

ORDINANCE NO. 2026-03

AN ORDINANCE OF THE COUNTY OF WOODFORD, KENTUCKY, AUTHORIZING THE ISSUANCE OF A SERIES OF REVOLVING INDUSTRIAL REVENUE BONDS HAVING AN AGGREGATE REVOLVING PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 AND DESIGNATED THE COUNTY OF WOODFORD, KENTUCKY REVOLVING INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2026 (CASTLE & KEY DISTILLERY PROJECT), FOR THE PURPOSE OF FINANCING AN INDUSTRIAL BUILDING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION, DELIVERY AND ACCEPTANCE OF (A) A LEASE AGREEMENT BETWEEN THE COUNTY, AS LESSOR, AND PERISTYLE, LLC, AS LESSEE, (B) A BOND PURCHASE AGREEMENT PROVIDING FOR THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, AND (C) OTHER RELATED DOCUMENTS; AND TAKING OTHER RELATED ACTIONS.

WHEREAS, County of Woodford, Kentucky (the “Issuer”), pursuant to the provisions of Sections 103.200 to 103.285, inclusive, and Sections 65.940 to 65.956, inclusive, of the Kentucky Revised Statutes, as amended (respectively, the “Industrial Revenue Bond Act” and the “Government Leasing Act” and together, the “Act”), is authorized to lease property and issue its revenue bonds and to make the proceeds from the sale thereof available to a company to finance industrial building facilities as defined in the Act, such leases and bonds being payable from rental payments made by such company; and, under the Act, the leasing of property and financing of industrial buildings constitutes a valid public purpose; and

WHEREAS, Peristyle, LLC dba Castle & Key Distillery, a Kentucky limited liability company (the “Company”), proposes that the Issuer, pursuant to the Act, assist the Company in acquiring leasehold interests in certain real property leased under warehouse leases (each a “Warehouse Lease” and collectively, the “Warehouse Leases”) and financing the acquisition of industrial building facilities to be leased, acquired, constructed, developed, installed, improved, commissioned and equipped by the Company within the boundaries of the Issuer, such facilities to be utilized in the manufacture of whiskey (collectively as the “Project” (which is more particularly described in the Lease Agreement hereinafter identified and approved)); and the Project qualifies for financing as an “industrial building” within the meaning of the Section 103.200(1)(a) of the Act; and

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

WHEREAS, at the Company’s request the Issuer is prepared, pursuant to the Act, to accept a nonrecourse assignment of the rights under the Real Property Leases for the Project and issue a single series of its industrial revenue bonds for the purposes of financing the acquisition, construction, development, installation, and equipping of the Project and paying costs of issuance of the series of the industrial revenue bonds, upon terms that are to be set forth in the Lease Agreement and other documents hereinafter identified and approved; and

WHEREAS, pursuant to the provisions of Section 103.220 of the Act, the Company has made a request in writing, that the sale of the industrial revenue bonds hereinafter identified and authorized, bearing interest as set out in the Bond Purchase Agreement 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 the Issuer and its environs that the Issuer (a) authorize the issuance of a series of industrial revenue bonds in order to finance, for the Company's benefit, the acquisition of leasehold interests in and other real property for the Project and the acquisition, construction, development, installation, and equipping of the Project and to pay certain costs of issuance of the series of the industrial revenue bonds; (b) authorize the execution of the Lease Agreement between the Issuer, as lessor, and the Company, as lessee; (c) authorize the execution of the Bond Purchase Agreement among the Issuer, the Company, the Purchaser (hereinafter defined), and the Servicing Agent (hereinafter defined) providing for the issuance, sale, and delivery of the industrial revenue bonds by the Issuer to the Purchaser identified below; (d) authorize the execution of the Hold Harmless Payment in Lieu of Taxes Agreement between the Issuer and the Company, and (e) authorize the execution of other necessary or related documents and related actions.

NOW, THEREFORE, COUNTY OF WOODFORD, KENTUCKY, ACTING BY AND THROUGH ITS FISCAL COURT, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Adoption of Premises. The facts and recitations set out in the preamble of this Ordinance are enacted and incorporated as a part hereof, and the terms defined in said preamble shall have the same meanings when used herein.

Section 2. Determination and Findings of Fiscal Court. For the purposes set forth in the preamble, which is incorporated as a part hereof, and pursuant to the Act, the Issuer acting by and through its Fiscal Court hereby finds and determines as follows:

(a) The Project, will be located within the geographical boundaries of the Issuer and constitutes an Industrial Building.

(b) The financing of the Project is consistent, and complies, with the provisions of the Act.

(c) The Project consist of real property and certain leasehold interests therein, real property improvements and certain leasehold interests therein, fixtures, and personal property and/or equipment, to be used in or necessary in connection with an activity, business or industry as described and set forth in the Act, specifically, KRS 103.200(1)(a), and located within the Issuer.

