

**ACTION OF THE BOARD OF DIRECTORS
OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TAKEN BY WRITTEN CONSENT**

March 7, 2017

Pursuant to the provisions of Section 271B.8-210 of the Kentucky Business Corporation Act, the Board of Directors of Louisville Gas and Electric Company, a Kentucky corporation (the "Company"), hereby adopt the following resolutions by unanimous written consent in lieu of a special meeting and consent to the actions contemplated thereby:

REFINANCING OF CERTAIN TAX-EXEMPT REVENUE BONDS

WHEREAS, the County of Trimble, Kentucky (the "Issuer") has previously issued and there are outstanding \$60,000,000 in principal amount of its Environmental Facilities Revenue Refunding Bonds, 2007 Series A (Louisville Gas and Electric Company Project) due June 1, 2033 (the "Existing Bonds"); and

WHEREAS, the Existing Bonds provided financing or refinancing for the acquisition and construction of certain pollution control facilities (the "Projects") of the Company in Trimble County, Kentucky; and

WHEREAS, the Existing Bonds currently bear interest at a long-term rate and will be subject to redemption on any date on and after June 1, 2017 at a redemption price of 100% of the principal amount plus accrued interest; and

WHEREAS, market conditions may warrant, in the foreseeable future, refinancing all or a portion of the Existing Bonds by refunding, paying and discharging Existing Bonds and causing the Issuer to issue one or more new series of its pollution control or environmental facilities revenue bonds (a "Refinancing"), and it is appropriate and in the best interests of the Company that action be taken to authorize such undertakings; and

WHEREAS, in connection with the Refinancing, the Company may secure its payment obligations under one or more loan agreements; and

WHEREAS, such security may be in the form of one or more series of the Company's first mortgage bonds.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Company as follows:

- (a) That the Refinancing of the Existing Bonds is hereby authorized and approved and the Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Compliance Officer and Corporate Secretary, the Treasurer, and the Controller of the Company (each, an "Authorized Officer" and, collectively, the "Authorized Officers") are, and each of them hereby is, authorized by and on behalf of the Company, to determine whether the Existing Bonds will be refinanced through a Refinancing, and the date of such Refinancing.

- (b) That the Authorized Officers are, and each of them hereby is, authorized and directed to cause the preparation of, and to approve, the following documents in connection with the Refinancing of the Existing Bonds referred to above: (i) a loan agreement or loan agreements to be entered into between the Company and the Issuer whereby the Issuer will issue one or more series of its pollution control or environmental facilities revenue bonds (collectively, the "Environmental Facilities Bonds") and loan the proceeds to the Company to refund, pay and discharge all or a portion of the Existing Bonds and pursuant to which the Company will be obligated to make loan payments sufficient to pay the principal of, premium, if any, and interest on such Environmental Facilities Bond, (ii) one or more guaranties from the Company in favor of a trustee or trustees chosen or appointed by such officers of the Company (the "Trustee") for the benefit of the holders of the Environmental Facilities Bonds guaranteeing repayment of all or any part of the obligations under such Environmental Facilities Bonds, (iii) such contracts of purchase, covenants agreements, underwriting agreements or similar contracts or agreements with the Issuer and with other appropriate parties relating to the issuance of the Environmental Facilities Bonds, (iv) a preliminary official statement or preliminary official statements and a final official statement or final official statements (or other similar disclosure documents) which will describe the Company, the Issuer, the Project, the Refinancing, the Existing Bonds or Environmental Facilities Bonds (references herein to "Bonds" shall mean the Environmental Facilities Bonds), the loan agreements, and indentures of trust pursuant to which such Bonds are to be issued, and which will be used by the underwriter or underwriters chosen by such officers of the Company (the "Underwriters") in connection with the sale of such Bonds to the public, (v) in connection with the Refinancing, a form or forms of escrow agreement, or such other documents as may be deemed appropriate, by and between the Issuer and the trustee under the Indenture pursuant to which the Existing Bonds being refinanced were issued and pursuant to which certain securities may be held by such trustee in order to provide for the payment and discharge of the Existing Bonds, (vi) such reimbursement agreements, remarketing agreements, credit agreements, bond insurance documents or agreements or other similar documents or agreements as may be reasonably required (including amendments, modifications or terminations of existing forms of such agreements and documents), in the event the Bonds, or any of them, are issued (as applicable) as variable rate demand or similar instruments, in the discretion of such officers, (vii) one or more supplemental indentures and/or supplemental trust indentures pursuant to which the Company may issue its first mortgage bonds to secure the transaction, and (viii) such other related documents, forms, notices, certificates or agreements as shall be necessary or appropriate to effectuate such Refinancing.
- (c) That the Authorized Officers or any other officers of the Company are, and each of them hereby is, authorized and empowered (i) to execute and file, or cause to be filed, on behalf of the Company such applications or petitions with any federal, state, or local commission, court, agency or

body having jurisdiction as may be required to obtain any approvals, consents, orders or rulings as such officers or counsel for the Company may deem to be necessary or desirable in connection with the Company's participation in such Refinancing and the transactions and documents contemplated thereby, and (ii) to execute and deliver or file such amendments or supplements to said applications or petitions as may be required by law or as may be deemed to be proper or appropriate in their judgment or in the judgment of counsel for the Company in connection with the foregoing.

