

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:)
)
THE VERIFIED JOINT APPLICATION OF)
THE CITY OF LIVINGSTON) **CASE NO. 2025-00364**
AND KENTUCKY-AMERICAN WATER COMPANY)
FOR THE TRANSFER OF CONTROL AND ASSETS)

VERIFIED JOINT APPLICATION

Kentucky-American Water Company (“KAW”) and the City of Livingston, Kentucky (“Livingston”) state the following:

1. KAW is a corporation organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business at 2300 Richmond Road, Lexington, Kentucky 40502. KAW can be contacted by e-mail via the e-mail addresses of its counsel set forth below. KAW was incorporated on February 27, 1882 and is currently in good standing in the Commonwealth of Kentucky.

2. KAW is a wholly-owned subsidiary of American Water Works Company, Inc. (“American Water”) and is engaged in the distribution and sale of water in its Central Division, consisting of Bourbon, Clark, Fayette, Harrison, Jessamine, Nicholas, Scott, and Woodford Counties; its Northern Division, consisting of Gallatin, Owen, Grant, and Franklin Counties; and the Southern Division, consisting of Rockcastle and Jackson Counties. It currently owns, operates, and maintains potable water production, treatment, storage, transmission, and distribution systems for the purpose of furnishing potable water for residential, commercial, industrial, and governmental users in its service territory. KAW is also engaged in the collection and treatment of wastewater in Franklin, Owen, Bourbon and Clark Counties.

3. Livingston is a home-rule class city in Rockcastle County, Kentucky. It owns and operates the Livingston Municipal Water Works by which Livingston provides water to its citizens. Livingston's address is 9226 Main Street, Livingston, Kentucky 40445. Livingston may be reached by e-mail at its counsel's e-mail address below. Livingston's telephone number is 606-453-2061. Livingston was incorporated as a city in 1880.

4. Pursuant to KRS 278.020(6), KAW and Livingston jointly petition the Commission for the approval of the Agreement for Purchase of Livingston Water System ("Agreement") by which KAW will acquire Livingston's water utility assets. A copy of the Agreement is attached as Exhibit 1. KAW further petitions the Commission upon approval of the Agreement to permit KAW to serve Livingston water customers in accordance with KAW's existing water tariff on file except that the rates to be charged would remain the same as set forth in Exhibit 2 to this Application. In the event the Commission approves the change of control requested herein, KAW will file an Adoption Notice of Livingston's current water rates in accordance with 807 KAR 5:011, Section 11.

5. KAW and Livingston seek to consummate the purchase by KAW of Livingston's assets no later than March 1, 2026. The proposed purchase includes all of Livingston's tangible assets and real property interests devoted to the provision of water service except for the limited exclusions set forth in the Agreement. KAW and Livingston respectfully request an Order from the Commission approving their transaction no later 90 days from the date of filing of this Joint Application.

6. From and after the contemplated March 1, 2026 closing, KAW will assume responsibility for the operation of Livingston's water utility operations and service to Livingston's citizens. KAW will make any necessary improvements over time to ensure that the existing and

future customers are provided with the same quality of service as is currently being provided to KAW customers.

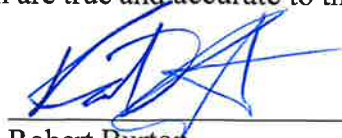
7. KAW has the financial, technical, and managerial abilities to skillfully and efficiently operate the acquired assets as required by KRS 278.020(6). Evidence of KAW's financial integrity to ensure the continuity of water service to Livingston's customers as required by KRS 278.020(6) may be found in the KAW annual reports on file with this Commission which were filed in March 2025. To the extent the Commission requires specific evidence of KAW's financial integrity not found in those annual reports, KAW would be happy to provide such information upon Commission request in this matter.

8. This Joint Application is made in accordance with the law, for a proper purpose, and is consistent with public interest, all in accordance with KRS 278.020(6).

9. WHEREFORE, KAW and Livingston ask that the Commission enter an order (1) authorizing the transfer of ownership of Livingston's assets under the terms set forth in the Agreement; and (2) authorizing KAW to provide water services to Livingston water customers in accordance with KAW's existing water tariff on file with the exception described in Paragraph 4 related Livingston's current water rates (attached as Exhibit 2).

VERIFICATION

I, Robert Burton, President of Kentucky-American Water Company, do hereby state that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Robert Burton

COMMONWEALTH OF KENTUCKY)

COUNTY OF FAYETTE)

Subscribed, sworn to, and acknowledged before me by Robert Burton, President of Kentucky-American Water Company, for and on behalf of said corporation, on this 3rd day of November, 2025.

My Commission expires: 7/25/28



NOTARY PUBLIC, State at Large, Ky.

SHARON A. MILLER
NOTARY PUBLIC
COMMONWEALTH OF KENTUCKY
ID # KYNP9273
MY COMMISSION EXPIRES JULY 25, 2028

VERIFICATION

I, Sandi Singleton, Mayor of the City of Livingston, Kentucky, hereby state that the statements made in this Joint Application are true and accurate to the best of my knowledge.

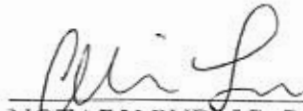

SANDI SINGLETON

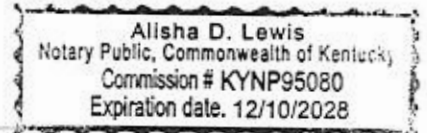
COMMONWEALTH OF KENTUCKY)

COUNTY OF Rockcastle)

Subscribed, sworn to, and acknowledged before me by Sandi Singleton, Mayor of the City of Livingston, for and on behalf of said entity on this 7th day of November, 2025.

My Commission expires: 12/10/28


NOTARY PUBLIC, State at Large, Ky.



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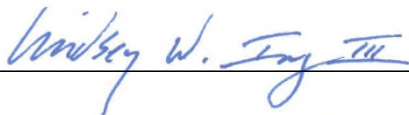
BY: _____

Counsel for Kentucky-American Water Company

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BY:  _____
Counsel for City of Livingston
Rockcastle County Attorney

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BY: _____

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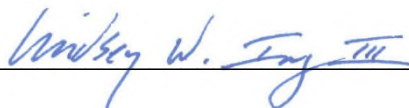
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Fax: (606) 256-2585

BY: _____
Counsel for City of Livingston
Rockcastle County Attorney

CERTIFICATE

This certifies that the electronic filing of this document is a true and accurate copy of the document in paper medium; that the electronic filing has been transmitted to the Commission on November 12, 2025; and that no party has been excused from participation by electronic means.

STOLL KEENON OGDEN PLLC

By 

Counsel for Kentucky-American Water Company

Agreement for Purchase of Livingston Water System

This **Agreement for Purchase of Water System** (the "Agreement") is made and entered into on the 22nd day of October, 2025 by and between **Kentucky-American Water Company**, a Kentucky corporation ("Kentucky-American"), and the City of Livingston, a home rule-class city in Rockcastle County, Kentucky ("Seller"). Hereinafter, Kentucky-American and Seller may be referred to individually as a "Party" or together as the "Parties".

RECITALS:

A. Seller currently owns and operates a water distribution system including a 128,000 gallon storage tank in Livingston, Kentucky (collectively, the "System").

B. Seller desires to sell substantially all of the assets that constitute or are used in furtherance of the System to Kentucky-American pursuant to the terms and conditions of this Agreement.

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

ARTICLE 1

Definitions and Related Matters

For purposes of this Agreement, the capitalized terms used herein shall have the meanings assigned to them herein or in the attached Exhibit 1 and, for purposes of this Agreement and all other documents executed in connection herewith, the rules of construction set forth in Exhibit 1 shall govern.

ARTICLE 2

Purchase and Sale of Assets; Closing

2.1 Transfer of Assets. On and subject to the terms and conditions of this Agreement, at the Closing on the Closing Date and effective as of the Effective Time, Kentucky-American shall purchase, acquire and accept from Seller, and Seller shall sell, convey, transfer, assign and deliver to Kentucky-American, free and clear of all Encumbrances, the Acquired Assets. Notwithstanding anything to the contrary contained in this Section 2.1 or elsewhere in this Agreement, the Excluded Assets are not part of the sale and purchase contemplated hereunder, are excluded from the Acquired Assets, and shall remain the exclusive property of Seller subsequent to the Closing.

2.2 Consideration.

(a) The consideration for the System and the Acquired Assets shall consist of the Purchase Price. At Closing, Kentucky-American shall pay to the Seller in accordance with wire transfer instructions to be provided by the Seller to Kentucky-American at least three Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price.

