this Agreement are true and accurate as of that date. The foregoing representations and warranties of Seller shall survive closing as provided in Section 14 hereof.

6. Representations and Warranties of Buyers. Buyers represent and warrant to Seller that:

A. Buyers possesses full right, power and authority to execute, deliver and perform this Agreement, and no legal or administrative proceeding is in effect which would prohibit Buyers' execution of this Agreement or materially and adversely affect the financial condition of Buyers.

B. The execution and delivery of this Agreement, the consummation of the transaction provided for herein, and the fulfillment of the terms hereof, will not result in a breach of any term, covenant or condition of, or constitute a default under, any agreement or instrument to which Buyers are a party.

The foregoing representations and warranties of Buyers shall survive closing as provided in Section 14 hereof.

7. Conditions Precedent. Seller's obligation to sell and Buyers' obligation to purchase the Property, respectively, and to consummate the transaction contemplated herein shall be subject to the satisfaction of the following terms, contingencies, conditions and provisions:

A. Conditions Precedent to Buyers' Obligations. Buyers' obligation to close the transaction contemplated hereunder shall be subject to the following conditions precedent prior to or at the date of Closing:

(i) Each and every representation and warranty of Seller set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(ii) Seller shall comply with and perform all of its duties and obligations required by this Agreement prior to the Closing Date.

(iii) Seller shall have obtained the release of the Indenture Lien against the Property in accordance with Section 5(E) above.

(iv) Beginning on the expiration of the Seller's Survey Period and continuing through the date on which Seller obtains the certificate of public convenience and necessity and Site Compatibility Certificate described in Section 1(C)(ii) above (the "Inspection Period"), Buyers and/or its representatives shall have the right to make such inspections, investigations, surveys and tests of the Property as Buyers shall deem necessary and appropriate to complete Buyers' assessment of the Property (including, but not limited to, environmental tests, assessments and inspections, and the determination of the availability of utilities at the Property), and Buyers shall have the right to seek approvals of all public and governmental authorities as to all matters relating to Buyers' intended establishment and development of a business park at the Property and the provision of acreage ready for business development projects (collectively, the "Inspections"). All such Inspections and testing shall be at Buyers' expense and Buyers shall restore the Property to the same condition it was prior to any testing. Buyers further covenants and agrees to indemnify and hold harmless Seller from and against all damages to the Property caused by any such Inspections conducted by or on behalf of Buyers. Should Buyers determine in its sole discretion that the Property is unsuitable for its intended use as a result of the Inspections, Buyers shall give Seller written notice thereof prior to the expiration of the Inspection Period, and this Agreement will terminate, and neither party shall have any further obligations under this Agreement.

(v) During the Inspection Period, Buyers shall obtain a current ALTA title commitment issued by a national title insurance company for an owner's policy of title insurance in accordance with Section 3(D) (the "Title Commitment"). During the Inspection Period, Buyers shall further obtain at Buyers' expense an ALTA/ASTM survey of the Property from a registered land surveyor licensed in the Commonwealth of Kentucky (the "Survey"). The Title Commitment and Survey shall note, as exceptions/requirements, the Substation Parcel and the easements defined in Sections 1(D) and 1(E) above.

(vi) Seller agrees to provide to Buyers within (10) days of the Effective Date pertinent documentation on the Property, including, but not limited to, the deed, title polices, any environmental assessments, surveys, zoning information and any other pertinent information requested by Buyers (the "Documentation").

(vii) Buyers shall have until the expiration of the Inspection Period (the "Objection Date") to notify Seller in writing of any objections Buyers may have to any matters disclosed in the Title Commitment, Survey or the Documentation. Any matter disclosed in the Title Commitment, Survey or Documentation to which Buyers do not object shall be deemed a Permitted Exception. If Buyers notify Seller in writing of any such objections prior to the Objection Date, Seller shall have the right, but not the obligation to cure such objections. Seller shall have seven (7) days from the receipt of such objections in which to either (i) cure such objections or commit to cure the same on or before the Closing Date to Buyers' satisfaction, or (ii) notify Buyers in writing that it is unable or unwilling to cure such objections, in which case

Buyers may, at its option, (1) accept such title as Seller is able to convey (in which event Buyers shall be deemed to have approved such objections and they shall become Permitted Exceptions), or (2) terminate this Agreement in writing to Seller within five (5) days after receipt of Seller's response to Buyers' objections, and thereafter neither party will have any further obligations hereunder.

