

ORDINANCE NO. 195, SERIES 2018

AN ORDINANCE OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF (A) INDUSTRIAL REVENUE BONDS HAVING AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$40,750,000 AND DESIGNATED THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2018A (BROWN-FORMAN WHISKEY ROW PROJECT) AND (B) INDUSTRIAL REVENUE BONDS HAVING AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,250,000 AND DESIGNATED THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2018A (BROWN-FORMAN WHISKEY ROW PROJECT) FOR THE PURPOSE OF FINANCING PORTIONS OF AN INDUSTRIAL BUILDING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF (1) LEASE AGREEMENTS BETWEEN METRO GOVERNMENT, AS LESSOR, AND BROWN-FORMAN CORPORATION AND BROWN-FORMAN DISTILLERY, INC., RESPECTIVELY, AS LESSEES, (2) BOND PURCHASE AGREEMENTS PROVIDING FOR THE ISSUANCE, SALE, AND DELIVERY OF EACH SERIES OF THE SERIES 2018 BONDS AND PROVIDING FOR THEIR NEGOTIATED SALE, AND (3) OTHER DOCUMENTS RELATED TO THE AUTHORIZATION, ISSUANCE, AND DELIVERY OF THE SERIES 2018 BONDS; AND TAKING OTHER RELATED ACTIONS.

**SPONSORED BY: COUNCIL PRESIDENT JAMES AND
COUNCIL MEMBER SEXTON SMITH**

WHEREAS, Louisville/Jefferson County Metro Government, Kentucky ("Metro Government"), pursuant to the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes, as amended (the "Act"), is authorized to issue revenue bonds in one or more series and to make the proceeds from the sale thereof available to one or more corporations to finance industrial building facilities as defined in the Act, such bonds being payable from rental payments made by such corporations; and, under the Act, the financing of industrial buildings constitutes a valid public purpose; and

WHEREAS, Brown-Forman Corporation, a Delaware corporation ("Brown-Forman Corporation" and a "Company") proposes that Metro Government, pursuant

to the Act, assist Brown-Forman Corporation in financing the costs of industrial building facilities acquired, constructed, installed, and equipped by Brown-Forman Corporation at 117 and 119 West Main Street in downtown, Louisville, Kentucky, consisting of land, real property improvements, and new personal property to be utilized in the manufacture of bourbon, including fermentation, distilling, cooperage, filling, and bottling facilities, along with related customer-experience facilities (the “Series 2018A Project”); and the Series 2018A Project qualifies for financing as an “industrial building” within the meaning of the Act; and

WHEREAS, Brown-Forman Distillery, Inc., a Delaware corporation (“Brown-Forman Distillery” and also a “Company” and, together with Brown-Forman Corporation, the “Companies”) also proposes that Metro Government, pursuant to the Act, assist Brown-Forman Distillery in financing the costs of additional industrial building facilities acquired, constructed, installed, and equipped by Brown-Forman Distillery at 117 and 119 West Main Street in downtown, Louisville, Kentucky, consisting of new personal property to be utilized in the manufacture of bourbon, including fermentation, distilling, cooperage, filling, and bottling facilities (the “Series 2018B Project” and together with the Series 2018A Project, the “Project”); and the Series 2018B Project qualifies for financing as an “industrial building” within the meaning of the Act; and

WHEREAS, the acquisition, construction, installation, and equipping of the Project is expected to promote economic development and to encourage the increase of industry within the environs of Metro Government and the Commonwealth of Kentucky; and

WHEREAS, on November 20, 2014, the Metro Council adopted a Resolution approving the industrial revenue bond financing for the Companies' benefit in a maximum principal amount of \$35,000,000 (the "Initial Resolution"), reaffirming Metro Government's agreement in prior correspondence and discussions to undertake such financing at the appropriate time; and

WHEREAS, on April 23, 2015, the Metro Council adopted a Resolution (the "Amending Resolution" and, together with the Initial Resolution, the "Inducement Resolution"), increasing the maximum principal amount of the industrial revenue bond financing for the Companies' benefit from \$35,000,000 to a maximum principal amount of \$45,000,000; and

WHEREAS, at the Companies' request Metro Government is prepared, pursuant to the Act, to issue two series of its industrial revenue bonds for the purposes of financing the acquisition, construction, installation, and equipping of the Project and paying costs of issuance of the industrial revenue bonds, upon terms that are to be set forth in the Lease Agreements hereinafter identified and approved; and

WHEREAS, pursuant to the provisions of Section 103.220 of the Act, the Companies have requested in writing that the sale of each series of the industrial revenue bonds hereinafter identified and authorized, bearing interest as set out in the respective Bond Purchase Agreements hereinafter identified and approved, shall be made upon a negotiated basis; and