(b) Kentucky-American shall prepare the Allocation, which Allocation shall be binding upon Seller. The Parties shall report, act, and file Tax Returns in all respects and for all Tax purposes consistent with the Allocation. No Party shall take any Tax position (whether in audits, Tax Returns, or otherwise) that is inconsistent with or contrary to the Allocation. In the event that the Allocation is disputed by any Governmental Authority, the Party receiving notice of such dispute will promptly notify the other Party, and the Parties will consult in good faith as to how to resolve such dispute in a manner consistent with the Allocation.

2.3 No Assumption of Liabilities. Any and all Liabilities of Seller, whether or not incurred in connection with the operation of the System, shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller. Notwithstanding anything to the contrary contained in this Agreement, Kentucky-American will not assume or be deemed to assume, and shall have no liability or obligation with respect to, any Liability of Seller, none of which Liabilities are part of the Contemplated Transactions.

2.4 Closing. Unless this Agreement is first terminated pursuant to Article 8 hereof, and subject to the satisfaction or, if permissible, waiver of each of the conditions set forth in Article 5 hereof, the Closing will take place at the offices of Kentucky-American or such other place or by such other means (e.g., facsimile and overnight delivery of original execution documents) as is agreed to by the Parties at 10:00 A.M., Eastern time, on (a) such date as is three (3) Business Days after the date on which all of the conditions set forth in Article 5 hereof shall have been satisfied or (to the extent permissible) waived (other than those conditions which, by their nature are to be satisfied or waived at Closing but subject to their satisfaction or waiver at Closing) or, if Kentucky-American shall so elect, the final day of Seller's billing period of which such date is a part or (b) such other date as the Parties hereto may agree upon in writing. In any event, the Closing shall be effective as of the Effective Time.

2.5 Closing Obligations.

In addition to any other documents to be delivered under other provisions of this Agreement, at Closing:

- (a) Seller shall deliver or cause to be delivered to Kentucky-American, the following documents:
 - (i) the Bill of Sale, duly executed by Seller;
 - (ii) all Consents and approvals from Governmental Authorities, and third parties under Contracts, necessary to ensure that Kentucky-American will continue to have the same full rights with respect to the Acquired Assets as Seller had immediately prior to the consummation of the Contemplated Transactions, including the written Consents, in form and substance reasonably acceptable to Kentucky-American, of the Governmental Authorities and third parties set forth in Schedule 2.5(a)(ii);
 - (iii) a payoff letter from each lender from which Seller has incurred indebtedness for borrowed money which is outstanding, if any, and a release of all Encumbrances relating to the Acquired Assets executed, filed and/or recorded by the holder of or parties to each such Encumbrance (including without limitation any violations cited any Governmental Authority with authority over the System or the Acquired Assets), if any, in each case in substance and form reasonably satisfactory to Kentucky-American and its counsel;
 - (iv) for each interest in Real Property and each easement and/or right-of-way affecting any Real Property or Acquired Asset, whether or not identified on Schedule 3.4, a recordable warranty deed or such other appropriate document or instrument of transfer or approval, as the case may require, each in form and substance reasonably satisfactory to Kentucky-American;
 - (v) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Kentucky-American, each in form and substance reasonably satisfactory to Kentucky-American;
 - (vi) a copy of each permit, license, easement, land-right and other necessary authority for the operation of the System and the Acquired Assets, in each case validly issued in the name of the Seller and in full force and effect;

- (vii) the certificate contemplated by Section 5.1(c); and
 - (viii) all other documents, instruments and writings required or reasonably requested by Kentucky-American to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.
- (b) At or prior to the Closing, Kentucky-American shall deliver the following:
- (i) to the Seller, in accordance with wire transfer instructions to be provided by the Seller to Kentucky-American at least three Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price; and
 - (ii) to the Seller, all other documents, instruments and writings required or reasonably requested by Seller to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

ARTICLE 3 Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Kentucky-American, each of which is true and correct on the date hereof and shall survive the Closing and the Contemplated Transactions hereby to the extent set forth herein:

3.1 Organization of Seller. Seller is a duly organized, validly existing home rule-class city in Rockcastle County, Kentucky organized and in good standing under the Laws of the State of Kentucky, with full power and authority to operate the business of the System as it is now being conducted and to own, lease and operate the System and the Acquired Assets.

3.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents and to consummate the Contemplated Transactions. The governing body of Seller has duly authorized the execution, delivery, and performance of this Agreement by Seller and no other proceeding on the part of Seller is necessary to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been, and the Transaction Documents will be, duly executed and delivered by Seller.

(c) Neither the execution, delivery or performance by Seller of this Agreement or the Transaction Documents nor the consummation by it of the Contemplated Transactions will (i) contravene, conflict with or result in a violation of any provisions of the governing document of Seller, (ii) contravene, conflict with or result in a violation of or give any Governmental Authority or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Laws or any Order to which Seller or any of the Acquired Assets may be subject, (iii) contravene, conflict with or result in a violation of any of the terms or requirements of or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any Permit or other authorization by a Governmental Authority that is held by Seller or that otherwise relates to the System or any of the Acquired

Assets, (iv) contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person under, or give any Person the right to declare a default or exercise any remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract, indenture, mortgage, note, lease or other instrument or document to which Seller is a party or by which any of the Acquired Assets are bound or (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Acquired Assets.

(d) No filings or registrations with, notifications to, or authorizations, Consents or approvals of, a Governmental Authority or third party are required to be obtained or made by Seller in connection with the execution, delivery or performance by Seller of this Agreement or the Transaction Documents or the consummation by Seller of the Contemplated Transactions except related to the KyPSC approval. Neither the Contemplated Transactions nor the Transaction Documents will result in the creation of any Encumbrance against any of the Acquired Assets.

3.3 Assets. Seller has clear, good, and marketable title to, or a valid leasehold interest in, all of the Acquired Assets, free and clear of all Encumbrances. None of the Acquired Assets are leased or on loan by Seller to any third party. The Acquired Assets constitute all of the assets and property that, together with the rights granted or conveyed under the Transaction Documents, are necessary for the operation of the System and the Acquired Assets as conducted as of the date hereof. Upon the Closing, Kentucky-American shall continue to be vested with good title or a valid leasehold interest in the System and all of the Acquired Assets.

3.4 Real Property; Easements.

(a) Seller owns and has good and marketable title to the Real Property, free and clear of all options, leases, covenants, conditions, easements, agreements, claims, and other Encumbrances of every kind and there exists no restriction on the use or transfer of such property, in each case except as set forth on Schedule 3.4(b)(i) or Schedule 3.4(b)(ii). Set forth on Schedule 3.4(a) is a complete and accurate listing of all Real Property. Seller is not the lessor or lessee of any real property, and there are no outstanding options, rights of first refusal or rights of first offer to purchase any of the Real Property or any portion thereof or interest therein. Seller has made available to Kentucky-American copies of all title reports, surveys, title policies and appraisals relating to the Real Property. At and after the Closing, Kentucky-American shall have the right to maintain or use the Real Property, including the space, facilities or appurtenances outside the building lines, whether on, over or under the ground, and to conduct such activities thereon as maintained, used or conducted by Seller on the date hereof and such right is not subject to revocation. At and after the Closing, Kentucky-American shall have all rights, easements and agreements necessary for the use and maintenance of water, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Real Property.

(b) The Real Property is properly classified under applicable zoning Laws, ordinances, and regulations for the current and continued operation of the System on the Real Property. No Proceeding is pending or threatened which could adversely affect the zoning classification of the Real Property. There are sufficient parking spaces, loading docks and other facilities at such Real Property to comply with such zoning Laws, ordinances, and regulations and Seller's use or occupancy of the Real Property is not dependent on any permitted non-conforming use or similar variance, exemption, or approval from any Governmental Authority. Seller's current use and occupancy of the Real Property and its operation of the System thereon does not violate any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Real Property. The present use and operation of the Real Property does not constitute a non-conforming use and is not subject to a variance. Seller has not received any notice of violation of any easements, covenants, restrictions or similar instruments and there is no basis for the issuance of any such notice or the taking of any action for such violation. Set forth on Schedule 3.4(b)(i) hereto is a true, correct and complete list of all easements relating to the Real Property or

the Acquired Assets. All of such easements are valid and will be transferred to Kentucky-American and remain in full force as of the Closing. Set forth on Schedule 3.4(b)(ii) hereto is a true, correct and complete list of all rights of way relating to the Real Property or the Acquired Assets. All of such rights of way are valid and will be transferred to Kentucky-American and remain in full force as of the Closing. All Improvements located on, and the use presently being made of, the Real Property comply with all applicable zoning and building codes, ordinances and regulations and all applicable fire, environmental, occupational safety and health standards and similar standards established by Law and the same use thereof by Seller and Kentucky-American following Closing will not result in any violation of any such code, ordinance, regulation or standard. There is no proposed, pending or threatened change in any such code, ordinance, regulation or standard which would adversely affect the System or the Acquired Assets.

