

RESOLUTION NO. 013, SERIES 2017

A RESOLUTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AUTHORIZING THE APPOINTMENT OF PNC CAPITAL MARKETS LLC AS A CO-REMARKETING AGENT FOR THE \$128,000,000 OUTSTANDING PRINCIPAL AMOUNT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, POLLUTION CONTROL REVENUE BONDS, 2003 SERIES A (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT) (THE "2003 SERIES A BONDS"); AUTHORIZING THE EXECUTION OF ONE OR MORE LETTER AGREEMENTS IN CONNECTION WITH THE REMARKETING OF THE (i) 2003 SERIES A BONDS, (ii) \$31,000,000 OUTSTANDING PRINCIPAL AMOUNT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, ENVIRONMENTAL FACILITIES REVENUE REFUNDING BONDS, 2007 SERIES A (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT), AND (iii) \$35,200,000 OUTSTANDING PRINCIPAL AMOUNT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, ENVIRONMENTAL FACILITIES REVENUE REFUNDING BONDS, 2007 SERIES B (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT); AND TAKING OTHER ACTIONS RELATED TO THE REMARKETING OF THE ABOVE-IDENTIFIED BONDS

SPONSORED BY: COUNCIL MEMBERS YATES AND BRYANT HAMILTON

WHEREAS, on November 20, 2003, Louisville/Jefferson County Metro Government ("**Metro Government**") issued its Pollution Control Revenue Bonds, 2003 Series A (Louisville Gas and Electric Company Project) in an aggregate principal amount of \$128,000,000 (the "**2003 Series A Bonds**") pursuant to Ordinance No. 190, Series 2003 adopted by the Legislative Council of the Louisville/Jefferson County Metro Government (the "**Council**") on October 23, 2003 and pursuant to an Indenture of Trust dated as of October 1, 2003 (the "**Original Series 2003A Indenture**"), by and between Metro Government and U.S. Bank National Association, as successor trustee thereunder (the "**Trustee**"), as amended and supplemented pursuant to a Supplemental Indenture No. 1 dated as of September 1, 2010 by and between Metro Government and

the Trustee (the “**Series 2003A Supplemental Indenture**” and, together with the Original Series 2003A Indenture, the “**Series 2003A Indenture**”); and

WHEREAS, Metro Government loaned the proceeds of the 2003 Series A Bonds to Louisville Gas and Electric Company (the “**Company**”) pursuant to a Loan Agreement dated as of October 1, 2003 by and between Metro Government and the Company (the “**Original 2003A Loan Agreement**”), as amended and supplemented pursuant to an Amendment No. 1 to Loan Agreement dated as of September 1, 2010, by and between Metro Government and the Company (the “**Series 2003A Supplemental Loan Agreement**” and, together with the Original Series 2003A Loan Agreement, the “**Series 2003A Loan Agreement**”); and

WHEREAS, Morgan Stanley & Co. LLC (“**Morgan Stanley**”) currently serves as the sole Remarketing Agent of the 2003 Series A Bonds pursuant to the Series 2003A Indenture; and

WHEREAS, the 2003 Series A Bonds currently bear interest at a Long Term Rate in a Long Term Rate Period that expires on April 2, 2017; and

WHEREAS, owners must tender their 2003 Series A Bonds on April 3, 2017 so that Morgan Stanley may remarket the 2003 Series A Bonds to investors in a new Long Term Rate Period beginning on and including April 3, 2017; and

WHEREAS, pursuant to Section 11.01(a) of the Series 2003A Indenture, the Company desires to direct Metro Government to appoint PNC Capital Markets LLC (“**PNC**” and, together with Morgan Stanley, the “**Series 2003A Remarketing Agents**”) as a co-Remarketing Agent for the limited purpose of offering the 2003 Series A Bonds for sale to investors in connection with the April 3, 2017 remarketing, and for Morgan

Stanley to serve as the sole Remarketing Agent of the 2003 Series A Bonds thereafter; and