B. Conditions Precedent to Seller's Obligations. Seller's obligation to close the transaction contemplated hereunder shall be subject to the satisfaction of the following conditions precedent prior to or at the date of Closing:

(i) Seller shall have received the Purchase Price payable in accordance with this Agreement.

(ii) Buyers shall have complied with and performed all of its duties and obligations under this Agreement prior to the Closing Date.

(iii) Each and every representation and warranty of Buyers set forth in this Agreement shall be true and correct in all material respects as of the date of Closing.

(iv) Seller's successful acquisition of the Northern Land from Ceres and MC Solar, and Seller's receipt from the KPSC of (a) a certificate of public convenience and necessity and Site Compatibility Certificate to construct up to a 120 MW ac solar photovoltaic facility on the Northern Land under KPSC Case No. 2022-00402, (b) a Site Compatibility Certificate for the Mercer County Solar Facility pursuant to KRS 278.216, and (c) approval, if necessary, to sell the Property to Buyers pursuant to KRS 278.218, including the filing by Buyers of any required stipulation(s) with the KPSC evidencing Buyers' withdrawal of its' opposition to Seller's applications for said certificate of public convenience and necessity and Site Compatibility Certificate and sale.

(v) Seller's receipt of any and all additional regulatory and governmental approvals of this transaction, which approvals Buyers agree to support on behalf of Seller, including the filing by Buyers of any required stipulation(s) with the KPSC evidencing Buyers' consent.

(vi) The approval of the Minor Plat by the Mercer County Joint Planning and Zoning Commission; Seller shall prepare and submit the application for approval of the Minor Plat within thirty (30) days after the expiration of the Seller's Survey Period, and Buyers agree to support such application and approval.

(vii) Buyers' execution of the Easement Agreement defined in Sections 1(D) and 1(E).

(viii) If any of the conditions precedent to Seller's obligation to close shall fail to occur prior to the Closing Date, Seller shall have the right terminate this Agreement in writing to Seller prior to the Closing Date, and thereafter neither party will have any further obligations hereunder.

8. Covenants of Seller Prior to Closing. Seller hereby covenants with Buyers that from and after the date of this Agreement and through the date of the Closing, Seller shall:

A. With the exception of the Indenture Lien, not sell, grant, convey, lease, mortgage, encumber or dispose of the Property or any part thereof or interest therein or any improvements located thereon or the appurtenances thereunto belonging, nor grant or create any easements, restrictions or covenants regarding the same or apply for any zoning change or subdivision approval with respect thereto, except as requested or approved by Buyers, and will not impose any restrictions on the Property limiting its future use, density or architectural design; and

B. Other than mortgages to be paid in full at the Closing, not allow any lien, claim, demand or encumbrance of any nature, kind or character to be asserted against the Property or any part thereof, other than the lien of ad valorem property taxes and assessments not yet then delinquent.

9. Risk of Loss. All risk of loss with respect to the Property shall remain with Seller until the closing and delivery of the deed to Buyers.

10. Casualty and Condemnation. If at any time prior to the Closing Date, all or any substantial part of the Property is damaged by fire or other casualty, taken or appropriated by virtue of eminent domain or similar proceedings, or is condemned for any public or quasi-public use, then Buyers may terminate this Agreement, and thereafter neither party will have any further obligations hereunder except for the indemnifications set forth herein and the obligations to restore and repair set forth herein. If Buyers terminate this Agreement, then Seller shall be entitled to receive all insurance proceeds or condemnation proceeds paid for that portion of the Property damaged or taken. If Buyers elect to maintain this Agreement in full force and effect, then (i) Buyers shall be entitled to receive all insurance proceeds or condemnation proceeds paid for that portion of the Property damaged or taken and not expended for repairs, or (ii) if the insurance proceeds or condemnation proceeds have been paid to Seller, then Buyers shall receive a credit against the Purchase Price equal to the amount of insurance proceeds or condemnation proceeds paid to Seller and not expended for repairs.