(c) No Improvements encroach on any land that is not included in the Real Property or on any easements affecting such Real Property, or violate any building lines or set-back lines, and there are no encroachments onto the Real Property, or any portion thereof, which would interfere with the use or occupancy of such real Property or the continued operation of the System as currently conducted.

(d) There is no unpaid property Tax, levy or assessment against the Real Property (except for Encumbrances relating to Taxes not yet due and payable), nor is there pending or threatened any condemnation Proceeding against the Real Property or any portion thereof.

(e) Except as set forth in Schedule 3.4(c), there is no condition affecting the Real Property or the Improvements located thereon which requires repair or correction to restore the same to reasonable operating condition.

3.5 Personal Property. Set forth on Schedule 3.5(a) is a complete and accurate listing of all Acquired Assets which are personal property. Except as set forth in Schedule 3.5(b): (i) no Acquired Asset which is personal property is in the possession of others (other than immaterial items temporarily in the possession of others for maintenance or repair), (ii) neither Seller nor any of its Affiliates holds any such property on consignment, and (iii) each item of such Acquired Assets has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it is presently used.

3.6 No Undisclosed Liabilities. Except as set forth on Schedule 3.6, Seller does not have any Liabilities whatsoever, known or unknown, asserted or unasserted, liquidated or unliquidated, accrued, absolute, contingent, or otherwise, there is no basis for any claim against Seller, the System or any of the Acquired Assets for any such Liability and there is no basis for any such Liability to become the Liability of Kentucky-American from and after the Closing.

3.7 Tax Matters.

(a) Seller has timely and properly filed all Tax Returns that it was required to file. All such Tax Returns were complete and correct in all respects and were prepared in compliance with all applicable Laws. All Taxes owed by Seller have been paid. Seller is not the beneficiary of any extensions of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction. There are no Encumbrances on any of the Acquired Assets that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, member, stockholder, or other third party. Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) There are no audits or examinations of any Tax Returns pending or threatened that relate to Seller's operation of the System or the Acquired Assets. Seller is not a party to any action or Proceeding by any Governmental Authority for the assessment or collection of Taxes relating to the operation of the System or Acquired Assets, nor has such event been asserted or threatened. There is no waiver or tolling of any statute of limitations in effect with respect to any Tax Returns relating to Seller's operation of the System or the Acquired Assets.

(d) None of the Acquired Assets (i) has been or could be treated as a partnership or corporation for United States federal income Tax purposes or (ii) is property that is required to be treated for Tax purposes as being owned by any other Person (other than those Acquired Assets that are leased).

(e) None of the Acquired Assets represent property or obligations of Seller, including but not limited to uncashed checks to vendors, customers or employees, non-refunded overpayments or unclaimed subscription balances, that is escheatable to any Governmental Authority under any applicable escheatment Laws as of the date hereof or that may at any time after the date hereof become escheatable to any Governmental Authority under any applicable escheatment Law.

3.8 Contracts. Set forth on Schedule 3.8 is a complete and correct list of all Contracts related to the System to which Seller is a party or is otherwise bound. Seller has delivered or caused to be delivered to Kentucky-American correct and complete copies of each such Contract (including any and all amendments), a description of the terms of each such Contract which is not in writing, if any, and all documents affecting the rights or obligations of any party thereto.

3.9 Environmental Matters.

(a) Seller is and at all times has been in full compliance with and has not been and is not in violation of or liable under any applicable Environmental Law. Seller has no basis to expect nor has it received any actual or threatened Order, notice or other communication from any Governmental Authority or other Person of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest or with respect to the Real Property or any other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

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

(c) Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has any Environmental, Health and Safety Liabilities with respect to the Real Property or with respect to any other properties and assets (whether real, personal or mixed) in which Seller (or any predecessor) has or has had an interest or at any property geologically or hydrologically adjoining the Real Property or any such other property or assets that could reasonably be expected to have a material adverse effect thereon.

(d) There are no Hazardous Materials, except those used in connection with the operation of the System and set forth in the list on Schedule 3.9(d), present on or in the Environment at the Real Property or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable

or fixed) or other containers, either temporary or permanent and deposited or located in land, water, sumps or any other part of the Real Property or such adjoining property or incorporated into any structure therein or thereon. Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest except in material compliance with all applicable Environmental Laws. There has been no Release or threat of Release, of any Hazardous Materials at or from the Real Property or from or by any other properties and assets (whether real, personal or mixed) in which Seller has or has had an interest, or any geologically or hydrologically adjoining property, whether by Seller or any other Person.

(e) Except as set forth in Schedule 3.9(e), none of the following exists at the System or on the Real Property: (1) underground storage tanks; (2) asbestos-containing material in any form; (3) materials or equipment containing polychlorinated biphenyl; (4) groundwater monitoring wells; or (5) landfills, surface impoundments, or disposal areas.

(f) Except as set forth in Schedule 3.9(f), neither Seller nor any of its Affiliates is obligated to provide financial assurance in consideration of the System under Environmental Law.

(g) Seller has delivered to Kentucky-American true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by Seller or its predecessors pertaining to Hazardous Materials or Hazardous Activities in, on or under the Real Property, or concerning compliance by Seller, its predecessors, or any other Person for whose conduct Seller is or may be held to be responsible, with Environmental Laws, said reports, studies, etc. to include without limitation, any and all Phase I environmental reports now or hereafter in the possession or control of Seller.

3.10 Permits. Set forth on Schedule 3.10 is a complete and correct list of all Permits used by Seller in the continuing operation of the System. Such Permits constitute all those necessary for the continuing operation of the System and are all valid and subsisting and in full force and effect. No fact or circumstance exists which is reasonably likely to cause any such Permit to be revoked or materially altered subsequent to the execution of this Agreement and the Closing Date. Neither the execution of this Agreement nor the Closing do or will constitute or result in a default under or violation of any such Permit.

3.11 Insurance. Seller maintains and has maintained appropriate insurance necessary for the full protection of all of its assets, properties, the System, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to be outstanding and in full force and effect as of Closing and immediately following the execution of this Agreement and the consummation of the Contemplated Transactions. There are no pending Proceedings arising out of, based upon or with respect to any of such policies of insurance and, to Seller's Knowledge, no basis for any such Proceedings exists. Seller is not in default with respect to any provisions contained in any such insurance policies and no insurance provider is in default with respect to such insurance policies. Set forth in Schedule 3.11 is a true and accurate list of all such insurance policies Seller maintains, and the premiums therefor have been paid in full as they have become due and payable.

3.12 Absence of Certain Changes. There has not been any occurrence or event which, individually or in the aggregate, has had or is reasonably expected to have any Material Adverse Effect. Seller has continually operated the System only in the Ordinary Course of Business. Without limitation of the foregoing, Seller has not entered into, amended, terminated or received notice of termination of any Permit necessary for the continued operation of the System. In addition, Seller has not taken any action in connection with the System which, if taken on or after the date hereof, would have required the prior written Consent of Kentucky-American pursuant to Section 6.6 hereof.

3.13 Litigation and Proceedings. There are no Proceedings, either pending or threatened, anticipated or contemplated, against Seller or involving the operation of the System, any of the Acquired Assets, or any of Seller's members, shareholders, directors, officers, agents or other personnel in their capacity as such, which could directly affect any of the Acquired Assets or the System. Seller has not been charged with, nor is it under investigation with respect to, any charge which has not been resolved to its favor concerning any violation of any applicable Law with respect to any of the Acquired Assets or the System and there is no valid basis for any such charge or investigation. Neither Seller nor any of its Affiliates has been subject to or threatened to be subject to any Proceeding or Order relating to personal injury, death or property or economic damage arising from products sold, licensed or leased and services performed by Seller or any of its Affiliates with respect to the System. No judgment, Order, writ, injunction, decree, assessment or other command of any Governmental Authority affecting Seller or any of the Acquired Assets or the System has been entered which is presently in effect. There is no Proceeding pending or, to Seller's Knowledge, threatened which challenges the validity of this Agreement or the Contemplated Transactions or otherwise seeks to prevent, directly or indirectly, the consummation of the Contemplated Transactions, nor is there any valid basis for any such Proceeding.

3.14 Compliance with Laws. Seller is in compliance with all Laws, Permits, Orders, ordinances, rules and regulations, whether civil or criminal, of any federal, state, local or foreign governmental authority applicable to the System has not committed any violation of any Law or any provision of its governing documents applicable to the Acquired Assets and/or the operation of the System. Except as set forth in Schedule 3.14 neither Seller nor any of its Affiliates has received any notice alleging such default, breach or violation.