- (d) That, subject to receipt of all necessary regulatory authorizations and other approvals, (i) the Company shall borrow the sum of not to exceed \$60,000,000 from the County of Trimble, Kentucky, in accordance with the terms of the loan agreement or loan agreements, and the proceeds of such borrowings shall be used by the Company to pay and discharge the Existing Bonds and for such other purposes, if any, as may be provided in any of the agreements and documents required to be executed and delivered in connection with the issuance of the Environmental Facilities Bonds.
- (e) That, subject to receipt of all necessary regulatory authorizations and other approvals, the Authorized Officers are, and each of them hereby is, authorized to approve offers for the purchase from the County of Trimble, Kentucky, of not to exceed \$60,000,000 principal amount of Environmental Facilities Bonds in connection with a Refinancing. Such reoffers or purchases may be through negotiation, competitive bidding, or private placement transaction, as determined to be reasonable. The proceeds will be loaned to the Company, at such purchase prices, which shall be not less than the principal amount thereof plus accrued interest from the date of such Environmental Facilities Bonds to the date of closing, and at such interest rate or rates, as determined to be reasonable.
- (f) That, subject to receipt of all necessary regulatory authorizations and other approvals, the Authorized Officers are, and each of them hereby is, authorized to execute, on behalf of the Company, one or more loan agreements with the County of Trimble, Kentucky, providing for the loan to the Company of the proceeds of not to exceed \$60,000,000 principal amount of Environmental Facilities Bonds, each in accordance with the terms and provisions thereof.
- (g) That, subject to receipt of all necessary regulatory authorizations and other approvals, the Authorized Officers of the Company are, and each of them hereby is, authorized to execute, on behalf of the Company, one or more guaranties in favor of the Trustee for the benefit of the holders of the Environmental Facilities Bonds guaranteeing the payment of all or any part of the obligations under such Environmental Facilities Bonds.
- (h) That, subject to receipt of all necessary regulatory authorizations and other approvals, the Authorized Officers of the Company are, and each of them hereby is, authorized to execute, on behalf of the Company, one or

more contracts of purchase, covenants agreements, underwriting agreements or similar contracts or agreements the County of Trimble, Kentucky and other appropriate parties relating to the sale of not to exceed \$60,000,000 principal amount of Bonds.

- (i) That the Authorized Officers are, and each of them hereby is, authorized by and on behalf of the Company, to negotiate, enter into, execute and deliver one or more supplemental indentures, company orders and/or officer's certificates (the "Supplemental Indentures") pursuant to the Company's Indenture dated October 1, 2010 to The Bank of New York Mellon, as trustee (such indenture, as heretofore supplemented and as to be further supplemented and amended by any such instrument the "Indenture") relating to the creation and issuance of, and establishing the designation, form, characteristics and terms of one or more series of the first mortgage bonds of the Company ("First Mortgage Bonds"), in such form or forms and having such terms as the Authorized Officers executing the same shall approve, provided that the principal amount shall not exceed \$60,000,000 and such principal amount of and interest on such First Mortgage Bonds shall not be payable except upon the occurrence of an event of default or otherwise as set forth in the Supplemental Indenture; and the Authorized Officers are, and each of them hereby is, authorized by and on behalf of the Company to perform all of the agreements and obligations of the Company under the Supplemental Indentures and Indenture and to consummate the transactions contemplated thereby; and that each Authorized Officer be, and hereby is, authorized to execute and deliver such other agreements, certificates and documents and to take such other actions in connection with the execution and delivery of any Supplemental Indenture or other instrument pursuant to the Indenture as such Authorized Officers deem necessary, advisable or appropriate; with such changes therein, additions thereto or omissions therefrom, as any Authorized Officer executing acknowledging or delivering the same shall approve, such Authorized Officer's execution, acknowledgement and/or delivery thereof to be conclusive evidence of such approval.
- (j) That the Authorized Officers are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute, acknowledge and deliver new securities representing the First Mortgage Bonds, to the trustees under the indentures pursuant to which the Bonds have been or are being issued, in substantially such form and containing such terms and conditions as such Authorized Officer shall approve, with such changes therein, additions thereto or omissions therefrom as such Authorized Officer executing, acknowledging or delivering the same shall approve, such Authorized Officer's execution, acknowledgement and delivery thereof to be conclusive evidence of such approval.
- (k) That the Authorized Officers are, and each of them hereby is, authorized, empowered and directed to fix and approve the terms and conditions on which the First Mortgage Bonds are to be issued and authenticated and the final terms of the Supplemental Indentures or any other instrument

pursuant to the Indenture, including, without limitation, the rights of the holders thereof, the interest rate or rates, the maturity date or dates, the sinking fund, redemption or repurchase provisions and prices, the purchase price or prices and discounts thereto, the offering date and terms and all other matters relating thereto, and to take all such other actions as any Authorized Officer deems necessary, advisable or appropriate to consummate the transactions contemplated by the Supplemental Indenture.