WHEREAS, it is necessary and proper in the interests of the health, safety, convenience, and general welfare of the citizens, residents, and inhabitants of Metro Government and its environs that the Metro Council (a) authorize the issuance of each

series of the industrial revenue bonds described herein in order to finance, for the respective Company's benefit, the acquisition, construction, installation, and equipping of such Company's portion of the Project and to pay certain costs of issuance of the respective series of industrial revenue bonds; (b) authorize the execution of separate Lease Agreements between Metro Government, as lessor, and each Company, as lessee; (c) authorize the execution of separate Bond Purchase Agreements among Metro Government, each Company, the Purchasers (hereinafter defined), and the Servicing Agents (hereinafter defined), providing for the issuance, sale, and delivery of each series of the industrial revenue bonds by Metro Government to the applicable Purchaser; and (d) authorize the execution of other necessary or related documents and actions.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE "METRO COUNCIL") AS FOLLOWS:

SECTION I. For the purposes set forth in the preamble, which is incorporated as a part hereof, the Issuer, acting by and through its Metro Council, hereby:

(a) Confirms and ratifies the Inducement Resolution and the prior discussions, correspondence, and agreements between Metro Government and the Companies, whereby Metro Government agreed to authorize and issue bonds for the Companies in order to finance the Project.

(b) Accepts from the Companies the conveyance of the Project and the site thereof, subject to the terms and conditions contained in the instruments of conveyance and in the Lease Agreements hereinafter identified and approved.

(c) Authorizes the sale, issuance, execution, and delivery of (i) the Louisville/Jefferson County Metro Government, Kentucky, Industrial Building Revenue

Bonds, Series 2018A (Brown-Forman Whiskey Row Project) (the “Series 2018A Bonds”), which shall be issued in the form and subject to the terms and specifications set forth in the Series 2018A Bond Purchase Agreement identified below; and (ii) the Louisville/Jefferson County Metro Government, Kentucky, Industrial Building Revenue Bonds, Series 2018B (Brown-Forman Whiskey Row Project) (the “Series 2018B Bonds” and, together with the Series 2018A Bonds, the “Series 2018 Bonds”), which shall be issued in the form and subject to the terms and specifications set forth in the Series 2018B Bond Purchase Agreement identified below.

(d) Authorizes the issuance of the Series 2018A Bonds in an aggregate principal amount up to \$40,750,000 and the issuance of the Series 2018B Bonds in an aggregate principal amount up to \$4,250,000.

(e) Authorizes the use of the proceeds of each series of the Series 2018 Bonds, as provided in the respective Bond Purchase Agreement and the Lease Agreement, to pay a portion of the costs of acquisition, construction, installation, and equipping of the Project financed by such series and to pay certain costs of issuance of the respective series of the Series 2018 Bonds.

SECTION II. Metro Government’s Mayor is hereby authorized, empowered, and directed to execute, acknowledge, and deliver on behalf of Metro Government (a) a Series 2018A Lease Agreement between Metro Government, as lessor of the Project and the site thereof, and Brown-Forman Corporation, as lessee (the “Series 2018A Lease Agreement”); and (b) a Series 2018B Lease Agreement between Metro Government, as lessor of the Project, and Brown-Forman Distillery, as lessee (the “Series 2018B Lease Agreement” and, together with the Series 2018A Lease

Agreement, the "Lease Agreements"), which Lease Agreements are hereby approved, authorized, and adopted in substantially the forms submitted herewith, with such changes therein as the official executing the same may require or approve on behalf of Metro Government, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION III. To provide for the authorization of each series of the Series 2018 Bonds and to prescribe the terms and conditions upon which each series of the Series 2018 Bonds are to be issued, outstanding, secured, executed, accepted, and held, the Mayor is hereby authorized, empowered, and directed to execute and acknowledge on behalf of Metro Government (a) a Series 2018A Bond Purchase Agreement (the "Series 2018A Bond Purchase Agreement") among Metro Government, Brown-Forman Corporation, Brown-Forman Distillery, as Servicing Agent (the "Series 2018A Servicing Agent"), and Brown-Forman Distillery, as the Purchaser of the Series 2018A Bonds (the "Series 2018A Purchaser"); and (b) a Series 2018B Bond Purchase Agreement (the "Series 2018B Bond Purchase Agreement" and, together with the Series 2018A Bond Purchase Agreement, the "Bond Purchase Agreements") among Metro Government, Brown-Forman Distillery, and Washington Investments, LLC, a Kentucky limited liability company ("Washington Investments"), as Servicing Agent (the "Series 2018B Servicing Agent", and collectively with the Series 2018A Servicing Agent, the "Servicing Agents"), and Washington Investments, as the purchaser of the Series 2018B Bonds (the "Series 2018B Purchaser", and collectively with the Series 2018A Purchaser, the "Purchasers"), and the Mayor is hereby authorized, empowered, and directed to cause the Bond Purchase Agreements to be accepted and executed by the Servicing Agents, hereby so

appointed. The Bond Purchase Agreements are each hereby approved, authorized, and adopted in substantially the forms submitted herewith, with such changes as the officer executing the same may require or approve on behalf of the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof. So that the statutory mortgage lien provided by Section 103.250 of the Act shall not attach to the Project, the Issuer hereby declares its intention and elects to follow the provisions of Section 103.251 of the Act with respect to the imposition of a foreclosable lien on the Project in connection with the security of the Series 2018 Bonds, although by agreement of all parties no such foreclosable lien shall be imposed. Each series of the Series 2018 Bonds will mature as to principal no later than thirty years after their respective date of issuance, will be subject to optional redemption, and will bear interest payable periodically at a fixed rate, all as provided in the applicable Bond Purchase Agreement, reference to which is hereby made. The interest rate on each series of the Series 2018 Bonds shall in no event exceed 7.0% per annum. The sale of each series of the Series 2018 Bonds pursuant to the terms of the applicable Bond Purchase Agreement is hereby authorized, approved, and directed.