3.15 Financial Statements. Attached as Schedule 3.15 are the Financial Statements. The Financial Statements have been prepared in accordance with GAAP, subject in the case of the Unaudited Financial Statements to normal year-end adjustments and the absence of footnotes. The Financial Statements were derived from the books and records of Seller, are true correct and complete in all material respects and present fairly in all material respects the financial condition, operating results and cash flows of Seller as of the dates and during the periods indicated therein (subject, in the case of the Unaudited Financial Statements, to normal year-end adjustments and the absence of footnotes).

ARTICLE 4 **Representations and Warranties of Kentucky-American**

Kentucky-American hereby makes the following representations and warranties to Seller:

4.1 Organization. Kentucky-American is a duly organized and validly existing corporation in good standing under the Laws of Kentucky and has the power and authority to own, lease and operate its assets and properties and to conduct the business of the System as now being conducted.

4.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Kentucky-American and is enforceable against Kentucky-American in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Kentucky-American has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder.

(b) Neither the execution or delivery of this Agreement nor the consummation of the Contemplated Transactions shall result in: (i) a violation of or a conflict with any provision of the articles of

incorporation or the bylaws of Kentucky-American; (ii) a material breach of or default under any term, condition or provision of any Contract to which Kentucky-American is a party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; or (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation.

ARTICLE 5 Conditions Precedent to Closing

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

(a) **Representations and Warranties.** Each of the representations and warranties of Seller contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than Section 3.5 and representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Seller on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(b) **Covenants.** Seller shall have performed, observed and complied in all material respects with all of their respective obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Seller prior to or at the Closing;

(c) **Certificates.** Seller shall have delivered to Kentucky-American a certificate, dated as of the Closing Date and executed by an officer of Seller, to the effect that the conditions set forth in Sections 5.1(a), (b) and (g) have been satisfied;

(d) **Proceedings.** No provision of any Law or Order shall be in effect, and no Proceeding by any Person shall be threatened or pending before any Governmental Authority, or before any arbitrator, which would: (i) prevent consummation of the Contemplated Transactions; (ii) have a likelihood of causing the Contemplated Transactions to be rescinded following consummation; (iii) adversely affect the right of Kentucky-American to own any of the Acquired Assets; or (iv) adversely affect the System prospects or the value or condition of any of the Acquired Assets or the System;

(e) **Closing Deliveries.** Seller shall have delivered or caused to be delivered to Kentucky-American each of the items set forth in Section 2.5(a);

(f) **Governmental and Third Party Approvals.** (i) Kentucky-American shall have obtained a certificate of convenience and necessity and all necessary regulatory approvals by the KyPSC, or any other applicable regulatory body, and all other applicable Consents and approvals from Governmental Authorities and other third parties which are required in connection with the Contemplated Transactions, each in form and substance (including without limitation with respect to the terms and conditions contained in any such approval) acceptable to Kentucky-American in its sole and absolute discretion, and (ii) any waiting periods under existing Laws, and all extensions thereof, the passing of which is necessary to consummate the Contemplated Transactions, shall have expired; and

(g) No Material Adverse Effect. Kentucky-American shall have determined in its sole reasonable judgement that there shall not have occurred any event or circumstance which, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect; and

(h) Grants. Seller shall have provided Kentucky-American evidence to the reasonable satisfaction of Kentucky-American that all grant funds have been spent on the projects related to such grants, specifically including, Clean Water Program Grant # 22CWW306.

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

(a) Representations and Warranties. Each of the representations and warranties of Kentucky-American contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Kentucky-American on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(b) Covenants. Kentucky-American shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Kentucky-American prior to or at the Closing;

(c) Proceedings. No provision of any Law or Order shall be in effect which would prevent consummation of the Contemplated Transactions; and

(d) Closing Deliveries. Kentucky-American shall have delivered or caused to be delivered to Seller each of the items set forth in Section 2.5(b).

ARTICLE 6

Covenants and Special Agreements

6.1 Access to Information; Confidentiality

(a) Access. Between the date of this Agreement and the Closing Date, Kentucky-American may, directly and through its representatives, make such confirmatory investigation of the System and the Acquired Assets as each deems necessary or advisable. In furtherance of the foregoing, Kentucky-American and its representatives shall have reasonable access, upon reasonable notice during normal business hours, to all employees, properties, books, Contracts, commitments and records of the Seller shall furnish and cause to be furnished to Kentucky-American and its representatives such financial and operating data and other information as may from time to time be reasonably requested relating to the System, shall permit Kentucky-American or its representatives to conduct such physical inspections and environmental audits of the Real Property as requested by Kentucky-American and shall permit Kentucky-American or its representatives to conduct interviews of employees of or servicing the System. Seller and the management, employees, accountants and attorneys of or servicing the System shall cooperate fully with Kentucky-American and its representatives in connection with such investigation.

(b) Confidentiality.

(i) Prior to Closing (and, in the case of Seller, following Closing), each Party shall ensure that all Confidential Information which such Party or any of its respective officers, directors, employees, counsel, agents, or accountants may have obtained, or may hereafter obtain, from the other Party (or create using any such information) relating to the financial condition, results of operations, System, properties, assets, Liabilities or future prospects of the other Party, any Related Person of the other Party or any customer or supplier of such other Party or any such Related Person shall not be published, disclosed or made accessible by any of them to any other Person at any time or used by any of them, in each case without the prior written Consent of the other Party; provided, however, that the restrictions of this sentence shall not apply (i) as may otherwise be required by Law, (ii) to the extent such Confidential Information shall have otherwise become publicly available, and (iii) as to Kentucky-American, to disclosure by or on its behalf to regulatory authorities or other third parties whose Consent or approval may be required to consummate the Contemplated Transactions and to its lenders and professionals for the purpose of obtaining financing of such transactions.

(ii) In the event of termination of negotiations or failure of the Contemplated Transactions to close for any reason whatsoever, each Party promptly will destroy or deliver to the other Party and will not retain any documents, work papers and other material (and any reproductions thereof) obtained by each Party or on its behalf from such other Party or its subsidiaries as a result of this proposal or in connection therewith, whether so obtained before or after the execution hereof, and will not use any information so obtained and will cause any information so obtained to be kept confidential and not used in any way detrimental to such other Party.

6.2 Publicity; Announcements. Until after the Closing, no press release or other public statement concerning this Agreement or the transactions contemplated hereby shall be issued or made without the prior approval of the parties hereto, except as required by applicable law. After the Closing, no press release or other public statement concerning this Agreement or the transactions contemplated hereby shall be issued or made by Seller without the prior approval of Kentucky-American, except as required by applicable law.

6.3 Cooperation. Subject to the terms and conditions of this Agreement, the Parties shall cooperate fully with each other and their respective counsel and accountants in connection with, and take or cause to be taken and do or cause to be done, any actions required to be taken under applicable Law to make effective the Contemplated Transactions as promptly as practicable. Prior to the Closing, the parties shall proceed expeditiously and in good faith to make such filings and take such other actions as may be reasonably necessary to satisfy the conditions to Closing set forth in Section 5.1(f). Any and all filing fees in respect of such filings shall be paid by Seller. From and after the Closing, the parties shall do such acts and execute such documents and instruments as may be reasonably required to make effective the transactions contemplated hereby. On or after the Closing Date, the parties shall, on request, cooperate with one another by furnishing any additional information, executing and delivering any additional documents and instruments, including contract assignments, and doing any and all such other things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement. Should Seller, in its reasonable discretion, determine after the Closing that books, records or other materials constituting Acquired Assets are still in the possession of Seller, Seller shall promptly deliver them to Kentucky-American at no cost to Kentucky-American. Seller hereby agrees to cooperate with Kentucky-American to ensure a proper transition of all customers with respect to billing and customer service activities. Kentucky-American shall take the lead in obtaining KyPSC approval with respect to the Contemplated Transactions.

6.4 Exclusivity. Seller will not and will not permit its affiliates, officers, directors, employees or other agents or representatives to, at any time prior to the termination of this Agreement, directly or indirectly, (i) take any action to solicit, initiate or encourage the making of any Acquisition Proposal, or (ii) discuss or engage in negotiations concerning any Acquisition Proposal with, or further disclose any non-

public information relating to Seller to, any person or entity in connection with an Acquisition Proposal, in each case, other than Kentucky-American and its representatives.

6.5 No Inconsistent Action. Prior to the Closing Date, no Party shall take any action, and each Party will use its commercially reasonable efforts to prevent the occurrence of any event (but excluding events which occur in the Ordinary Course of Business and events over which such Party has no control), which would result in any of its representations, warranties or covenants contained in this Agreement or in any Transaction Document not to be true and correct, or not to be performed as contemplated, at and as of the time immediately after the occurrence of such action or event. If at any time prior to the Closing Date, a Party obtains knowledge of any facts, circumstances or situation which constitutes a breach, or will with the passage of time or the giving of notice constitute a breach, of any representation, warranty or covenant of such Party under this Agreement or any Transaction Document or will result in the failure of any of the conditions contained in Article 5 to be satisfied, such Party shall give the other Party prompt written notice thereof; provided, however, that no such notice shall cure any breach of any representation, warranty or covenant contained herein or therein or will relieve any such Party of any obligations hereunder or thereunder unless specifically agreed to in writing by the other Party.

