

Louisville/Jefferson County Metro Government
Louisville, Kentucky 40202

**Letter Agreement with respect to the remarketing of the \$40,000,000
Louisville/Jefferson County Metro Government, Kentucky, Pollution
Control Revenue Bonds, 2005 Series A (Louisville Gas and Electric
Company Project)**

This Letter Agreement, dated as of August 1, 2019, is entered into by Louisville/Jefferson County Metro Government (the “**Issuer**”) and Louisville Gas and Electric Company (the “**Company**”) in connection with the remarketing of the above-captioned bonds (the “**Bonds**”).

The Bonds were issued by the Issuer pursuant to an Indenture of Trust, dated as February 1, 2005, as amended and restated pursuant to an Amended and Restated Indenture of Trust dated as of September 1, 2008, and as amended by Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010 (collectively, the “**Indenture**”), between the Issuer and U.S. Bank National Association, as successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the “**Trustee**”). The Issuer loaned the proceeds of the Bonds to the Company (the “**Loan**”) pursuant to a Loan Agreement dated as of February 1, 2005, as amended and restated pursuant to an Amended and Restated Loan Agreement dated as of September 1, 2008, and as amended by Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010, between the Issuer and the Company (collectively, the “**Loan Agreement**”). The Company is obligated to pay the principal of, premium if any, and interest on the Bonds pursuant to the Loan Agreement.

Unless otherwise defined in this Letter Agreement, any capitalized term used herein shall be defined as set forth in the Indenture.

Pursuant to Section 10.1 of the Loan Agreement, the Company has the option at its election to prepay the Loan in whole and to cancel and terminate the Loan Agreement, and cause the redemption of the Bonds, if certain events shall have occurred, including without limitation the events described in Sections 10.1(a) and 10.1(d) of the Loan Agreement, within 180 days preceding the giving of such written notice to the Trustee. Specifically, Sections 10.1(a) and 10.1(d) of the Loan Agreement provide that the Loan Agreement may be prepaid if the following events occur:

(a) If in the judgment of Company, unreasonable burdens or excessive liabilities shall have been imposed after the issuance of the 2005 Series A Bonds upon Company with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem, property, income or other taxes not imposed on the date of this [Loan] Agreement other than ad valorem taxes presently levied upon privately owned property used for the same general purpose as the Project; or

(d) In the event changes, which the Company cannot reasonably control, in the economic availability of materials,

supplies, labor, equipment, or other properties or things necessary for the efficient operation of either of the Mill Creek and Cane Run Generating Stations of the Company shall have occurred which, in the judgment of the Company, render the continued operation of either of the Mill Creek or Cane Run Generating Stations or any generating unit at either such station uneconomical; or changes in circumstances, after the issuance of the 2005 Series A Bonds including but not limited to changes in clean air or other air pollution control requirements, shall have occurred such that the Company shall determine that use of the Project is no longer required or desirable;

The Company hereby agrees to not exercise its option to prepay the Loan in whole, and cause the redemption of the Bonds, pursuant to Sections 10.1(a) and 10.1(d) of the Loan Agreement for the period or periods described below.

This Letter Agreement shall be effective for the period beginning on and including August 1, 2019 and ending on and including [REDACTED] and shall automatically terminate thereafter; provided, however, the Company may unilaterally elect to extend the application of this Letter Agreement to additional successive periods, the first of which must begin on [REDACTED] and the last of which must terminate on or before the final maturity date of the Bonds. The Company must make each such election by providing the Issuer and the Trustee written notice of the election at least two days before the date of the beginning of the new period. Each such notice shall describe the term of the new period and shall certify that the effectiveness of this Letter Agreement has been continuously maintained since August 1, 2019. No acknowledgement, consent, approval, or other action shall be required of the Issuer or the Trustee for each such election to be valid and effective. The Company shall provide notice of each such election to the Issuer and the Trustee in accordance with the notice provisions then reflected in the Indenture.

This Letter Agreement shall not be construed to amend, modify, supplement, or supersede any provision of the Loan Agreement, the Indenture, or the Bonds except to the limited extent set forth herein. This Letter Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Agreed to as of the date first above written.

[Signature Page To Follow]

[Signature Page To Letter Agreement Dated August 1, 2019]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

By: _____
Greg Fischer
Mayor

**APPROVED AS TO FORM AND
LEGALITY:**

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant County Attorney

**LOUISVILLE GAS AND ELECTRIC
COMPANY**

By: _____
Daniel K. Arbough
Treasurer

Acknowledged by:

U.S. BANK NATIONAL ASSOCIATION

By: _____
Amy Anders
Vice President