



LG&E-KU LLC
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Louisville, KY 40232

Butch Cockerill
Director Operating Services &
Business Process Management
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September 11, 2015

Re: Proposed KU Purchase of Portion of Lexington Fayette Urban County Government Property located at Parkers Mill Road, Lexington, Kentucky.

Rick Caldwell:

Subject to the negotiation of definitive documents (“Documents”) intended to accomplish the transactions contemplated herein, including without limitation, a Contract of Sale (the “Contract”), the purpose of this Letter of Intent is to confirm in writing the intention of Kentucky Utilities Company (“KU”) to acquire the real property (the “Parkers Mill Property”) hereinafter described from Lexington Fayette Urban County Government. (“LFUCG”) on the terms and conditions hereinafter set forth:

1. Real Property. For purposes of this Letter of Intent (the "Letter"), the Parkers Mill Property shall mean (i) the land shown as “Tract 1”, and labeled “0.237 ACRES”, and the easements shown as “Guying Easement No. 1”, “Guying Easement No. 2” and “Temporary Construction Easement” on the drawing attached hereto as “Exhibit A” and made a part hereof, together with all improvements thereon, and all appurtenances thereto located within Lexington in Fayette County, Kentucky.

2. Purchase Price. The purchase price (“Purchase Price”) to be paid for the Parkers Mill Property by KU to LFUCG shall be the appraised fair market value of the same as determined by an appraisal to be performed by a licensed appraiser approved by LFUCG and KU (the “Appraisal”). The Appraisal shall be conducted at the cost of KU and shall be completed within thirty (30) days after the execution of the Contract.

3. Due Diligence. KU and LFUCG shall have a period of thirty (30) days from the date the Contract is fully executed (the “Due Diligence Period”) to perform all the normal and customary due diligence and approval items involved in a transaction of this nature, including without limitation:

- (a) verification that title to the Parkers Mill Property is acceptable to KU;

(b) verification that the Parkers Mill Property can be used and developed for an electric transmission and substation site (“KU’s Intended Use”);

(c) verification that the condition of the Parkers Mill Property is acceptable to KU in its sole discretion;

(d) KU obtaining any and all city, county, state, and federal approvals, permits, and licenses necessary to use and develop the Parkers Mill Property for KU’s Intended Use;

(e) KU determining to the sole and exclusive satisfaction of KU that the Parkers Mill Property was not used for the storage, generation, manufacture, or disposal of any hazardous substance; that the Property was never used as a landfill or dump site; that no hazardous substance is located in, on, or under the Property; and that no underground storage tank is located on the Property;

(f) KU verifying that any hazardous substance located on the Parkers Mill Property is removed by LFUCG, should LFUCG elect in its sole discretion to do so, in accordance with any ordinance, rule, or regulation, by any governmental agency, authority, or instrumentality having jurisdiction over said removal from the Parkers Mill Property.

4. Definitive Contract. This Letter is subject to negotiation and execution of the Contract within ninety (90) days after full execution of this Letter. Except as otherwise provided in this Letter, the Contract shall contain such conditions, covenants, representations, or warranties of the parties as are customarily included in transactions of this nature. LFUCG and KU agree to negotiate the Contract in good faith. If the Contract is not fully executed by LFUCG and KU within said 90-day period for any reason whatsoever (provided that both parties acted in good faith), then this Letter shall be null and void, and the parties shall be relieved from any obligations or liability hereunder, except for the obligation imposed under § 8(b)(iv) of this Letter.

5. Closing. The Contract shall provide for a closing on the transaction contemplated herein no later than Thirty (30) days following the expiration of the Due Diligence Period. At closing, LFUCG shall convey (i) an unencumbered, marketable fee simple title to Tract 1 as shown on “Exhibit A” hereto by Deed of General Warranty with the usual covenants, such as any national title insurance company will insure at regular rates on an ALTA Owner’s Policy Form B, free and clear of all liens, encumbrances, except easements, restrictions and covenants of record, real property taxes not yet due and payable, and applicable regulations imposed by any governmental entity, and (ii) permanent guying easements over the areas described as “Guying Easement No. 1” and “Guying Easement No. 2” on “Exhibit A” hereto and a temporary construction easement over the property described as “Temporary Construction Easement” on “Exhibit A” hereto by Deed of Easement. Possession of the Parkers Mill Property shall be conveyed on the date of such Deeds.