6.6 Conduct of Business. Between the date of this Agreement and the Closing Date, Seller shall carry on the operation of the System and the Acquired Assets in the Ordinary Course of Business and in compliance with Law, not introduce any materially new method of management or operation, use reasonable commercial efforts to preserve the System and the Acquired Assets, conserve the goodwill and relationships of its customers, suppliers, Governmental Authorities and others having business relations with it, maintain in full force and effect all policies of insurance now in effect for the benefit of Seller, maintain supplies at a level which is sufficient to operate the System in accordance with past practice and maintain the Acquired Assets in substantially the condition currently existing, normal wear and tear excepted. By way of illustration and not limitation, Seller will not, between the date hereof and the Closing Date, directly or indirectly do, or prepare to do, any of the following without the prior written Consent of Kentucky-American, (a) sell, lease, transfer or otherwise dispose of, or license, mortgage or otherwise encumber, or give a security interest in or subject to any Encumbrances, any of the Acquired Assets, (b) enter into any Contract other than in the Ordinary Course of Business, (c) make any change in any of its present accounting methods and practices, (d) pay, discharge, settle or satisfy any material claims or Liabilities (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the Ordinary Course of Business or in accordance with their terms, of Liabilities reflected or reserved against in the Financial Statements (or the notes thereto), or not required by GAAP to be so reflected or reserved, or incurred since December 31, 2025 in the Ordinary Course of Business, (e) waive any material benefits of, or agree to modify any material confidentiality, standstill, non-solicitation or similar agreement with respect to the System to which Seller or any of its Affiliates is a party, (f) engage in any activity with the purpose or intent of (A) accelerating the collection of accounts receivable or (B) delaying the payment of the accounts payable, (g) enter into commitments for new capital expenditures in excess of \$25,000 in the aggregate or (h) enter into any agreement (conditional or otherwise) to do any of the foregoing.

6.7 Release of Encumbrances. Seller promptly shall take such actions as shall be requested by Kentucky-American to secure the release of all Encumbrances relating to the Acquired Assets, in each case in substance and form reasonably satisfactory to Kentucky-American and its counsel.

6.8 Retention of Records. Subject to applicable Law and, subject to any applicable restrictions as to confidentiality (as to which Kentucky-American does not provide indemnification, or the waiver of which Seller shall not have obtained after using reasonable best efforts), Seller shall preserve any books and records relating to the System that are not delivered to Kentucky-American hereunder for a period no less than seven (7) years after the Closing Date (or such longer period as shall be required by applicable Law), and Seller shall make available such books and records for review and copying to Kentucky-American and its authorized representatives following the Closing at Kentucky-American's expense upon reasonable notice

during normal business hours. During such period, Seller shall permit, to the extent permitted by applicable Law and upon request of Kentucky-American, Kentucky-American and any of its agents, representatives, advisors or consultants reasonable access to employees of or servicing the System for information related to periods up to and including the Closing.

6.9 Tax Covenants.

(a) Seller shall pay all Taxes of Seller, the System and the Acquired Assets for any Tax year or period (or portion thereof) ending at or before the Closing. For the purposes of this Section 6.99(a), the portion of such personal property or similar ad valorem Tax that relates to the Tax period ending as of the Closing shall be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending as of the Closing and the denominator of which is the number of days in the entire Tax period. For purpose of this Section 6.99(a), the portion of all other Taxes that relates to the Tax period ending as of the Closing shall be determined on the basis of an interim closing of the books.

(b) Each Party agrees to furnish or cause to be furnished to the other Party, upon request, as promptly as practical, such information (including reasonable access to books and records, Tax Returns and Tax filings) and assistance as is reasonably necessary for the filing of any Tax Return, the conduct of any Tax audit, and for the prosecution or defense of any claim, suit or Proceeding relating to any Tax matter. The Parties shall cooperate with each other in the conduct of any Tax audit or other Tax Proceedings and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 6.99(b).

6.10 Additional Capital. Kentucky-American agrees that it will invest no less than \$600,000 in capital investments to the System within the first five years of Kentucky-American ownership. Immediate and long-term investments made in the water system. Kentucky-American agrees to work with Seller to coordinate capital projects such as pipeline replacement projects with the road paving plans of Seller.

**ARTICLE 7
Indemnification**

7.1 Survival of Representations and Warranties and Covenants.

(a) All of the representations and warranties made by Seller in this Agreement, its Schedules, or any certificates or documents delivered hereunder shall survive the Closing Date and consummation of the Contemplated Transactions for a period of three (3) years; provided, however, that the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.6, 3.7 and 3.9 shall survive indefinitely.

7.2 Indemnification and Payment of Damages by Seller. Subject to the terms of this Article 7, Seller hereby agrees to fully pay, protect, defend, indemnify and hold harmless the Indemnified Persons from any and all Damages arising out of, resulting from, relating to or caused by: (i) any inaccuracy in or breach of (or any claim by any third party alleging or constituting an inaccuracy or breach of) any representation or warranty of, or any failure to perform or nonfulfillment of any provision or covenant contained in this Agreement or any other Transaction Document by, Seller; (ii) all Liabilities and/or duties of Seller, whether accruing prior to or after the Closing Date, and any Encumbrance affecting the Acquired Assets; (iii) assessments, charges and other similar claims due or owing, directly or indirectly, by Seller or otherwise as a result of or on account of the Acquired Assets or the System at any time prior to the Closing Date; (iv) the ownership and/or operation of any of the Acquired Assets or the System prior to Closing; (v) any Proceeding now existing or hereafter arising and relating to the Acquired Assets or the System and arising from events or matters occurring prior to the Closing Date; (vi) any Excluded Assets; (vii) any and all Taxes

imposed on or arising from the transfer of the Acquired Assets; (viii) transaction costs and expenses incurred by or on behalf of Seller in connection with this Agreement or the Contemplated Transactions; or (ix) any matters described on Schedule 7.2.

7.3 Indemnification By Kentucky-American. Kentucky-American hereby agrees to fully pay, protect, defend, indemnify and hold harmless Seller and its respective successors and assigns, from any and all Damages incurred by any of them arising out of, resulting from, relating to or caused by (i) any inaccuracy in or breach of (or any claim by any third party alleging or constituting an inaccuracy or breach of) any representation or warranty of, or any failure to perform or nonfulfillment of any provision or covenant contained in this Agreement or any other Transaction Document by, Kentucky-American or (ii) transaction costs and expenses incurred by or on behalf of Kentucky-American in connection with this Agreement or the Contemplated Transactions.

7.4 Notice of Claim. In the event that either party seeks indemnification on behalf of an Indemnified Person, such party seeking indemnification (the "Indemnified Party") shall give reasonably prompt written notice to the indemnifying party (the "Indemnifying Party") specifying the facts constituting the basis for such claim and the amount, to the extent known, of the claim asserted; provided, however, that the right of a person or entity to be indemnified hereunder shall not be adversely affected by a failure to give such notice unless, and then only to the extent that, an Indemnifying Party is actually irrevocably and materially prejudiced thereby. Subject to the terms hereof, the Indemnifying Party shall pay the amount of any valid claim not more than 10 days after the Indemnified Party provides notice to the Indemnifying Party of such amount.

7.5 Right to Contest Claims of Third Persons. If an Indemnified Party is entitled to indemnification hereunder because of a claim asserted by any Third Person, the Indemnified Party shall give the Indemnifying Party reasonably prompt notice thereof after such assertion is actually known to the Indemnified Party; provided, however, that the right of a Person to be indemnified hereunder in respect of claims made by a Third Person shall not be adversely affected by a failure to give such notice unless, and then only to the extent that, an Indemnifying Party is actually irrevocably and materially prejudiced thereby. Kentucky-American shall have the right, upon written notice to Seller, to investigate, contest or settle the Third Person Claim. Seller may thereafter participate in (but not control) the defense of any such Third Person Claim with its own counsel at its own expense. If Seller thereafter seeks to question the manner in which Kentucky-American defended such Third Person Claim or the amount or nature of any such settlement, Seller shall have the burden to prove by clear and convincing evidence that conduct of Kentucky-American in the defense and/or settlement of such Third Person Claim constituted gross negligence or willful misconduct. The Parties shall make available to each other all relevant information in their possession relating to any such Third Person Claim and shall cooperate in the defense thereof, provided that Kentucky-American shall control the defense thereof. Promptly (and in any event within 10 days) following the resolution of any Third Person Claim, Seller shall pay to Kentucky-American any amount to which Kentucky-American is entitled pursuant to this Article 7 with respect to such Third Person Claim.