WHEREAS, on April 26, 2007, Metro Government issued its Environmental Facilities Revenue Refunding Bonds, 2007 Series A (Louisville Gas and Electric Company Project) in an aggregate principal amount of \$31,000,000 (the “**2007 Series A Bonds**”) pursuant to Ordinance No. 49, Series 2007 adopted by the Council on March 22, 2007 and pursuant to an Indenture of Trust dated as of March 1, 2007, which was amended and restated as of September 1, 2008 (the “**Original Series 2007A Indenture**”), by and between Metro Government and the Trustee, as amended and supplemented pursuant to a Supplemental Indenture No. 1 dated as of September 1, 2010 by and between Metro Government and the Trustee (the “**Series 2007A Supplemental Indenture**” and, together with the Original Series 2007A Indenture, the “**Series 2007A Indenture**”); and

WHEREAS, Metro Government loaned the proceeds of the 2007 Series A Bonds to the Company pursuant to a Loan Agreement dated as of March 1, 2007 by and between Metro Government and the Company, which was amended and restated as of September 1, 2008 (the “**Original 2007A Loan Agreement**”), as amended and supplemented pursuant to an Amendment No. 1 to Loan Agreement dated as of September 1, 2010, by and between Metro Government and the Company (the “**Series 2007A Supplemental Loan Agreement**” and, together with the Original Series 2007A Loan Agreement, the “**Series 2007A Loan Agreement**”); and

WHEREAS, U.S. Bancorp Investments, Inc. and U.S. Bank Municipal Securities Group, a division of U.S. Bank National Association (together, the “**Series 2007A**

Remarketing Agents") currently serve as the Remarketing Agents of the 2007 Series A Bonds pursuant to the Series 2007A Indenture; and

WHEREAS, the 2007 Series A Bonds currently bear interest at a Long Term Rate in a Long Term Rate Period that expires on May 31, 2017 and will be remarketed by the Series 2007A Remarketing Agent in a new Long Term Rate Period beginning on and including June 1, 2017; and

WHEREAS, on April 26, 2007, Metro Government issued its Environmental Facilities Revenue Refunding Bonds, 2007 Series B (Louisville Gas and Electric Company Project) in an aggregate principal amount of \$35,200,000 (the "**2007 Series B Bonds**") and, together with the 2003 Series A Bonds and the 2007 Series A Bonds, the "**Bonds**") pursuant to Ordinance No. 50, Series 2007 adopted by the Council on March 22, 2007 and pursuant to an Indenture of Trust dated as of March 1, 2007, which was amended and restated as of November 1, 2010, by and between Metro Government and the Trustee (the "**Series 2007B Indenture**" and, together with the 2003 Series A Indenture and the 2007 Series A Indenture, the "**Indentures**"); and

WHEREAS, Metro Government loaned the proceeds of the 2007 Series B Bonds to the Company pursuant to a Loan Agreement dated as of March 1, 2007, which was amended and restated as of November 1, 2010, by and between Metro Government and the Company (the "**Series 2007B Loan Agreement**" and, together with the Series 2003A Loan Agreement and the Series 2007A Loan Agreement, the "**Loan Agreements**"); and

WHEREAS, J.P. Morgan Securities LLC (the “**Series 2007B Remarketing Agent**”) currently serves as the Remarketing Agent of the 2007 Series B Bonds pursuant to the Series 2007B Indenture; and

WHEREAS, the 2007 Series B Bonds currently bear interest at a Long Term Rate in a Long Term Rate Period that expires on May 31, 2017 and will be remarketed by the Series 2007B Remarketing Agents in a new Long Term Period beginning on and including June 1, 2017; and

WHEREAS, each Indenture and Loan Agreement authorize the Company to cause each respective series of Bonds to be optionally redeemed before final maturity under certain circumstances; and

WHEREAS, the Series 2003A Remarketing Agents, the Series 2007A Remarketing Agents, and the Series 2007B Remarketing Agent (together, the “**Remarketing Agents**”) have each advised the Company that waiving certain of its rights to cause each series of Bonds to be optionally redeemed during their new Long Term Rate Period would assist in an effective remarketing of each such series by the respective Remarketing Agent or Agents; and

WHEREAS, the Company further desires to enter into a letter agreement with Metro Government for each series of the Bonds (each, a “**Letter Agreement**” and collectively, the “**Letter Agreements**”) whereby the Company will agree not to exercise the Company’s rights under the respective Loan Agreement to cause each respective series of the Bonds to be optionally redeemed under the circumstances specified therein during the Long Term Rate Period for the 2003 Series A Bonds beginning on

and including April 3, 2017 and during the Long Term Rate Periods for the 2007 Series A Bonds and 2007 Series B Bonds beginning on and including June 1, 2017; and

WHEREAS, the Company further reserves the right to request Metro Government to execute a Department of the Treasury, Internal Revenue Service Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues ("**Form 8038**") in connection with the remarketing of each series of the Bonds if the Company in its sole discretion determines that it is appropriate to file a Form 8038 with the Internal Revenue Service to protect the tax-exempt status of the interest of any such series;

NOW THEREFORE, BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE "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 1 by reference, are true and correct.