6. Minor Plat. The Contract will be contingent upon KU obtaining, at KU’s sole cost and expense, approval of a Minor Subdivision Plat (the “Minor Plat”) which subdivides Tract 1 and, to the extent necessary, the “Guying Easement No.1” and “Guying Easement No. 2” parcels shown on “Exhibit A” hereto, from the remainder of LFUCG’s property, which Minor Plat to be placed of record along with the Deeds at Closing.

7. Closing Costs. With respect to the Parkers Mill Property, KU shall pay the recording fee for the deed, all title examination fees and title insurance premiums necessary to provide KU with an owner's policy of title insurance. With respect to the Parkers Mill Property, LFUCG shall pay for preparation of the deed, easement document, the costs of any minor plat required to transfer the Parkers Mill Property, and the transfer tax on the deed. Each party shall be responsible for its own attorney's fees.

* * * * *

8. Without in any way limiting the generality of the further negotiated provisions to be included in the Documents, KU and LFUCG state their understanding that:

- (a) Prior to the execution and delivery of the Documents, neither LFUCG nor KU, nor their respective officers, directors or shareholders, as applicable, shall enter into any discussions or negotiations with any third party with respect to the sale of the Parkers Mill Property; and
- (b) KU shall have access to the Parkers Mill Property prior to execution of the Contract to clear the area of vegetation and to start the proposed construction for KU's Intended Use once a signed copy of the Letter of Intent has been received and a copy of self-insurance statement provided from KU to LFUCG and;
 - (i) KU indemnifies and agrees to release LFUCG from any and all legal and equitable claims which LFUCG has, may have or may have had, arising out of the entry upon the Parkers Mill Property by KU or from any condition, accident, injury or occurrence arising on or about said Parkers Mill Property resulting from KU's actions thereon. Specifically, KU, and its successors and assigns, hereby irrevocably and unconditionally release and discharge LFUCG and its present or former agents, directors, shareholders, commissioner, officers, employees, representatives, attorneys, divisions, parents, subsidiaries and affiliates from any and all complaints, claims, actions, causes of action, suits, debts, charges, liabilities, obligations, promises, agreements, damages and expenses, including reasonable attorney's fees or any other expense of litigation, arising out of the entry upon said Parkers Mill Property by KU, or from any condition, accident or other occurrence on or about said Parkers Mill Property resulting from KU's entry thereon which causes injury to any person or property whomsoever or whatsoever, and to protect, indemnify and hold harmless LFUCG against and from any and all liability, loss, cost, damage and expense, including reasonable attorney's fees or any other expense of litigation, arising out of any failure of KU in any respect to comply with and perform all of the requirements and provisions of this Letter.
 - (ii) KU shall also indemnify LFUCG against all liens and charges of any and every nature that may at any time be established against the Parkers Mill Property or any improvements thereon or any part thereof as a consequence, direct or indirect, of KU's presence at the Parkers Mill Property prior to Closing.

- (iii) KU further agrees that all personal property belonging to KU or any other person placed on the Parkers Mill Property shall be at the sole risk of KU. LFUCG shall in no event be liable for the loss, destruction, theft of or damage to such property unless caused by the negligence or willful misconduct of LFUCG or its officers, employees, contractors, licensees, guest or invitees at the Parkers Mill Property.
- (iv) KU further agrees that it shall restore the Parkers Mill Property to its original condition, or as close thereto as reasonably possible, with the exception of trees and brush, should the Parkers Mill Property fail to transfer from LFUCG to KU for any reason. THIS OBLIGATION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS LETTER.

If this Letter accurately sets forth the general terms and conditions under which LFUCG intends to convey the Parkers Mill Property to KU, please have this Letter executed on behalf of LFUCG, and return the enclosed copy of this Letter to the undersigned on or prior to 5:00 p.m. on 10/9/15, 2015.