7.6 Certain Indemnification Matters.

(a) Notwithstanding anything contained herein or elsewhere to the contrary, all "material" and "Material Adverse Effect" or similar materiality type qualifications contained in the representations and warranties set forth in this Agreement shall be ignored and not given any effect for purposes of the indemnification provisions hereof, including, without limitation, for purposes of determining whether or not a breach of a representation or warranty has occurred and/or determining the amount of any Damages.

(b) No information or knowledge acquired, or investigations conducted, by Kentucky-American or its representatives, of Seller or the System or otherwise shall in any way limit, or constitute a waiver of, or a defense to, any claim for indemnification by any Indemnified Persons under this Agreement.

Person or successor in interest without the Consent of Seller. Subject to this Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties hereto and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

9.3 Captions; Construction. Captions contained in this Agreement and any table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

9.4 Counterparts; Facsimile. This Agreement may be executed by the Parties hereto on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties hereto notwithstanding that all the Parties hereto are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or telecopier is to be treated as an original document.

9.5 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties hereto, whether oral or written, executed by the Parties pertaining to the subject matter hereof. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

9.6 Governing Law. This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the State of Kentucky applicable to Contracts made and to be performed wholly within Kentucky, without regard to choice or conflict of laws rules.

9.7 Legal Fees, Costs. Except as provided herein, all legal, consulting and advisory fees and other costs and expenses incurred in connection with this Agreement and the Contemplated Transactions are to be paid by the Party incurring such costs and expenses.

9.8 Notices. All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person, (ii) three (3) Business Days after deposited in the United States mail, first class postage prepaid, or (iii) in the case of overnight courier services, two (2) Business Days after delivery to the overnight courier service with payment provided, in each case addressed as follows:

(a) if to Seller, (i) to City of Livingston, P. O. Box 654, Livingston, KY 40445, Attn: Mayor and (ii) with a copy to Rockcastle County Attorney Office, P.O. Box 1250, Mount Vernon, KY 40456, Attn: Jeremy Rowe or

(b) if to Kentucky-American, (i) to Kentucky-American Water Company, 2300 Richmond Rd, Lexington, KY 40502, Attn: Rob Burton, President, (ii) with a copy to Kentucky-American Water Company, 2300 Richmond Rd, Lexington, KY 40502, Attn: General Counsel, or to such other address as any Party hereto may designate by notice to the other Parties in accordance with the terms of this Section.

9.9 Severability. This Agreement shall be deemed severable; the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of this Agreement or of any other term hereof, which shall remain in full force and effect, for so long as the economic or legal substance of the Contemplated Transactions is not affected in any manner materially adverse to any Party.

ARTICLE 8

Termination

8.1 Termination. This Agreement may be terminated at any time prior to the Closing only (a) by mutual written Consent of Seller and Kentucky-American, (b) by Seller or Kentucky-American upon written notice to the other, if the Closing shall not have occurred on or prior to September 1, 2027; provided, however, that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any Party whose breach under this Agreement has caused or resulted in the failure of the Closing to occur on or before such date, (c) by Kentucky-American, if Kentucky-American is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Seller and Seller has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (d) by Kentucky-American, if, at any time before Closing, Kentucky-American is not satisfied with the results of its due diligence review of the System and the Acquired Assets, (e) by Seller if Seller is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Kentucky-American and Kentucky-American has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (f) by Seller or Kentucky-American upon written notice to the other, if any court of competent jurisdiction or other competent Governmental Entity shall have issued a statute, rule, regulation, Order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Contemplated Transactions, and such statute, rule, regulation, Order, decree or injunction or other action shall have become final and non-appealable, (g) by Kentucky-American, if all necessary regulatory approvals (including rate treatment, refunds and setting of rate base and all approvals described in Section 5.1(f)) contemplated hereby or otherwise necessary to close the Contemplated Transactions have not been obtained within 270 days of the date hereof, or (h) by Kentucky-American if any Material Adverse Effect shall have occurred or, in the reasonable judgment of Kentucky-American, shall be reasonably likely to occur.

8.2 Effect of Termination. The right of each Party to terminate this Agreement under Section 8.1 is in addition to any other rights such Party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations set forth in the Confidentiality Agreement, Section 6.1(b) ("Confidentiality"), Section 6.2 ("Publicity; Announcements"), this Section 8.2 ("Effect of Termination") or Article 9 ("General Provisions") will survive; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 9

General Provisions

9.1 Amendment and Modification. No amendment, modification or supplement of any provision of this Agreement will be effective unless the same is in writing and is signed by the Parties.

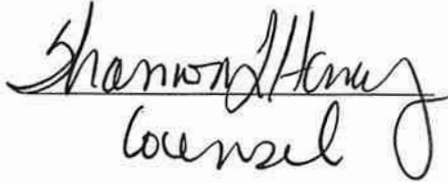
9.2 Assignments. Seller may not assign or transfer any of its rights or obligations under this Agreement to any other Person without the prior written Consent of Kentucky-American. Kentucky-American may not assign its rights and obligations under this Agreement to any third party, without the prior written Consent of Seller, but may assign its rights and obligations under this Agreement to any Related

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above:

Kentucky-American Water Company, a
Kentucky corporation

By: 

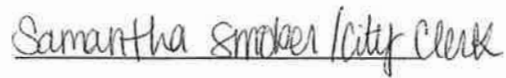
Attest:


Shannon Henry
Counsel

City of Livingston, a home rule-class city

By: 

Attest:


Samantha Smoker City Clerk

9.10 Specific Performance and Injunctive Relief; Remedies. The Parties hereto recognize that if any or all of them fail to perform, observe or discharge any of their respective obligations under this Agreement, a remedy at law may not provide adequate relief to the other Parties hereto. Therefore, in addition to any other remedy provided for in this Agreement or under applicable Law, any Party hereto may demand specific performance of this Agreement, and such Party shall be entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when any of the other Parties hereto fail to comply with any of the provisions of this Agreement applicable to such Party. To the extent permitted by applicable Law, all Parties hereto hereby irrevocably waive any defense based on the adequacy of a remedy at law which might be asserted as a bar to such Party's remedy of specific performance or injunctive relief. Except as otherwise provided herein, all rights and remedies of the parties under this Agreement are cumulative and without prejudice to any other rights or remedies under Law. Nothing contained herein shall be construed as limiting the Parties' rights to redress for fraud.

9.11 No Third-Party Beneficiary. This Agreement is solely for the benefit of the Parties hereto and their respective successors and permitted assigns (and those Persons entitled to recover under the indemnity provisions hereof), and no other Person (other than those Persons entitled to recover under the indemnity provisions hereof) has any right, title, priority or interest under this Agreement or the existence of this Agreement.

9.12 Waiver of Compliance; Consents. Any failure of a Party to comply with any obligation, covenant, agreement or condition herein may be waived by the other Party only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits Consent by or on behalf of any Party hereto, such Consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.12.

9.13 Jurisdiction; Venue; Consent to Service of Process. Each of the Parties irrevocably and unconditionally submits to the non-exclusive jurisdiction of any court of competent civil jurisdiction sitting in Fayette or Rockcastle Counties, State of Kentucky. In any action, suit or other Proceeding, each of the Parties irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other Proceeding is improper. Each of the Parties also hereby agrees that any final and unappealable judgment against a Party in connection with any action, suit or other Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. Each Party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to Section 9.8. Nothing in this Section 9.13 shall affect the right of any Party to serve process in any other manner permitted under applicable Law.

9.14 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS.

[Remainder of page intentionally left blank; signature page attached.]

Prepared By: _____
Kentucky-American Water Company
2300 Richmond Rd
Lexington, KY 40502

BILL OF SALE

This BILL OF SALE is made on October 22, 2025

BY: Seller: City of Livingston
P. O. Box 654
Livingston, KY 40445

TO: Buyer: Kentucky-American Water Company
2300 Richmond Rd
Lexington, KY 40502

In consideration of the mutual covenants contained below and intending to be legally bound, Seller hereby grants assigns and transfers to Buyer and its successors and assigns all of Seller's right, title and interest in and to the Property as defined below.