11. Default. If, following the full execution of this Agreement, either party defaults in the performance of its duties or obligations under this Agreement, then:

A. if Buyers are in default, then Seller may terminate this Agreement and thereafter pursue any other remedy available at law, in equity or by statute; and

B. if Seller is the party in default, then Buyers may terminate this Agreement and thereafter pursue any other remedy available at law, in equity or by statute.

12. Notice. Any notice or consent authorized or required by this Agreement shall be in writing and (i) delivered personally, or (ii) sent by a nationally recognized overnight carrier that guarantees next day delivery, directed to the other party at the address set forth in the preamble to this Agreement or such other parties or addresses as may be designated by either Buyers or Seller by notice given from time to time in accordance with this Section 12. A notice or consent given in accordance with this Section 12 shall be deemed received (i) upon delivering it in person, or (ii) one (1) day after giving it to a nationally recognized overnight carrier.

13. Benefit and Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, their respective heirs, legal representatives, successors and assigns.
14. Survival of Covenants. All covenants, representations, warranties and conditions contained in this Agreement shall survive the closing and delivery of the deed or any termination of this Agreement.
15. Time of the Essence. Time is of the essence for this Agreement.
16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
17. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the matters to which it pertains, and may be amended only by written agreement signed by both Buyers and Seller.
18. Assignment. Buyers may not assign this Agreement without the written consent of Seller.
19. Commissions. Seller and Buyers hereby represent and warrant that they have not retained any brokers with respect to the transactions as contemplated hereby, nor is either responsible for the payment of any commissions or brokerage fees to any person or entity with respect to the transactions as contemplated herein.
20. Invalid, Illegal or Unenforceable Provision. If any term, covenant or condition contained in this Agreement is deemed to be invalid, illegal or unenforceable, then the rights and obligations of the parties hereto shall be construed and enforced with that term, covenant or condition limited so as to make it valid, legal or enforceable to the greatest extent allowed by law, or, if it is totally invalid, illegal or unenforceable, then as if this Agreement did not contain that particular term, covenant or condition.

IN WITNESS WHEREOF, Seller and Buyers executed this Agreement as of the date first set forth above.

SELLER:

KENTUCKY UTILITIES COMPANY

By: 

Its: Chief Operating Officer

BUYER:

MERCER COUNTY FISCAL COURT

By: Sarah Steele

Its: Mercer County Judge Executive / Sarah Steele

CITY OF HARRODSBURG

By: Sam Cerra

Its: Mayer / Sam Cerra

EXHIBIT A
PROPERTY RENDERING
(attached)