(d) The Project is to be acquired, constructed, installed, improved, commissioned, equipped and financed with the proceeds of the Bonds pursuant to the provisions of the Act.

(e) The acquisition, development, and construction of the Project and the funding of the Project creates long-term economic growth, will encourage the expansion of industry and commerce within the Issuer, in accordance with the public policy of the Commonwealth of Kentucky for economic development, creates new jobs, relieves conditions of unemployment, and promotes economic development within the Commonwealth and the Issuer.

(f) The Issuer accepts conveyance from the Company of the Project, including assignment of the Warehouse Leases, subject to the terms and conditions contained in the instruments of conveyance and in the Lease Agreement.

Section 3. Authorization of Bonds. The Issuer hereby:

(a) Authorizes the sale, issuance, execution, and delivery of a single series of the County of Woodford, Kentucky Revolving Industrial Building Revenue Bonds, Series 2024 (Castle & Key Distillery Project) (the “Bonds”), which shall be issued in the form and subject to the terms and specifications set forth in the Bond Purchase Agreement identified below governing the issuance and delivery of the Bonds.

(b) Authorizes the issuance of the Bonds in a maximum revolving principal amount not to exceed \$90,000,000; and

(c) Authorizes the use of the proceeds of the Bonds, as provided in the Bond Purchase Agreement and the Lease Agreement, to pay the costs of acquisition, construction, development, installation, and equipping of the Project and to pay certain costs of issuance of the Bonds.

Section 4. Bond Lease Agreement. The Judge/Executive of the Issuer is hereby authorized, empowered, and directed to execute, acknowledge, and deliver on behalf of the Issuer that certain Lease Agreement between the Issuer, as lessor of the Project, and the Company, as lessee (the “Bond Lease Agreement”), which Bond Lease Agreement is hereby approved, authorized, and adopted in substantially the form submitted herewith, with such changes therein as the official executing the same may require or approve on behalf of the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Assignment of Warehouse Leases. The Judge/Executive of the Issuer is hereby authorized, empowered, and directed to execute, acknowledge, and deliver on behalf of the Issuer that certain Assignment of Warehouse Leases transferring rights to possess the real property governed by the Warehouse Leases, but not duties and liabilities, to the Issuer, between the Company, as assignor, and the Issuer, as assignee (collectively, the “Assignment of Warehouse Leases”), which Assignments of Warehouse Leases is hereby approved, authorized, and adopted in substantially the form submitted herewith, with such changes therein as the official executing the same may require or approve on behalf of the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Bond Purchase Agreement. To provide for the authorization of the Bonds and to prescribe the terms and conditions upon which the Bonds are to be issued, outstanding, secured, executed, accepted, and held, the Judge/Executive is hereby authorized, empowered, and directed to execute and acknowledge on behalf of the Issuer that certain Bond Purchase Agreement (the “Bond Purchase Agreement”) among the Issuer, the Company, C&K Investments, LLC, a Kentucky limited liability company, as Servicing Agent (the “Servicing Agent”), and C&K Investments, LLC, a Kentucky limited liability company, as the Purchaser of the Bonds (the “Purchaser”), and the Judge/Executive is hereby authorized, empowered, and directed to cause the Bond Purchase Agreement to be accepted and executed by the Servicing Agent, hereby so appointed. The Bond Purchase Agreement is hereby approved, authorized, and adopted in substantially the form 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. Upon the conveyance of title to the Project (including rights to the Warehouse Leases) to the Issuer, the Bonds will be secured by a nonforeclosable statutory mortgage lien on the Project as provided by Section 103.250 of the Act. The Bonds will mature as to principal no later than forty years after their date of issuance, will be subject to optional redemption and will bear interest payable periodically at a fixed rate, all as provided in the Bond Purchase Agreements, reference to which is hereby made. The interest rate on the Bonds shall in no event exceed 8.0% per annum.

The sale of the Bonds pursuant to the terms of the Bond Purchase Agreement is hereby authorized, approved, and directed.

Section 7. Assignment of Bond Lease. With respect to the sale of the Bonds, and upon the recommendation of the Company, the Issuer further approves, and the Judge/Executive is authorized and directed to execute and deliver on behalf of the Issuer, that certain Assignment of Bond Lease Agreement between the Issuer and the Purchaser (the “Assignment”), being in substantially the form submitted herewith, with such changes as the officer executing the same may require or approve on the Issuer’s behalf, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. Payment in Lieu of Taxes Agreement. With respect to the sale of the Bonds, and upon the recommendation of the Company, the Issuer further approves, and the Judge/Executive is authorized and directed to execute and deliver on behalf of the Issuer, that certain Payment in Lieu of Taxes Agreement between the Issuer and the Company (the “PILOT Agreement”), being in substantially the form submitted herewith, with such changes as the officer executing the same may require or approve on the Issuer’s behalf, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Amendments. Each of the Assignment of Warehouse Leases, the Bond Lease Agreement, the Bond Purchase Agreement and the Assignment (but not the PILOT Agreement) may be amended, as required by the Company, with approval from the Judge/Executive and Bond Counsel, without further action of the Fiscal Court, provided such amendments are not inconsistent with the provisions of this Ordinance, place no cost, liability or other obligation upon the Issuer, and comply with the provisions of the Act. Such amendments shall be conclusively evidenced by execution by the Judge/Executive, which execution and approval are hereby authorized without further action of the Fiscal Court.