SECTION IV. With respect to the sale of each series of the Series 2018 Bonds, and upon the recommendation of the Companies, Metro Government further approves, and the Mayor is authorized and directed to execute and deliver on behalf of Metro Government, a Assignment of Lease Agreement between Metro Government and the Purchaser for each series of the Series 2018 Bonds (each an “Assignment” and collectively, the “Assignments”), being in substantially the form submitted herewith, with such changes as the officer executing the same may require or approve on Metro

Government's behalf, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION V. It is acknowledged that Metro Government and the Company will execute the Payment In Lieu Of Taxes Agreement for each series of the Series 2018 Bonds (each a "PILOT Agreement" and collectively, the "PILOT Agreements") previously approved by the Inducement Resolution and each PILOT Agreement contains conditions satisfactory to the Issuer requiring the applicable Company to make certain annual payments in lieu of property taxes on the Project so long as the respective series of Series 2018 Bonds applicable to such Company is outstanding.

SECTION VI. The Mayor, the Metro Council Clerk, the Office of the Jefferson County Attorney, and other appropriate officials of Metro Government, and each of them, for and on behalf of Metro Government, are hereby authorized, empowered, and directed to do and perform any and all things necessary to effect the execution and delivery of the Bond Purchase Agreements, the Lease Agreements, the Assignments, the PILOT Agreements, and all related documents, the performance of all obligations and the preservation of all rights of Metro Government thereunder, the execution, delivery, and administration of the Series 2018 Bonds and the performance from time to time of all other actions of whatever nature necessary to carry out the authority conferred or contemplated by and the purposes of this Ordinance, the Bond Purchase Agreements, the Lease Agreements, the Assignments, the PILOT Agreements, and related documents, and further to approve and to execute all papers, documents, certificates, or other instruments that may be required for the carrying out and effectuation from time to time of the authority conferred by and the purpose of this

Ordinance, the Bond Purchase Agreements, the Lease Agreements, the Assignments, the PILOT Agreements, the Series 2018 Bonds, and all related documents, or to evidence said authority and purposes.

SECTION VII. Metro Government shall never be required to pay from its own funds any obligations deriving from the issuance of the Series 2018 Bonds, and the Series 2018 Bonds are declared to be special and limited obligations payable solely and only from the receipts derived under the respective Lease Agreement and the “Pledged Receipts” pledged under and defined by the respective Bond Purchase Agreement, as provided in the documents herein approved.

SECTION VIII. The provisions of this Ordinance may be supplemented from time to time by resolution of the Metro Council.


SECTION IX. The provisions of this Ordinance are hereby declared to be severable and, if any section or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

SECTION X. Upon any conflict between the provisions of this Ordinance and of any prior ordinance, resolution, or parts thereof, the provisions of this Ordinance shall prevail.

SECTION XI. This Ordinance shall be in full force and effect from and after its adoption as provided by law. The summary of this Ordinance read at the meetings of the Metro Council described below is approved for such purposes and for the purpose of publication as provided by law, and the accuracy of such summary is hereby certified.

INTRODUCED, SECONDED, AND GIVEN FIRST READING at a duly convened meeting of the Metro Council of Louisville/Jefferson County Metro Government, Kentucky, held on October 11, 2018.

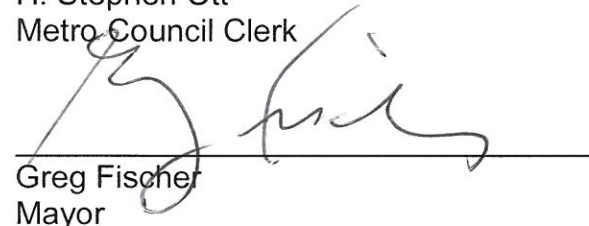
GIVEN SECOND READING AND ADOPTED at a duly convened meeting of the Metro Council of Louisville/Jefferson County Metro Government, Kentucky held on 25 OCTOBER, 2018, signed by the Mayor as evidence of his approval, filed, and indexed as provided by law.



H. Stephen Ott
Metro Council Clerk



David James
President of Metro Council



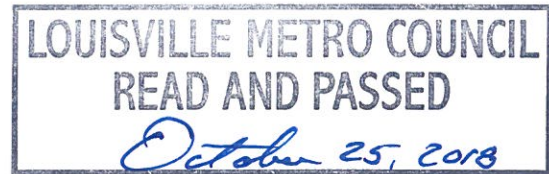
Greg Fischer
Mayor

10/30/18

Approval Date

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney



By: 