Sincerely,

Kentucky Utilities Company

By *S. Cashill*

Title: *Director, Operating Services*

Date: *September 11, 2015*

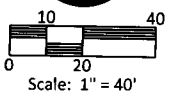
Accepted and agreed:

LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT

By: *J. G. G.*

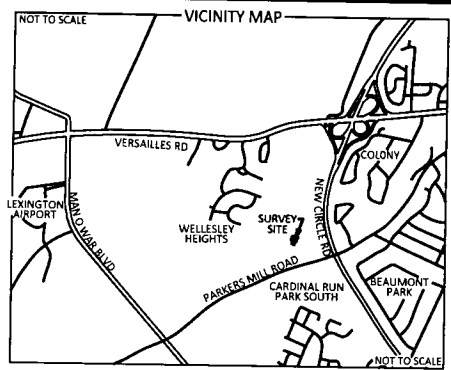
Title: *Mayor, LFUCG*

Date: *10/6/15*



PURPOSE OF PLAT

1. TO CREATE TRACT 1 BEING A FEE TRACT TO BE CONVEYED FROM THE LAND OF LFUCG D.B. 2083 PG. 461 AS SHOWN HEREON.
2. TO CREATE PERMANENT GUYING EASEMENT NO. 1 & PERMANENT GUYING EASEMENT NO. 2 ACROSS THE LAND OF LFUCG D.B. 1954 PG. 428 AS SHOWN HEREON.
3. TO CREATE A TEMPORARY CONSTRUCTION EASEMENT ACROSS THE LAND OF LFUCG D.B. 1954 PG. 428 AS SHOWN HEREON.