1. **Representations and Warranties.** Seller represents and warrants that it is now the sole owner of all of the property described in Section 2 below; that it has full right, title and authority to sell the property to Buyer; and that there are no mortgages, liens, claims, interests or other encumbrances of any nature or description affecting such property which will not be satisfied out of the proceeds of closing
2. **Property.** The following property (the "Property") is hereby sold, assigned and transferred by Seller to the Buyer:

All assets owned by the Seller or in which Seller has an interest which is a part of or related to a water distribution system including a 128,000 gallon storage tank in Livingston, Kentucky as more particularly described on Schedule A and attached facilities and all land, rights of ways and easements. In addition, all operating records and asset installation information.
3. **Transfer of Ownership.** The Seller transfers ownership of the Property to the Buyer free of all liens, claims, interests and encumbrances of any kind. The Seller has received **One Dollar (\$1.00)** in consideration for making this sale, conveyance and transfer.
4. **Promises by Seller.** The Seller promises that no one else has any legal rights in the Property. If anyone claims to have legal rights in the Property, the Seller will defend the Buyer against the claim and will pay all costs, reasonable attorney fees and damages.
5. **Signatures.** This Bill of Sale may be executed in several counterparts, which shall constitute one and the same instrument.
6. **Entire Agreement.** This Agreement contains the entire agreement between the parties

SCHEDULE A

concerning its subject matter, and supersedes and replaces all prior agreements and understandings, oral or written, and may not be modified except in writing executed by both parties.

7. **Successors and Assigns.** This Agreement shall be binding on the parties and their respective successors and assigns.
8. **Governing Law.** This Agreement is to be governed by the laws of the State of Kentucky.
9. **Promises by Buyer.** Buyer represents warrants and covenants that it is lawfully empowered to execute this agreement and to consummate the transaction contemplated herein and that this agreement shall not violate any tariff or other regulatory framework governing the Buyer. This transaction requires approval of the Kentucky Public Service Commission, and obtaining such approval shall be the responsibility of the Buyer.
10. **Closing.** This Bill of Sale shall not be effective until the Kentucky Public Service Commission shall have approved the proposed transaction.

IN WITNESS WHEREOF, the parties hereto have duly executed this **BILL OF SALE**, all as of the day and year first above written.

WITNESS:

Samantha Smoker

CITY OF LIVINGSTON

BY Mayor Andrea Argleton

WITNESS:

KENTUCKY-AMERICAN WATER
COMPANY

Name:

Title:

ASSIGNMENT OF EASEMENTS

THIS AGREEMENT made this day of October 22, 2025 by and between

CITY OF LIVINGSTON, a home rule-class city organized and existing under the laws of the State of Kentucky having its office located at P. O. Box 654, Livingston, KY 40445 (hereinafter referred to as the "LIVINGSTON")

and

KENTUCKY-AMERICAN WATER COMPANY, a public utility corporation organized and existing under the laws of the State of Kentucky, having its principal offices at 2300 Richmond Rd, Lexington, KY 40502 (hereinafter referred to as "KAWC")

WITNESSETH

WHEREAS, on October 22, 2025, LIVINGSTON and KAWC entered into an Agreement providing for the purchase by KAWC of LIVINGSTON's water distribution system ("Agreement");

WHEREAS, pursuant to terms of the Agreement, LIVINGSTON is required to provide to KAWC all easements or rights of way necessary or desirable for the ownership and operation of the System (as such term is defined in the Agreement) and to assign all of its rights and obligations under all existing easements or rights of way, if any, to KAWC to the extent legally permissible (such easements are hereinafter referred to collectively as the "Easements"); and

WHEREAS, KAWC agreed to accept such assignment from and after the Closing Date, as defined in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions herein contained, the parties hereto agree to and with each other as follows:

1. LIVINGSTON hereby transfers and assigns all of its right, title and interest in all existing Easements effective upon completion of the closing under the Agreement to KAWC.

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2. KAWC hereby accepts such assignment by LIVINGSTON of its right, title and interest in the Easements, if any, effective upon completion of the closing under the Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

WITNESS:

CITY OF LIVINGSTON

By: Samantha Smoker / city clerk
Print Name, Title

By: Sandra Singleton
Print Name: SANDRA Singleton
Title: Mayor
Date: Oct 25 2025

WITNESS:

KENTUCKY-AMERICAN WATER COMPANY

By: _____
Print Name, Title

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT 1 Definitions

“Acquired Assets” means all right, title, and interest in and to all of the assets which are owned or held by Seller as of the Effective Time that constitute the System or that are used in the operation thereof, including, with respect to the System, all of its (a) Real Property now used and required in the ongoing operation of the System, (b) Tangible Personal Property, (c) intellectual property, goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against past, present, and future interests therein under the Laws of all jurisdictions, (d) leases, subleases, easements, rights of way, and rights thereunder, (e) all rights of Seller in and to any indentures, mortgages, instruments, Encumbrances, or guaranties secured for the operation of the System, (f) accounts, notes, and other receivables arising after the Effective Time, (g) claims, deposits, prepayments, refunds, causes of action, rights of recovery, rights of set-off, and rights of recoupment (including any such item relating to the payment of Taxes), (h) franchises, approvals, Permits, pending application for Permits and Permit renewals, exemptions from any Permits, licenses, Orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies in each case to the extent assignable or transferable to Buyer, (i) books, data, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings, specifications, creative materials, studies, reports, and other printed or written materials related to Seller’s construction, maintenance, and operation of the System, and (j) all of the intangible rights and property, if any, of Seller utilized in the operation of the System, provided that Acquired Assets shall not include any Excluded Assets.

“Affiliate” means, with respect to any Person, any Person which, directly or indirectly controls, is controlled by, or is under common control with, such Person.

“Allocation” means a reasonable and supportable allocation of the Purchase Price among the Acquired Assets in accordance with Code section 1060 and the Treasury regulations thereunder (and any similar provisions of state or local Law, as appropriate).

“Audited Financial Statements” means the audited balance sheets of Seller as of December 31, 2022, 2023 and 2024 and the related audited statements of income and cash flows for the twelve (12) month period ended December 31, 2022, 2023 and 2024, respectively.

“Bill of Sale” means a bill of sale for all of the Acquired Assets that are Tangible Personal Property substantially in the form of Exhibit 3 (the “Bill of Sale”).

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

“Cleanup” means investigation, cleanup, removal, containment or other remediation or response actions.

“Closing” means the closing of the Contemplated Transactions.

“Closing Date” means the date on which the Closing actually occurs.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder.

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

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

"Contemplated Transactions" means the transactions contemplated by this Agreement and the Transaction Documents.

"Contract" means any agreement, contract, obligation, legally binding commitment or undertaking (whether written or oral and whether express or implied).

"Damages" means any and all claims, losses and other liabilities, plus reasonable attorneys' fees and expenses, including court costs and expert witness fees and costs, incurred in connection with such claims, losses and other liabilities and/or enforcement of this Agreement.

"Effective Time" means 12:01 a.m. on the Closing Date.

"Encumbrance" means any charge, claim, community property interest, condition, easement, equitable interest, encumbrance, lien, mortgage, option, pledge, security interest, right of first refusal, right of way, servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

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

"Environmental, Health and Safety Liabilities" means any cost, damages, expense, liability, obligation or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of chemical substances or products), (b) fines, penalties, judgments, awards, settlements, legal or administrative Proceedings, damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law, (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any Cleanup required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages, or (d) any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended, and the United States Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended.

"Environmental Law" means any Law relating to pollution or protection of human health, safety, the environment, natural resources or Law relating to releases or threatened releases of Hazardous Materials into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of Hazardous Materials.

"Excluded Assets" means (a) all cash, cash equivalents and short-term investments of Seller, including all bank accounts, demand accounts, certificates of deposit, time deposits, marketable securities, negotiable instruments and the proceeds of accounts receivable paid prior to the Closing Date, other than deposits and funds included in the Acquired Assets, (b) all accounts receivable of Seller accrued and payable prior to the Effective Time, (c) all Contracts to which the Seller is a party including the Contracts listed on Schedule 3.8, (d) all insurance policies of Seller and rights thereunder, (e) all causes of action, judgments, claims, reimbursements and demands of whatever nature (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or

components thereof) in favor of Seller to the extent related to any Excluded Asset, (f) all personnel Records and other Records that Seller is required by Law to retain in its possession, (g) all rights of Seller under this Agreement and the Transaction Documents and (h) all rights, properties and assets set forth on Schedule A.

"Financial Statements" means the Audited Financial Statements and the Unaudited Financial Statements.

"GAAP" means United States generally accepted accounting principles as in effect on the date hereof, applied on a consistent basis.

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

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

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

"Improvements" means all buildings, structures, fixtures, building systems and equipment, and all components thereof, including the roof, foundation, load-bearing walls, and other structural elements thereof, heating, ventilation, air conditioning, mechanical, electrical, plumbing, and other building systems, environmental control, remediation, and abatement systems, sewer, storm, and waste water systems, irrigation and other water distribution systems, parking facilities, fire protections, security, and surveillance systems, and telecommunications, computer, wiring, and cable installations, included in the Real Property.

"Indemnified Persons" means Buyer and Buyer's Affiliates and the past, present and future officers, directors, shareholders, partners, employees, agents, attorneys, representatives, successors and assigns of each of them in their capacities as such.

