

**LEASE AGREEMENT**

Between

**WOODFORD COUNTY, KENTUCKY**

and

**PERISTYLE, LLC,**

**UP TO \$90,000,000  
COUNTY OF WOODFORD, KENTUCKY,  
INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2026  
(CASTLE & KEY DISTILLERY PROJECT)**

Dated effective as of  
[●], 2026

The Interest Of The County of Woodford, Kentucky In This  
Lease Agreement, Except for the Right to Receive Warehouse Rents and Certain Expense,  
Reimbursement and Indemnity Payments, Has Been Assigned To C&K Investments, LLC, or Assigns, as  
Holders of the Series 2026 Bonds

**STOLL KEENON OGDEN PLLC  
BOND COUNSEL**

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** is dated effective as of the Closing Date and is made and entered into by and between (i) the **COUNTY OF WOODFORD, KENTUCKY**, a de jure county and political subdivision of the Commonwealth of Kentucky having a mailing address of 103 South Main Street, Room 200, Versailles, Kentucky 40382 (the “Issuer”); and (ii) **PERISTYLE, LLC**, a Kentucky limited liability company, having its mailing address at 4445 McCracken Pike, Frankfort, Kentucky 40601 (the “Company”).

### RECITALS

**A.** All capitalized terms used in these recitals shall have the meanings set forth in ARTICLE I of this Lease Agreement, unless the context or use clearly indicates another meaning or intent.

**B.** The Act authorizes the Issuer (i) to execute, perform, and make payments under a lease with any person, to acquire or construct personal property or real property for any public purpose, (ii) to assist in defraying the cost of all or a portion of the acquisition, construction, development, equipping and installation of “industrial buildings” as defined in Section 103.200 of the Kentucky Revised Statutes, located within the boundaries of the Issuer, and (iii) to issue and sell its negotiable revenue bonds to finance the costs of all or a portion of such industrial buildings.

**C.** Under the Act, the leasing and financing of industrial buildings constitutes a public purpose of the Issuer.

**D.** The Issuer has found and determined, and hereby finds and determines, that its issuance of the Series 2026 Bonds in order to finance the leasing, acquisition or combination thereof of the industrial building facilities comprising the Project (including the Warehouse Premises) will assist in creating substantial new employment opportunities in, and will promote the economic development of, the Issuer and the Commonwealth and will be consistent with and in furtherance of the purposes of the Act.

**E.** Pursuant to the Act and in furtherance of the Project, the Company simultaneously herewith has assigned the Warehouse Leases to the Issuer and, pursuant to this Lease Agreement, will lease or sublease (as the case may be) from the Issuer the entire Project Site, including the Warehouse Premises, to allow for the financing of the acquisition, construction, development, installation, and equipping of the Project (including the acquisition of a leasehold interest in the Warehouse Premises).

**F.** The Company and the Issuer have full right and lawful authority to enter into this Lease Agreement and to perform and observe the provisions hereof on their part to be performed and observed.

**G.** This Lease Agreement provides for the subleasing of the Warehouse Premises for rentals sufficient to pay the rentals under the Warehouse Leases when due and the financing of the Project, including the acquisition of the Project Site, by application of the proceeds of the Series 2026 Bonds and the leasing of the Project to the Company for rentals sufficient to pay debt service on (and the redemption price of) the Series 2026 Bonds when due.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree, and bind themselves as follows; provided, that any obligation of the Issuer created by or arising out of this Lease Agreement shall never constitute a general obligation of or a pledge of the faith, credit, or taxing power of the Issuer, the Commonwealth, or any political subdivision of the Commonwealth but shall be payable solely out of the Pledged Receipts, anything herein contained to the contrary by implication or otherwise notwithstanding:

## **ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.01 Definitions.** The capitalized terms used in this Lease Agreement shall have the meanings set forth below unless the context requires otherwise. Capitalized terms used herein but not defined herein shall have the meanings provided by the Bond Purchase Agreement.

“Act” means, collectively, the Governmental Leasing Act and the Industrial Revenue Bond Act.

“Assignment” means the Assignment of Lease Agreement related to this Lease Agreement dated as of the Closing Date from the Issuer to the Purchaser, and any permitted amendments or supplements thereto.

“Assignment of Warehouse Leases” means the Assignment of Warehouse Leases dated as of the Closing Date, a memorandum of which is to be recorded (or a memorandum thereof to be recorded) in the records of the office of the Clerk and transferring title to all rights to one or more leasehold interests in the Warehouses from the Company to the Issuer, including the Warehouse Leases, but pursuant to which the Company retains all obligations to pay all amounts due under the Warehouse Leases.