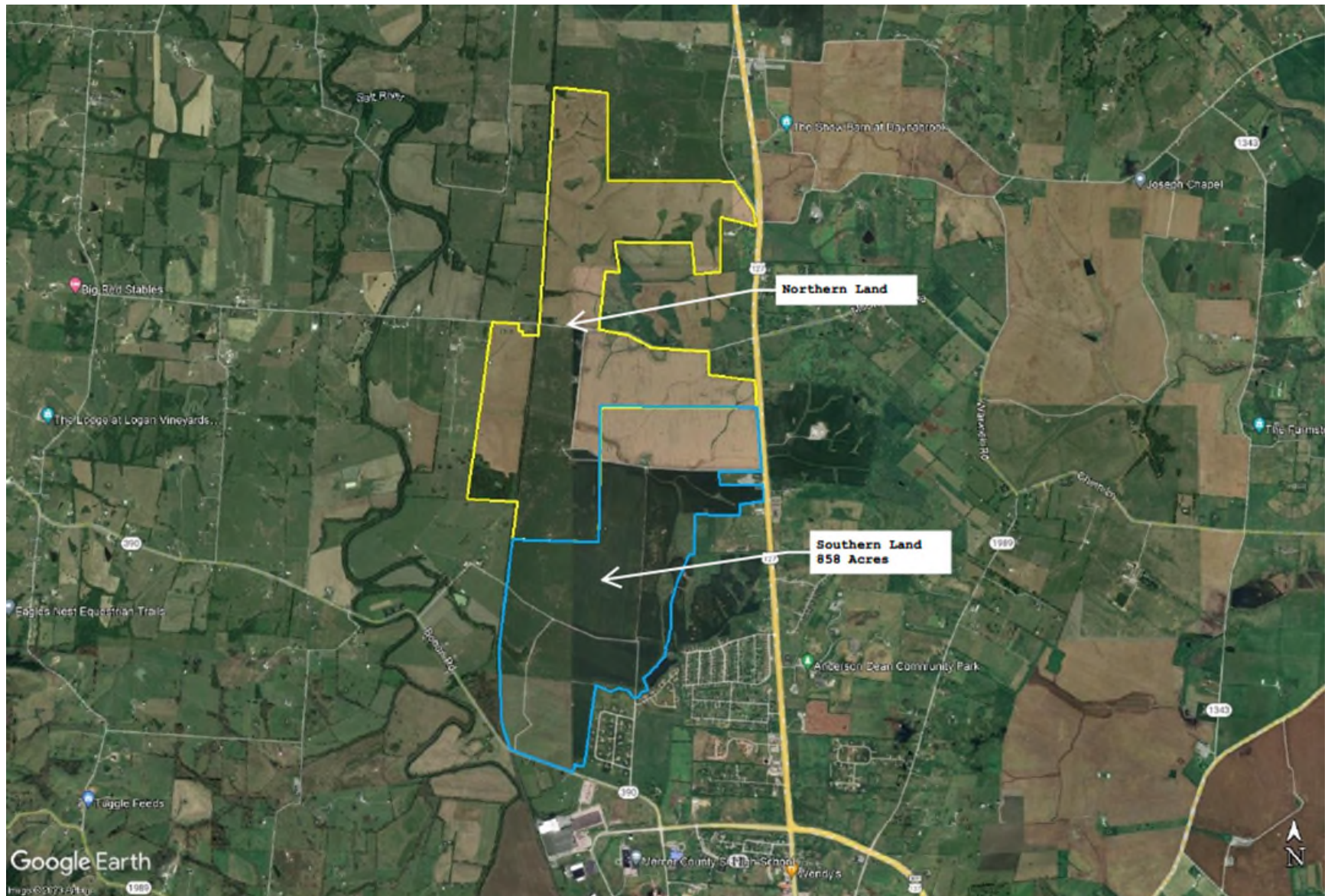


EXHIBIT B

PROPERTY DESCRIPTION

Tract 1B:

All of Tract 1B as set forth on the Minor Plat Amendment #1 of Anderson Circle Farm as recorded in Plat Cabinet E, Slide 30 in the Office of the Clerk of Mercer County, Kentucky, and being more particularly described as follows:

Beginning at an iron pin set (5/8" x 18" steel rebar with aluminum survey cap stamped PLS #3816, as is typical for all set corner monuments), said pin located on the west edge of right-of-way of US Highway 127, 88 feet west of the baseline and 1909 feet south of Jackson Pike and north of Harrodsburg in Mercer County, Kentucky and being the Point of Beginning for this description; Thence with the right-of-way of US Highway 127 for the following two (2) courses: S04°39'40"E – 1782.43 feet to a point and S04°37'06"E – 20.04 feet to an iron pin found (PLS #3432), said pin located 88' west of the baseline of US Highway 127, and being the northeast corner of ESH (DB 371, PG 502); Thence leaving US Highway 127 and with ESH for the following three (3) courses: S89°12'15"W – 1194.00 feet to an iron pin found (PLS #3432), S04°49'14"E – 365.77 feet to an iron pin found (PLS #3432), N89°11'46"E – 1194.08 feet to an iron pin found (PLS #3432), said pin located on the west edge of right-of-way of US Highway 127, 83 feet west of the baseline; Thence with the right-of-way of US Highway 127 S04°52'08"E – 471.76 feet to an iron pin found (PLS #3432), said pin being the northeast corner of Cook (DB 308, PG 184); Thence leaving US Highway 127 and with Cook for the following two (2) courses: S82°40'14"W – 675.98 feet to an iron pin set, S00°52'10"E – 310.95 feet to an iron pin found (PLS #2850), said pin being along the north property boundary of Armstrong (DB 361, PG 838); Thence leaving Cook and with Armstrong for the following two (2) courses: N89°06'30"W – 1239.52 feet to a found railroad rail fixed in concrete, reference pin found (PLS #3118) to be located S13°03'19"E – 0.71 feet from rail and S00°58'24"W – 1115.92 feet to an iron pin found (rebar with no cap), said pin being the northwest property corner of James C. Justice Companies, Inc. (DB 330, PG 001); Thence leaving Armstrong and with James C. Justice Companies, Inc. for the following eleven (11) courses: S86°41'10"W 145.76 feet to an iron pin found (PLS #3118), S22°55'47"W – 822.07 feet to an iron pin found (PLS #3118), S15°44'49"W – 670.90 feet to an iron pin found (PLS #3118), S02°24'36"E – 580.60 feet to an iron pin found (PLS #3118), S10°05'12"W – 413.60 feet to an iron pin found (PLS #3118), S21°30'45"W – 157.31 feet to an iron pin set, S21°31'27"W - 95.05 feet to an iron pin set, S69°07'19"E – 50.39 feet to an iron pin set, S22°02'30"W – 42.63 feet to an iron pin set, S21°34'17"W – 117.59 feet to an iron pin found (PLS #3118) and S63°55'42"E – 44.73 feet to an iron pin found (PLS #3118), said pin being on the north boundary of Tract 2 (Plat File C-045); Thence leaving James C. Justice Companies, Inc. and with Tract 2 the following seven (7) courses: S44°47'49"W – 285.29 feet to an iron pin found (PLS #3118), S23°11'37"W – 101.48 feet to an iron pin found (PLS #3118), S58°31'12"W – 109.69 feet to an iron pin found (PLS #3118), S38°12'51"W – 174.11 feet to an iron pin found (PLS #3118), S49°52'34"W – 160.73 feet to an iron pin found (PLS #3118), S60°28'10"W – 71.55 feet to an iron pin found (PLS #3118), S21°06'04"E – 367.14 feet to an iron pin found (PLS #447), said pin being the northeast corner of Lot 3, Block A of Spring Lake at Fountaine View (Plat File B-598); Thence leaving Tract 2 and with northern boundaries of Spring Lake at Fountaine View the following six (6) courses: S75°11'22"W – 151.60 feet to an iron pin found (PLS #447), S75°57'30"W – 10.00 feet to an iron pin found (PLS #447), S38°35'22"W – 134.78 feet to an iron pin found (PLS #447), S38°39'34"W – 48.67 feet to an iron pin found (PLS #447), S87°48'19"W – 55.69 feet to an iron pin found (PLS #447), said pin is the northwest corner of Lot 1, Block A of Spring Lake at Fountaine View and is located on the east edge of right-of-way of Fountaine Trace, S88°09'49"W – 59.58 feet along the right-of-way of Fountaine Trace to an iron pin found (PLS #3118), said pin being the northeast corner of