"Knowledge" means (i) the actual knowledge of a particular fact by any of the Persons listed on Schedule B (each, a "Knowledge Party"), and (ii) knowledge that would have been acquired by any Knowledge Party acting reasonably and diligently in the performance of such person's role with and duties to Seller. The words "know," "knowing" and "known" shall be construed accordingly.

"Law(s)" means any law, rule, regulation or ordinance of any federal, foreign, state or local Governmental Authority or other provisions having the force or effect of law, including all judicial or administrative Orders and determinations, and all common law.

"Liability" or "Liabilities" means any liability, indebtedness or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested

or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of a Person.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, Liabilities (contingent or otherwise), operations or condition (financial or otherwise) of the System, the Business and the Acquired Assets, taken as a whole; provided, however, that "Material Adverse Effect" shall not include any changes resulting from general business or economic conditions, including such conditions related to the industry in which the System is operated, which do not specifically relate to the System and which are not disproportionately adverse to the System than to other businesses being operated in the industries in which the System operates, or (b) the ability of Seller to consummate the Contemplated Transactions.

"Occupational Safety and Health Law" means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

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

"Ordinary Course of Business" means, with respect to the System and the business of the System, only the ordinary course of commercial operations customarily engaged in by the System and the business of the System consistent with past practices, and specifically does not include (a) activity (i) involving the purchase or sale of the System or the business of the System, or (ii) that requires approval by the governing persons of Seller or any of its Affiliates, or (b) the incurrence of any Liability for any tort or any breach or violation of or default under any Contract or Law.

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

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

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

"Purchase Price" means \$400,000 (Four Hundred Thousand Dollars).

"Real Property" means those parcels of real property and those easements or any right-of-way used in the operation of the System, together with all fixtures, fittings, buildings, structures and other Improvements erected therein or thereon.

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

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

"Tangible Personal Property" means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies (including chemicals and spare parts), materials, vehicles and other items of tangible personal property of every kind owned or leased by Seller (wherever located and whether or not

carried on Seller's books), together with any express or implied warranty by the manufacturers or lessors of any item or component part thereof, and all maintenance records and other documents relating thereto.

"Tax" or "Taxes" means all taxes, charges, withholdings, fees, duties, levies, or other like assessments including, without limitation, income, gross receipts, ad valorem, value added, excise, property, sales, employment, withholding, social security, Pension Benefit Guaranty Corporation premium, environmental (under Section 59A of the Code) occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, windfall profits, severance, customs, import, export, employment or similar taxes, charges, fees, levies or other assessments, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or any other basis, and shall include any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to, or incurred in connection with any such Tax or any contest or dispute thereof, and including any Liability for the Taxes of another Person under Treasury Regulation section 1.1502-6 (or any similar provisions of state, local, or foreign Law), as transferee or successor, by Contract or otherwise.

"Tax Return" or "Tax Returns" means any return, declaration, report, claim for refund, or information return or statement relating to, or required to be filed in connection with any Taxes, including any schedule or attachment thereto and including any amendment thereof.

"Third Person" means a claimant other than an indemnified person hereunder.

"Third Person Claim" means a claim alleged by a Third Person.

"Transaction Documents" means this Agreement, the Bill of Sale, the Intangible Assignments and all other documents, certificates, assignments and agreements executed and/or delivered in connection with this Agreement in order to consummate the Contemplated Transactions, as the same may be amended, restated, modified or otherwise replaced from time to time.

"Unaudited Financial Statements" means the unaudited balance sheet of Seller as of [____], 2025 and the related compiled consolidated statements of income and cash flows for the [____] month period then ended.

Rules of Construction

For purposes of this Agreement and the other documents executed in connection herewith, the following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) shall not be limiting or exclusive; (iv) the terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Schedules and Exhibits hereto) and not to any particular provision of this Agreement; (v) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations as well as all rules and regulations promulgated thereunder, unless the context otherwise requires; (vi) all references in this Agreement or in the Schedules to this Agreement to sections, schedules, exhibits and attachments shall refer to the corresponding sections, schedules, exhibits and attachments of or to this Agreement; and (vii) all references to any instruments or agreements, including references to any of the documents executed in connection herewith, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

AN ORDINANCE AMENDING
THE CITY OF LIVINGSTON
WATER RATE AND SEWER RATE
ORDINANCE, AS AMENDED

Whereas, the City of Livingston in order to meet its present obligations, as well as meet the increased cost of operating and maintaining the water and sewer systems, the City recognizes the necessity to adjust customer service rate and charges;

Now, Therefore, be it ordained by the City of Livingston as follows:

Section One: The Water and Sewer Rate Ordinance , as amended, is amended as follows:

A. Water Rates

Water Usage

Inside City Limits

First 2,000 Gallons	\$27.82 is now \$29.74 Minimum Bill
2,001-999999 Gallons	\$11.11 per 1,000 Gallons

Outside City Limits

First 2,000 Gallons	\$29.50 is now \$31.42 Minimum Bill
2,000-999999 Gallons	\$11.11 per 1,000 Gallons

Eastern Rockcastle Water

Wholesale	\$3.19 is now \$3.69 per 1,000 Gallons
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Sewer Usage

First 2,000 Gallons	\$17.50 Minimum Bill
Next 5,000 Gallons	\$5.50 per 1,000 Gallons
Next 3,000 Gallons	\$4.30 per 1,000 Gallons
Next 10,000 Gallons	\$3.60 per 1,000 Gallons

Sewer Rates

The former sewer rate was calculated on the basis of a \$14.00 minimum bill plus 80% of the water bill above 2,500 gallon usage

- B. Connection Charges:** The charge for a 5/8x3/4 inch water connection shall be \$500.00. Will be assessed for each sewer connection.
- C. Deposits:** All applicants for service shall pay \$150.00 deposit before installation of any water meter. Deposits are refundable after service has been disconnected and the final balance is paid in full. If the final balance is not paid in full or disconnection has taken place for nonpayment, the deposit amount will first be used to pay the delinquent amount and the difference shall be refunded to the customer. Another deposit must then be paid in

order for reconnection. Disconnection will take place if delinquent accounts are not paid in full after one month, and reconnection fees will be charged.

- D. **Re-Connection Fees:** Where the water supply to the customer has been disconnected for non-payment of delinquent bills, or where a meter is to be reinstalled for new customer at the location where one existed previously, a charge of \$50.00 will be assessed for reconnection of water service. The reconnection of service will not be made until all delinquent bills and other charges, if any, owed by the customer to the city have been paid. Anyone unable to pay their bill in full may sign a repayment contract in order to continue water and/or sewer service.
- E. **Leak Adjustment:** The city will allow one leak adjustment per customer on an annual basis. In making a leak adjustment, the city will determine the customer's average monthly usage for the past 12 months. The city will bill the customer for their average usage at the current rate. All usage in excess of the average monthly usage will be charged at the current 1,000 gallon rate the city pays for its purchase water plus an additional \$0.10 per 1,000 gallons to pay for the transmission cost.
- F. **Special Charges:** Special charges shall be assessed to the customer in the following instances;
 - A. \$25.00 will be charged on all return checks
 - B. \$20.00 will be charged to reread a meter at the customer's request unless such reread reveals that the initial reading was erroneous. No charge will be made if the initial was incorrect.
 - C. \$30.00 will be charged for a meter test when test is made at the customer's written request unless the meter is found to be faulty. No charge shall be made for testing a faulty meter and appropriate adjustments will be made in accordance with test results.
 - D. A 10% late payment penalty will be assessed if bills are not paid by the due date
- G. **Individual Fire Hydrant:** For each fire hydrant contracted for by a city, county, state or federal government agency or institution, private customer, private industry, or private institution, the connection and installation charge will be \$2,000.00.
- H. **Multi-Unit:** The monthly charge for customers who have requested water service through a master meter for a multi-unit service shall be the number of housing units times the minimum water charge per unit, based on the city's standard service meter minimum charge.
- I. All customers are required to sign a Water User Agreement. All new taps are required to purchase a plumbing permit. All business must be conducted at City Hall.

Section Two: All provisions of the Water and Sewer Rate Ordinance not specifically amended in the Ordinance, are hereby reenacted and reaffirmed and made a part hereof as in copied in full herein.

Section Three: All ordinances, orders, resolutions or similar instrument in conflict with this Ordinance are hereby suspended and deemed null and void upon adoption of this Ordinance.

Section Four: The effective date of all rates and charges herein given shall coincide with the date of adoption of this Ordinance and shall be reflected in charges for service rendered on and after February 20, 2017.

Adopted this 20th day of February 2017

Jason Medley, Mayor, City of Livingston

Attest: Trisha Doan, City Clerk

Date of first reading 2/13/2017

Date of second reading 2/20/2017