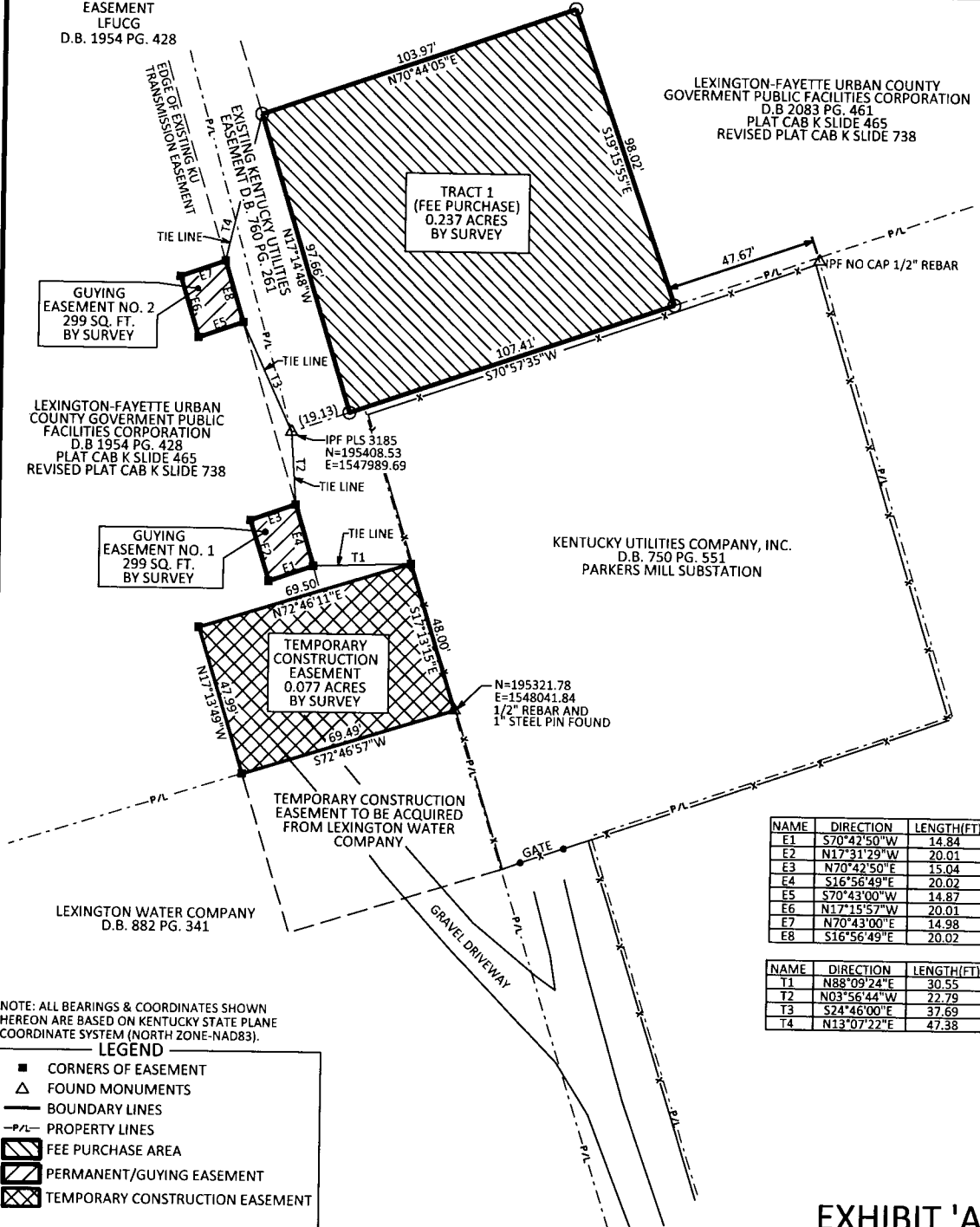


SOURCE OF TITLE

TRACT 1
LFUCG
D.B. 2083 PG. 461
GUYING EASEMENT NO. 1 & 2
LFUCG
D.B. 1954, PG. 428
TEMPORARY CONSTRUCTION
EASEMENT
LFUCG
D.B. 1954 PG. 428

**-NOT FOR LAND TRANSFER
OR RECORDING-**

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT PUBLIC FACILITIES CORPORATION
D.B. 2083 PG. 461
PLAT CAB K SLIDE 465
REVISED PLAT CAB K SLIDE 738



LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT PUBLIC FACILITIES CORPORATION
D.B. 1954 PG. 428
PLAT CAB K SLIDE 465
REVISED PLAT CAB K SLIDE 738

KENTUCKY UTILITIES COMPANY, INC.
D.B. 750 PG. 551
PARKERS MILL SUBSTATION

LEXINGTON WATER COMPANY
D.B. 882 PG. 341

NAME	DIRECTION	LENGTH(FT)
E1	S70°42'50"W	14.84
E2	N17°31'29"W	20.01
E3	N70°42'50"E	15.04
E4	S16°56'49"E	20.02
E5	S70°43'00"W	14.87
E6	N17°15'57"W	20.01
E7	N70°43'00"E	14.98
E8	S16°56'49"E	20.02

NAME	DIRECTION	LENGTH(FT)
T1	N88°09'24"E	30.55
T2	N03°56'44"W	22.79
T3	S24°46'00"E	37.69
T4	N13°07'22"E	47.38

NOTE: ALL BEARINGS & COORDINATES SHOWN HEREON ARE BASED ON KENTUCKY STATE PLANE COORDINATE SYSTEM (NORTH ZONE-NAD83).

LEGEND

- CORNERS OF EASEMENT
- △ FOUND MONUMENTS
- BOUNDARY LINES
- P/L- PROPERTY LINES
- ▨ FEE PURCHASE AREA
- ▩ PERMANENT/GUYING EASEMENT
- ▧ TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT 'A'



P.O. BOX 204
165 FOSTER LANE
STANFORD, KY 40484
PHONE (606) 365-8362
FAX (606) 365-1097

BOUNDARY & EASEMENT DRAWING
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
PARKERS MILL RD
LEXINGTON, FAYETTE COUNTY, KENTUCKY

DATE: 08-12-2015
SCALE: 1" = 40'
DRAWN BY: MS
APPROVED BY: GOOCH
FILENAME: 15075 LFUCG EASE