SECTION 2. Metro Government, acting by and through the Council as its duly authorized legislative body, determines, resolves, and orders that PNC is hereby appointed as a co-Remarketing Agent of the 2003 Series A Bonds for the limited purpose offering the 2003 Series A Bonds for sale to investors in connection with the April 3, 2017 remarketing, and for Morgan Stanley to serve as the sole Remarketing Agent of the 2003 Series A Bonds thereafter.

SECTION 3. Metro Government, acting by and through the Council as its duly authorized legislative body, hereby determines, resolves, and orders that the Mayor and

the Metro Council Clerk are hereby authorized and directed to execute and deliver on behalf of Metro Government:

(a) a Letter Agreement by and between Metro Government and the Company whereby the Company will agree not to exercise its rights under the Series 2003A Loan Agreement to cause the 2003 Series A Bonds to be optionally redeemed under the circumstances specified in the Letter Agreement during the Long Term Rate Period beginning on and including April 3, 2017;

(b) a Letter Agreement by and between Metro Government and the Company whereby the Company will agree not to exercise its rights under the Series 2007A Loan Agreement to cause the 2007 Series A Bonds to be optionally redeemed under certain circumstances specified in the Letter Agreement during the Long Term Rate Period beginning on and including June 1, 2017;

(c) a Letter Agreement by and between Metro Government and the Company whereby the Company will agree not to exercise its rights under the Series 2007B Loan Agreement to cause the 2007 Series B Bonds to be optionally redeemed under certain circumstances specified in the Letter Agreement during the Long Term Rate Period beginning on and including June 1, 2017;

(d) a Form 8038 in connection with each of the 2003 Series A Bonds, the 2007 Series A Bonds, or the 2007 Series B Bonds if the Company in its sole discretion determines that it is appropriate to file a Form 8038 with the Internal Revenue Service to protect the tax-exempt status of the interest on any such series of Bonds;
and


(e) all such further letters, agreements, documents, instruments, forms, and certificates as shall be necessary and appropriate to consummate the remarketing of the 2003 Series A Bonds, the 2007 Series A Bonds, and the 2007 Series B Bonds as described herein.

SECTION 4. The singular form of any word used herein shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders. Unless otherwise specified, the word “including” shall mean “including without limitation”, the word “or” shall mean “and/or”, and the word “any” shall mean “any and all.”

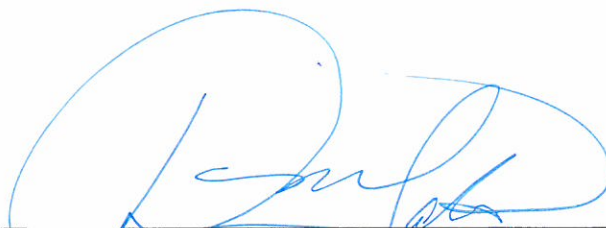
SECTION 5. This Resolution shall take effect upon its passage and approval.

INTRODUCED, SECONDED, AND GIVEN FIRST READING at a duly convened regular meeting of the Legislative Council of the Louisville/Jefferson County Metro Government held on February 9, 2017.

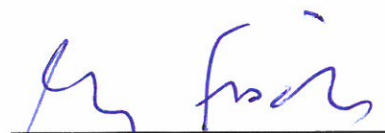
GIVEN SECOND READING AND ENACTED at a duly convened regular meeting of the Legislative Council of the Louisville/Jefferson County Metro Government held on February 23, 2017, signed by the Mayor as evidence of his approval, filed, and indexed as provided by law.



Stephen Ott
Metro Council Clerk PRO - TEM



David Yates
President of the Council



Greg Fischer
Mayor

3/6/2017

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By:  _____

LOUISVILLE METRO COUNCIL
ADOPTED
February 23, 2017

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