Lot 27 of Fountaine View Phase III (Plat File A-598), and located on the west edge of right-of-way of Fountaine Trace; Thence leaving Spring Lake at Fountaine View and with Fountaine View Phase III for the following twelve (12) courses: S83°41'52"W – 20.31 feet to an iron pin set, N40°53'40"W – 256.25 feet to an iron pin found (PLS #2850), S88°24'04"W – 72.97 feet to an iron pin found (PLS #2850), S87°46'11"W – 46.82 feet to an iron pin found (PLS #2850), N57°00'09"W – 111.81 feet to an iron pin found (PLS #2850), S66°32'21"W – 242.64 feet to an iron pin found (PLS #2850), N84°22'45"W – 84.36 feet to an iron pin found (PLS #2850), N63°47'32"W – 210.75 feet to an iron pin found (PLS #2850), N70°49'14"W – 188.94 feet to an iron pin found (PLS #3118), S07°22'52"W – 782.64 feet to an iron pin found (PLS #2850), - S07°22'52"W – 210.02 feet to an iron pin found (rebar with no cap), S07°22'52"W – 210.02 feet to an iron pin found (PLS #2850), said pin being the northwest corner of Lot 20 of Fountain View Phase II (Plat File A-597); Thence leaving Fountain View Phase III and with Fountain View Phase II for the following three (3) courses: S07°22'52"W – 200.02 feet to an iron pin found (PLS #2850), S07°22'52"W – 200.02 feet to an iron pin found (PLS #2850), S07°25'42"W – 521.00 feet to an iron pin found (PLS #2850), said pin being the northwest corner of Lot 16; Thence with the west boundary of Lot 16 and a portion of the west boundary of Lot 10, Fountain View Phase I (Plat File A-589) S16°54'38"W – 144.96 feet to an iron pin found (PLS #3432), said pin being the northeast corner of Baker, Kirkland, and McGlone (DB 283, PG 419); Thence leaving Fountaine View Phase I and with Baker, Kirkland, and McGlone for the following two (2) courses: N77°52'48"W – 254.19 feet to an iron pin found (PLS #3118), S06°36'59"W – 224.15 feet to an iron pin set, said pin located on the north edge of right-of-way of KY Highway 390 – Bohon Road; Thence leaving Baker, Kirkland, and McGlone and with the right-of-way of Bohon Road for the following two (2) courses: N71°13'38"W – 1412.66 feet to a point, N68°45'26"W – 465.54 feet to an iron pin found (PLS #3118), said pin located on the east edge of right-of-way of Norfolk Southern Railroad, 33 feet from center of railroad; Thence leaving Bohon Road and with the right-of-way of Norfolk Southern Railroad for the following twelve (12) courses: N18°27'06"W – 620.28 feet to an iron pin found (PLS #3118), N12°39'08"W – 162.33 feet to an iron pin found (PLS #3118), N07°36'12"W – 131.69 feet to an iron pin found (PLS #3118), N04°21'26"W – 160.43 feet to a 36-inch diameter cherry tree, N02°27'19"W – 1538.46 feet to an iron pin found (PLS #3118), N01°20'31"W – 127.95 feet to an iron pin found (PLS #3118), N01°27'28"E – 143.39 feet to an iron pin found (PLS #3118), N05°18'00"E – 144.42 feet to an iron pin found (PLS #3118), N06°31'44"E – 134.57 feet to an iron pin found (PLS #3816), N06°38'08"E – 1452.65 feet to point, said point referenced by an iron pin found (PLS #3118) located 0.79 feet west of corner, S87°26'38"E – 1.00 feet to an iron pin found (PLS #3118) and N06°35'14"E – 886.45 to an iron pin set 34' from the center of the railroad; Thence leaving Norfolk Southern Railroad and across the property of Ceres Farms, LLC the following three (3) courses: S87°17'00"E – 2567.83 feet to an iron pin set, N00°00'00"W – 4254.62 feet to an iron pin set and S00°00'00"E – 4247.69 feet to the point of beginning and containing 858.376 acres by survey.

This description prepared from a physical survey conducted by VANTAGE Engineering PLC, Kendal Wise, Kentucky PLS #3816 dated the 2nd day of March, 2023.

Being the same property acquired by Kentucky Utilities Company by deed dated May 2, 2023, and recorded in Deed Book 378, Pg. 553 in the Office of the Clerk of Mercer County, Kentucky.

EXHIBIT C
EASEMENT AGREEMENT
(attached)

DEED OF EASEMENT

This DEED OF EASEMENT made and entered into on this the ____ day of _____, 20____, by and between the undersigned, **[GRANTOR]**, [corporate or marital status], with a mailing address of [address] (“Grantor”), and **KENTUCKY UTILITIES COMPANY**, a Kentucky corporation, having its principal office and place of business at 220 West Main Street, Louisville, Kentucky 40202, (“Grantee”).