“Authorized Company Representative” means the person or persons at the time designated to act on behalf of the Company by written certificate furnished to the Issuer and the Servicing Agent containing the specimen signature or signatures of such person or persons and signed on the Company’s behalf by a duly-authorized representative. Such certificate may designate an alternate or alternates.

“Authorized Issuer Representative” means the person or persons at the time designated to act on the Issuer’s behalf by written certificates furnished to the Company and the Servicing Agent containing the specimen signatures of such person or persons and signed on the Issuer’s behalf by its Judge/Executive, Clerk, or following the execution and delivery of the Assignment, any officer of Purchaser (except with respect to rights or obligations hereunder expressly reserved or retained by Issuer). Such certificate may designate an alternate or alternates.

“Bills of Sale” means one or more bills of sale transferring title to one or more components of the Project from the Company to the Issuer.

“Bond Counsel” means Stoll Keenon Ogden PLLC, a Kentucky professional limited liability company.

“Bond Fund” has the meaning provided in ARTICLE I of the Bond Purchase Agreement.

“Bond Legislation” means Ordinance **No. 2026-** adopted by the Legislative Body of the Issuer on May 12, 2026, and includes any permitted amendments or supplements thereto.

“Bond Purchase Agreement” means the Bond Purchase Agreement related to the Series 2026 Bonds dated as of the Closing Date by and among the Issuer, the Company, the Purchaser, and the Servicing Agent, and any permitted amendments or supplements hereto.

“Bond Service Charges” means all payments of principal and interest on the Series 2026 Bonds, together with any other payments owed to the Bondholder pursuant to the requirements of the Issuer Documents.

“Bondholder” means, initially, the Purchaser and any subsequent person in whose name any Series 2026 Bond is registered.

“Business Day” means a day that is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the Commonwealth or the State of New York are authorized by law to close, or (b) a day on which the New York Stock Exchange is closed.

“Central Bank” means Central Bank & Trust Co., a Kentucky banking corporation, whose address is 300 West Vine Street, Lexington, Kentucky 40507.

“Central Bank Loan” means the loans from Central Bank to Company, in the maximum principal commitment amount of \$21,544,870 as of the Closing Date, being the sum of the amounts lent under (a) (i) the \$16,170,000 Note and (ii) the \$3,897,370 Note, as those terms are defined in the Central Bank Loan Agreement, (b) that certain Commercial Note by Company, as borrower, in favor of Central Bank, as lender, dated as of April 29, 2022; and (c) that certain Commercial Note by Company, as borrower, in favor of Central Bank, as lender, dated as of January 26, 2022, (or such greater amount as may be agreed by Company from time to time after the Closing Date), including any refinancing thereof.

“Central Bank Loan Agreement” means that certain Loan Agreement dated as of May 28, 2021 (as amended, amended and restated, modified or supplemented from time to time), by and among (a) Company, as borrower, (b) William Miles Arvin, Jr., as guarantor, and (c) Central Bank, as lender.

“Central Bank Mortgage” means that certain Commercial Mortgage and Assignment of Leases and Rents by Company, as mortgagor, in favor of Central Bank, as mortgagee, dated as of May 28, 2021, filed of record in Mortgage Book 912 Page 184, in the Clerk’s Office (and any financing statements that Central Bank or its successors, assigns, or refinancing parties may have recorded or may record in the future to evidence or perfect such security interests).

“Central Bank Security Agreement” means those certain Security Agreements dated as of May 28, 2021 and April 29, 2022 (as amended, amended and restated, modified or supplemented from time to time), by and between Company, as debtor, and Central Bank as secured party.

“Central Bank Security Instruments” means, collectively, (a) the Central Bank Loan Agreement, (b) the Central Bank Security Agreement, and (c) the Central Bank Mortgage.

“Clerk” means the County Clerk of the Issuer.

“Closing Date” means effective as of [●], 2026.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

“Commonwealth” means the Commonwealth of Kentucky.

“Company” means Peristyle, LLC dba Castle & Key Distillery, a Kentucky limited liability company having a mailing address of 4445 McCracken Pike, Frankfort, Kentucky 40601, together with its successors and assigns, and sometimes referred to as Assignor of the Warehouse Leases.

“Company Documents” means this Lease Agreement, the Assignment of Warehouse Leases, the Bond Purchase Agreement, the Warehouse Leases, the PILOT Agreement, and any permitted amendments or supplements hereto or thereto.

“Construction Fund” means the fund so designated that is established pursuant to Section 5.01(b) of the Bond Purchase Agreement.

“Control Group” means a group of business entities, regardless of classification for federal tax purposes, bearing the same relationship as “controlled group of corporations” provided in Section 1563 of the Code.