Section 10. Authority to Consummate Lease and Bond Sale. The Judge/Executive, the Fiscal Court Clerk, the County Attorney, and other appropriate officials of the Issuer, and each of them, for and on behalf of the Issuer, are hereby authorized, empowered, and directed to do and perform any and all things necessary to effect the execution and delivery of the Assignment of Warehouse Leases, the Bond Lease Agreement, the Assignment, the PILOT Agreement and all related documents, the performance of all obligations and the preservation of all rights of the Issuer thereunder, the execution and delivery of the 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 Assignments of Warehouse Leases, the Bond Purchase Agreement, the Bond Lease Agreement, the Assignment, the PILOT Agreement 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 Assignments of Warehouse Leases, the Bond Purchase Agreement, the Bond Lease Agreement, the Assignment, the Bonds, and all related documents, or to evidence said authority and purposes.

Section 11. Further Assurances; Financing Statements. For the acquisition, construction, development, installation, and equipping of the Project, and the financing thereof, the Issuer at Company’s request shall execute, acknowledge, and deliver on behalf of the Issuer:

(a) Any mortgage(s) or other financing statements or agreements authorized and approved by the Company and the owner of the bonds (the “Bondholder”), including any collateral sharing or subordination agreements, as may be required by the Company and the Bondholder, without further action of the Fiscal Court, provided that the terms of such mortgage(s), financing statements or agreements, or collateral sharing or subordination agreements are not inconsistent with the provisions of the Act or this Ordinance and do not create a liability of the Issuer; and

(b) Any amendment to one or more of the Warehouse Leases with the lessors of any of them, authorized and approved by the Company and the Bondholder, as may be required by the Company and the Bondholder, without further action of the Fiscal Court, provided that the terms of such amendment(s) are not inconsistent with the provisions of the Act or this Ordinance and do not create a liability of the Issuer.

The approval of such mortgage(s), financing statements or agreements, collateral sharing or subordination agreements, or amendment(s) to the Warehouses Leases, shall be conclusively evidenced by their execution by the Judge/Executive, which execution and approval are hereby authorized without further action of the Fiscal Court.

Section 12. Industrial Building. The Issuer hereby finds and affirms that the Project is an “industrial building” within the meaning of Section 103.200(1)(a) of the Act.

Section 13. BONDS NOT GENERAL DEBT OF THE ISSUER. The Issuer shall never be required to pay from its own funds any obligations deriving from the Warehouse Leases or the issuance of the Bonds. The Warehouse Leases the rights to which are assigned by the Assignments of Warehouse Leases and such assignment are declared to be special and limited obligations payable solely and only from the receipts derived from the Company under its retained obligations under the Warehouse Leases, as provided in the documents herein approved. The Bonds are declared to be special and limited obligations payable solely and only from the receipts derived under the Bond Lease Agreement and the “Pledged Receipts” pledged under and defined by the Bond Purchase Agreement, as provided in the documents herein approved.

Section 14. Notice to State Local Debt Officer. At the direction of the Judge/Executive, Stoll Keenon Ogden PLLC as Bond Counsel hereby is directed to prepare and submit a notice to the Kentucky Department for Local Government, State Local Debt Officer in compliance with Section 65.117 of the Kentucky Revised Statutes.

Section 15. Authority to Supplement. The provisions of this Ordinance may be supplemented from time to time by resolution of the Fiscal Court.

Section 16. Severability. 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 17. Resolving Conflicts. 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 18. Date of Effectiveness. 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 Fiscal Court 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.

[Signature Page Follows]

SIGNATURE PAGE TO BOND ORDINANCE

INTRODUCED, SECONDED, AND GIVEN FIRST READING at a duly convened meeting of the Fiscal Court of County of Woodford, Kentucky, held on April 28, 2026.

GIVEN SECOND READING AND ADOPTED at a duly convened meeting of the Fiscal Court of County of Woodford, Kentucky, held on May 26, 2026, signed by the Judge/Executive, ordered published in summary form, and duly enrolled as required by law.

Attest:

James Kay
County Judge/Executive

Jordan Coyle
Fiscal Court Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of County of Woodford, Kentucky (the "Issuer"), and as such Clerk I further certify that the foregoing is a true, correct, and complete copy of an Ordinance duly adopted by the Fiscal Court of the Issuer upon second reading at a duly convened meeting held on May 26, 2026, signed by the Judge/Executive and now in full force and effect, all as appears from the official records of said Issuer in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this May 26, 2026.

Jordan Coyle
Fiscal Court Clerk
County of Woodford, Kentucky