

RESOLUTION NO. 124, SERIES 2014

**A RESOLUTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY AUTHORIZING THE APPOINTMENT OF MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AS A CO-REMARKETING AGENT FOR THE \$35,000,000 PRINCIPAL AMOUNT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, POLLUTION CONTROL REVENUE BONDS, 2001 SERIES B (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT), AND FURTHER AUTHORIZING CERTAIN RELATED ACTIONS RELATED TO THE ABOVE-IDENTIFIED BONDS.**

Sponsored By: Councilman David Fandy

**WHEREAS**, the Louisville/Jefferson County Metro Government, Kentucky (the “Issuer”) is the governmental successor to the County of Jefferson, Kentucky (the “Predecessor County”) and, pursuant to operation of law has mandatorily assumed all obligations of the Predecessor County and has been vested with ownership of all property of the Predecessor County; and

**WHEREAS**, the Predecessor County, pursuant to Ordinance No. 31, Series 2001 adopted on November 13, 2001 by the Fiscal Court of the Predecessor County, issued its Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), dated March 22, 2002 in the principal amount of \$35,000,000 (the “2001 Series B Bonds”) pursuant to the Indenture of Trust, dated as of November 1, 2001, as amended by Supplemental Indenture No. 1 dated as of September 1, 2010 (the “Indenture”), between the Issuer as successor to the Predecessor County and U.S. Bank National Association, as successor Trustee (the “Trustee”); and

**WHEREAS**, the Predecessor County loaned the proceeds of the 2001 Series B Bonds to Louisville Gas and Electric Company (the “Company”) pursuant to the Loan Agreement dated as of November 1, 2001, as amended pursuant to Amendment No. 1 to Loan Agreement dated as of September 1, 2010, between the Issuer as successor to the Predecessor County and the Company (the “Loan Agreement”); and

**WHEREAS**, Morgan Stanley & Co. LLC (“Morgan Stanley”) serves as the Remarketing Agent for the 2001 Series B Bonds under the Indenture; and

**WHEREAS**, the Company, pursuant to the authority of Section 2.02(e)(i) of the Indenture, has exercised its option to convert on December 15, 2014 (the “Conversion Date”), the interest rate applicable to the 2001 Series B Bonds from the Flexible Rate to a Long Term Rate for an initial Long Term Rate Period selected by the Company (as each such term is defined in the Indenture) (the “Conversion”); and

**WHEREAS**, pursuant to the authority of Section 3.01(b)(i) of the Indenture, the Conversion requires the owners of the 2001 Series B Bonds to tender the 2001 Series B Bonds for purchase on the Conversion Date and further requires the Remarketing Agent to use its best efforts to offer for sale and sell the tendered 2001 Series B Bonds on the Conversion Date at a

price equal to the principal amount of the 2001 Series B Bonds plus accrued interest to the Conversion Date; and

**WHEREAS**, pursuant to the authority of Section 11.01(a) of the Indenture, the Company desires to direct the Issuer to appoint Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) as a co-Remarketing Agent for the purpose of offering for sale and selling the tendered Series 2001 B Bonds on the Conversion Date at a price equal to the principal amount of the 2001 Series B Bonds plus accrued interest to the Conversion Date, the term of service of Merrill Lynch as a co-Remarketing Agent to be limited to the initial remarketing of such Series 2001 B Bonds in connection with the Conversion and, thereafter, Morgan Stanley will serve as sole Remarketing Agent; and

**WHEREAS**, the Company further desires that the Issuer, as the conduit issuer of the 2001 Series B Bonds, and the Company enter into a letter agreement (the “Letter Agreement”), pursuant to which the Company will agree not to exercise the option of the Company under the Loan Agreement to cause the 2001 Series B Bonds to be redeemed under certain circumstances specified in the Letter Agreement during the initial Long Term Rate Period selected by the Company; and

**WHEREAS**, the Company further reserves the right to request the Issuer to execute Department of the Treasury, Internal Revenue Service Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues (“Form 8038”), in the event the Company in its sole discretion determines that it is appropriate to file Form 8038 with the Internal Revenue Service in connection with the remarketing of the 2001 Series B Bonds and the consummation of the related actions described in this Resolution; and

**NOW THEREFORE, BE IT RESOLVED BY THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT ACTING BY AND THROUGH ITS METRO COUNCIL AS FOLLOWS:**

Section 1. It is hereby found, determined and declared that the recitals set forth in the preambles to this Resolution, which are incorporated in this Section by reference, are true and correct and the same are incorporated in this Resolution.

Section 2. The Issuer, acting by and through its Metro Council, as its duly authorized governing body, hereby determines, resolves and orders that Merrill Lynch is hereby appointed as a co-Remarketing Agent for the purpose of offering for sale and selling the tendered Series 2001 B Bonds on the Conversion Date at a price equal to the principal amount of the 2001 Series B Bonds plus accrued interest to the Conversion Date, the term of service of Merrill Lynch as a co-Remarketing Agent to be limited to the initial remarketing of such Series 2001 B Bonds in connection with the Conversion and, thereafter, Morgan Stanley will serve as sole Remarketing Agent.

Section 3. The Issuer, acting by and through its Metro Council, as its duly authorized governing body, is further hereby authorized and empowered to execute and deliver (a) the Letter Agreement, (b) Form 8038 in the event the Company in its sole discretion determines that it is appropriate to file Form 8038 with the Internal Revenue Service in connection with the

remarketing of the 2001 Series B Bonds and the consummation of the related actions described in this Resolution, and (c) such other letters, agreements, documents and instruments as shall be necessary and appropriate in order to evidence the Issuer's consent to the appointment of Merrill Lynch as a co-Remarketing Agent and to consummate the remarketing of the 2001 Series B Bonds on the Conversion Date a price equal to the principal amount of the 2001 Series B Bonds plus accrued interest to the Conversion Date.

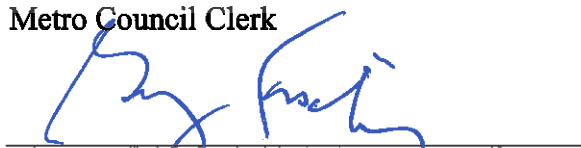
Section 4. This Resolution shall take effect upon its passage and approval.

INTRODUCED, SECONDED, AND GIVEN FIRST READING at a duly convened regular meeting of the Metro Council of the Louisville/Jefferson County Metro Government, Kentucky, held on November 6, 2014.

GIVEN SECOND READING AND ENACTED at a duly convened regular meeting of the Metro Council of the Louisville/Jefferson County Metro Government held on November 20, 2014, signed by the Mayor as evidence of his approval and filed and indexed as provided by law, and declared to be in full force and effect according to law.

  
H. Stephen Ott  
Metro Council Clerk

  
Jim King  
President of the Metro Council

  
Greg Fischer  
Mayor

  
Approval Date

APPROVED AS TO FORM AND LEGALITY: 

Michael J. O'Connell  
Jefferson County Attorney

By   
Assistant County Attorney



## CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Metro Council Clerk of the Louisville/Jefferson County Metro Government, and as such Clerk, I further certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by the Metro Council of the Louisville/Jefferson County Metro Government upon a second reading at a duly convened meeting held on the 20th day of November, 2014, signed by the Mayor and President of the Metro Council, duly filed and recorded in my office, all as appears from the official records of the Metro Council in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this 25 day of November, 2014.



H. Stephen Ott  
Metro Council Clerk