“Costs of Construction” shall be deemed to include the following costs with respect to the Project which are either (i) charged, or (ii) with or but for a proper election may be charged, by the Company to a capital account:

- (i) all costs and expenses incurred in connection with the execution of the Warehouse Leases, Assignment of Warehouse Leases and this Lease Agreement, including legal expenses and fees;
- (ii) the costs of acquiring or acquiring leasehold interests in and improving the Project Site (including all necessary or useful infrastructure) and obligations of the Company incurred for labor, property, and materials (including reimbursements payable to the Company and payments on contracts in the Company’s name) in connection with the acquisition, construction, development, installation, and equipping of the Project (including capitalization of interest on the Series 2026 Bonds or interest costs incurred in respect of any interim financing of the Project);
- (iii) the costs of contract bonds and of insurance of all kinds that may be necessary or desirable during the course of, acquisition, construction, development, installation, and equipping of the Project;
- (iv) all costs of engineering services, including the costs of the Company for test borings, surveys, estimates, plans and specifications, and preliminary

investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;

- (v) all costs and expenses incurred in connection with the issuance and sale of any Series 2026 Bonds, including compensation and expenses of the Servicing Agent, legal expenses and fees, rating agency fees, financial advisor fees, underwriting fees and compensation, printing, engraving and photocopying costs, and recording and filing fees;
- (vi) all other costs which the Company has paid or shall be required to pay, under the terms of any contract or contracts for the acquisition, construction, development, installation, and equipping of the Project, including permitting and licensing;
- (vii) any sums required to reimburse the Issuer or the Company for advances made by either of them for any of the above items, including sales and use taxes and other taxes and fees, or for any other costs incurred for work done by either of them which are properly chargeable to the Project; and
- (viii) to the extent authorized by the Act, all other items related to the acquisition, construction, development, and installation of the Project, the costs of which are, or with or but for a proper election by the Company, may be, charged to a capital account on the Company's books.

“Deeds” means one or more deeds to be recorded in the records of the office of the Clerk and transferring fee title to one or more components of the Project or the Project Site from the Company or from a third party at the Company's direction to the Issuer.

“Defaults” means any of the events described in Section 13.01 hereof.

“Elective Termination Date” has the meaning provided in Section 11.02 hereof.

“Expenses” has the meaning provided in Section 7.18 hereof.

“Expiration Date” shall have the meaning provided in Section 11.01 hereof.

“Force Majeure” means, without limitation, acts of god; strikes, lock outs, labor trouble, inability to procure materials or other supply chain disruption, or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the Commonwealth or of any of their departments, agencies, or officials, or of any civil or military authority, including restrictive governmental laws or regulations; terroristic acts; insurrections; riots; war; casualty; hazardous condition; pandemics; epidemics; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; and any other cause or event not reasonably within the Company's control, which delays, hinders, or prevents the Company from performing its obligations under this Lease Agreement.

“Governmental Leasing Act” means Sections 65.940 to 65.956, inclusive, of the Kentucky Revised Statutes, as amended and in full force on the date of execution of this Lease Agreement.

“Hazardous Materials” has the meaning provided in Section 7.18 hereof.

“Industrial Building” means those real or personal properties, or a combination thereof, which constitute an “industrial building” as such term is defined in the Industrial Revenue Bond Act and specifically, Section 103.200(1) of the Kentucky Revised Statutes.

“Industrial Revenue Bond Act” means Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes, as amended and in full force on the date of execution of this Lease Agreement.

“Instruments” has the meaning provided in Section 7.12 hereof.

“Interest Payment Date” means (a) each April 1<sup>st</sup> beginning (and including) April 1, 2027 and ending (and including) April 1, 2065, and (b) the Maturity Date.

“Issuer” means the County of Woodford, Kentucky, a de jure county and political subdivision of the Commonwealth.

“Issuer Documents” means this Lease Agreement, the Bond Purchase Agreement, the Assignment, the PILOT Agreement, and any permitted amendments or supplements hereto or thereto.

“Issuer Indemnitees” has the meaning provided in Section 10.07 hereof.

“Lease Agreement” means this Lease Agreement by and between the Issuer and the Company, as assigned to the Purchaser pursuant to the Assignment, and any permitted amendments or supplements thereto.

“Legislative Body” means the Fiscal Court of the Issuer.

“Maturity Date” means April 1, 2066.

“Maximum Revolving Principal Amount” means NINETY MILLION DOLLARS AND NO/100s (\$90,000,000).

“Net Proceeds”, when used with respect to any insurance proceeds or any condemnation award, means the amount remaining after deducting all expenses (including attorneys’ fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Obligations” means the obligations of the Company to the Issuer under the terms of this Lease Agreement.