WITNESSETH:

That for and in valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee, its successors, assigns, and lessees, a permanent easement for the right, power and privilege to construct, inspect, maintain, operate, enlarge, rebuild and repair transmission and distribution lines for the transmission and distribution of electric energy, and all appurtenances thereto including down guys and anchors, along and upon the right-of-way hereinafter described together with the right of ingress and egress over the lands of the undersigned to and from said right-of-way in the exercise of the rights and privileges herein granted; provided, however, that in exercising such rights of ingress and egress, the Grantee will, whenever practicable to do so, use regularly established highways or farm roads.

The Grantee is granted the further right to cut, trim, fell, remove, and otherwise control any and all trees and other vegetation located on the right-of-way described herein, and any and all other trees outside the easement which are of such height that, in falling directly to the ground, they would come in contact with said wires; also the right to remove brush and all other obstructions, structures, and obstacles from the right-of-way which would create a hazard to the subject lines.

It is further expressly understood and agreed that the Grantee will repair the area to a reasonable condition consistent with condition prior to the use of the right of way by the Grantee or will pay to the undersigned any and all damages to fences, gates, crops, and other property caused by the Grantee in

going upon said lands and right-of-way, except that the Grantee will not be liable for any damage for cutting or felling trees or vegetation or for removing any obstructions, structures, or obstacles in the manner and to the extent herein above specified.

The Grantor, its successors, heirs or assigns, may use and enjoy the lands crossed by this easement, except, however, that such use shall not conflict with any of the rights and privileges herein granted. The Grantor reserves the right to cultivate annual crops, pasture, construct fences (provided gates are installed that adequately provide the Grantee access rights conveyed herein) and roads or otherwise use the lands encumbered by this right of way in any way not inconsistent with the rights herein granted. In particular, but not by way of limitation, no building, signs, towers, antennas, swimming pool or any other structure shall be erected or maintained along or upon the right-of-way described herein nor shall any changes in grade be made to the right of way described herein.

The specific right-of-way upon which said electric transmission line is located is shown on the [drawing], attached hereto and made of part hereof containing [amount] acres.

The lands over which this easement is granted are situated in the County of [county], State of Kentucky, parcel tax ID# [X] and were conveyed to [Grantor], by Deed dated the [date] and recorded in Deed Book [#], at Page [#], being of record in the [county] County Clerk's Office, Kentucky.

The Grantor does hereby release and relinquish unto the Grantee, its successors, lessees and assigns, all of its interest in and to the easement herein granted, for the uses and purposes aforesaid, and it does hereby covenant to and with the Grantee that it is seized in fee simple of the property upon which said easement lies and has good and perfect right to convey the easement as herein done and it does WARRANT GENERALLY its title for the uses and purposes of this Deed of Easement.

This easement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

REST OF PAGE LEFT INTENTIONALLY BLANK

IN TESTIMONY WHEREOF, the Grantor has caused this easement to be executed this _____ day of _____, 20____.

GRANTOR

By: _____
[GRANTOR]

STATE OF KENTUCKY _____)
) ss
COUNTY OF _____)

I, _____, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing instrument of writing was this day produced before me in said County and State by [GRANTOR] and acknowledged by them to be their free act and deed.

Witness my hand this _____ day of _____, 20____.

My Commission Expires: _____

NOTARY PUBLIC

Notary ID# _____

Prepared by:

Joe Mandlehr, Counsel
PPL Services Corporation
220 West Main Street
Louisville, Kentucky 40202

EXHIBIT D

(attached)



The Mercer County Fiscal Court and the City of Harrodsburg voted on Monday, August 14th, 2023 to enter into a purchase agreement with Kentucky Utilities for 858 acres, with potential for 100 additional acres, located on Highway 127. The Mercer County Fiscal Court and the City of Harrodsburg also voted to allow Dennis Howard, legal counsel, to sign the "Stipulation Agreement."

Mercer County Fiscal Court/Judge Executive Signature:

Sarah Stuts

Date:

8/14/2023

City of Harrodsburg/Mayor Signatures:

Dennis Howard

Date:

8-14-23

The above was sworn this dates: 8/14/23

Notary Public Signature: *Missy Ellis*
#631306

Commission End Date: 9/24/23