- (l) That a facsimile of the corporate seal of the Company may be imprinted on the Supplemental Indentures and/or First Mortgage Bonds, which facsimile is hereby acknowledged to be the corporate seal of the Company for the purposes of sealing the First Mortgage Bonds.
- (m) That The Bank of New York Mellon is hereby appointed to act as the initial paying agent and security registrar for the First Mortgage Bonds described herein in accordance with the provisions of the Indenture; provided that any Authorized Officer may take all actions necessary or desirable, on behalf of the Company, to provide for any additional or different paying agent or security registrar for any First Mortgage Bonds, if such Authorized Officer deems such provision to be desirable, such officer's determination to be conclusively evidenced by this execution of documentation effecting such appointment or change.
- (n) That in the event all or a portion of the Bonds bear a variable rate of interest, the Authorized Officers are, and each of them hereby is, authorized to execute on behalf of the Company one or more remarketing agreements, reimbursement agreements or similar agreements with appropriate parties providing for the remarketing of such Bonds, a credit agreement or credit agreements or similar agreements and any promissory notes to be issued pursuant to such agreements for the purpose of providing a source of funds upon tender of such Bonds, and any other agreements in order to consummate the transactions contemplated by the loan agreement or loan agreements.
- (o) That, subject to receipt of all necessary regulatory authorizations and other approvals, the Authorized Officers are, and each of them hereby is, authorized to execute on behalf of the Company: (i) one or more interest rate swap, collar, or cap agreements or similar agreements with one or more underwriters, banks or other financial institutions, or affiliates providing for the hedging of the interest rate on the Bonds and (ii) any other agreement, document or instrument that may be necessary or appropriate in connection with any such transaction.
- (p) That the Authorized Officers are, and each of them hereby is, authorized, empowered and directed to take any action and to execute and deliver any document, certificate or other instrument, including one or more escrow agreements, that may be necessary or appropriate: (i) to call for redemption of the Existing Bonds and first mortgage bonds which secure the Existing Bonds on such date as said officer or officers may deem appropriate or (ii) to otherwise effect the payment and discharge of the

Existing Bonds and first mortgage bonds which secure the Existing Bonds.

- (q) That the Authorized Officers or any other officers of the Company are, and each of them hereby is, authorized in the name and on behalf of the Company and under its corporate seal or otherwise, to take or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further documents, bond insurance documents or agreements, certificates and agreements (including without limitation, instruments authorizing or consenting to amendment, modifications or waivers to any of the agreements or disclosure documents executed in connection with the issuance, execution and delivery of Environmental Facilities Bonds, the execution and delivery of the First Mortgage Bonds, the execution and delivery of the bond insurance documents or agreements, and the execution and delivery of the Indenture) as such persons may deem necessary, advisable or appropriate in connection with the transactions contemplated thereby and hereby, and to incur all such fees and expenses as shall be necessary, advisable or appropriate in their judgment in order to carry into effect the purpose and intent of any and all of the foregoing resolutions.
- (r) That the Authorized Officers or any other officer of the Company be and they are hereby authorized and empowered to take all steps or actions, and to execute and deliver any other documents, certificates or other instruments, deemed necessary, proper or appropriate in their judgment or in the judgment of counsel for the Company in connection with the transactions referred to above and to carry out the purposes of the foregoing resolutions.
- (s) That Daniel K. Arbough is hereby appointed as "Company Representative" and Paul W. Thompson and Kent W. Blake are hereby appointed as "Alternate Company Representatives," respectively, under the provisions of the indentures and the loan agreements. The Authorized Officers are authorized to appoint from time to time other persons (who may be employees of the Company) to act as "Company Representative" or "Alternate Company Representative" under the indentures and the loan agreements.
- (t) That any acts of the officers of this Company, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved and adopted as acts in the name of and on behalf of this Company.
- (u) That each of the Authorized Officers of the Company be, and hereby is, authorized and directed to take any and all further action to see that the intent of the above resolutions are carried forth.

This unanimous written consent may be executed in two or more counterparts, all of which taken together shall be deemed one and the same instrument.

WITNESS the signatures of the undersigned who are all of the directors of Louisville Gas and Electric Company as of the date first written above.



Kent W. Blake

Vincent Sorgi

William H. Spence



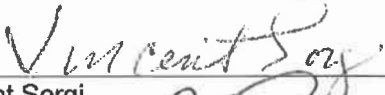
Victor A. Staffieri



Paul W. Thompson

WITNESS the signatures of the undersigned who are all of the directors of Louisville Gas and Electric Company as of the date first written above.

Kent W. Blake



Vincent Sorgi



William H. Spence

Victor A. Staffieri

Paul W. Thompson