“Outstanding”, in connection with Series 2026 Bonds means, as of the time in question, all Series 2026 Bonds authenticated and delivered under the Bond Purchase Agreement, except:

- (a) Series 2026 Bonds cancelled upon surrender, exchange, or transfer, or cancelled because of payment or redemption at or before that time;
- (b) Series 2026 Bonds, or the portion thereof, for the payment, redemption, or purchase for cancellation of which sufficient moneys have been deposited and credited with the Servicing Agent on or before that date for that

purpose (whether upon or before the maturity or redemption date of those Series 2026 Bonds); provided, that if any of those Series 2026 Bonds are to be redeemed before their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Servicing Agent shall have been made for giving notice of that redemption, or waiver by the Bondholder of that notice satisfactory in form to the Servicing Agent shall have been filed with the Servicing Agent; and

- (c) Series 2026 Bonds, or the portion thereof, which are deemed to have been paid and discharged.

“Payment in Full of the Series 2026 Bonds” means the first date when all principal of and interest on the Series 2026 Bonds shall have been paid in full, or amounts sufficient and available therefore shall have been deposited in the Bond Fund, or provision for payment thereof shall otherwise have been made in accordance with the provisions of the Bond Purchase Agreement.

“Permitted Encumbrances” means the following:

- (a) The Central Bank Security Instruments;
- (b) Any other security interests, liens or other encumbrances in the Project, including the Project Site, of record in the Clerk’s Office as of the date of the Lease Agreement; and
- (c) Any additional liens or other encumbrances of record granted by the Issuer to Secured Parties with the consent of the Company and, so long as the Central Bank Security Instruments remains effective, Central Bank, or imposed by the Company on the leasehold estate created hereby, during the term of this Lease Agreement.

“PILOT Agreement” means the Payment In Lieu Of Taxes Agreement dated as of the Closing Date by and between the Issuer and the Company and any permitted amendments or supplements thereto.

“Plans and Specifications” means the plans and specifications for the Project on file, and available for inspection by the Issuer and the Servicing Agent, at the Principal Office of the Company, as the same may be changed from time to time.

“Pledged Receipts” means (a) any and all Primary Rent Payments under this Lease Agreement, (b) all other moneys received by the Issuer, the Bondholder, or the Servicing Agent for the Issuer’s account, in respect of this Lease Agreement or the Project, except certain Warehouse Rent Payments and certain expense, reimbursement and indemnity payments which are, pursuant to the provisions of this Lease Agreement, to be made by the Company directly to the Warehouse Landlord, the Issuer or the Servicing Agent, (c) unexpended proceeds derived from the sale of the Series 2026 Bonds in the Construction Fund, and (d) the income and profit from the investment of any moneys while held in the Bond Fund or the Construction Fund. Pledged Receipts do not include amount received in respect of the Warehouse Leases, which amounts are to be paid exclusively to the Company. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond Service Charges any revenues from any source other than the Pledged Receipts.

“Primary Rent Payments” has the meaning provided in Section 4.03 hereof.

“Principal Office” means 103 South Main Street, Room 200, Versailles, Kentucky 40382, or other place of business designated by the Company by notice given hereunder.

“Project” has the meaning provided in **Exhibit “A”** attached hereto.

“Project Site” means the real estate and interests in real estate constituting the site of the Project (including the Warehouse Premises) as described in Exhibits “C1” and “C2” attached hereto as a part hereof.

“Purchaser” means C&K Investments, LLC, 4445 McCracken Pike, Frankfort, Kentucky 40601.

“Secured Parties” means, collectively, the secured party or parties that (a) provide or provided loans to the Company or any of its affiliates, and (b) in connection with such loans, hold a security interest or lien with respect to any of the Company’s property or assets, including a security interest in the Company’s right, title, and interest in and to the Project, the Project Site, the Issuer Documents, or combination thereof. As of the Closing Date, the only Secured Parties are Central Bank and the Issuer, which hold the Permitted Encumbrances.

“Servicing Agent” means C&K Investments, LLC, 4445 McCracken Pike, Frankfort, Kentucky 40601.

“Series 2026 Bonds” means the bond or bonds issued by the Issuer pursuant to the Bond Legislation in the Maximum Revolving Principal Amount and designated “County of Woodford, Kentucky, Industrial Building Revenue Bonds, Series 2026 (Castle & Key Distillery Project)” and includes any Series 2026 Bonds issued in exchange therefor pursuant to the Bond Legislation and the Bond Purchase Agreement.

“Term of Agreement” means the term of this Lease Agreement as specified in Section 11.01 hereof.

“Warehouse Landlords” means the ‘lessors’ under the Warehouse Leases.

“Warehouse Leases” means the Warehouse Leases identified on **Exhibit “B”** hereto.

“Warehouse Premises” means the portion of the Project Site leased pursuant to the Warehouse Leases, as assigned to Issuer, as ‘Assignee’, pursuant to the Assignment of Warehouse Leases, and subleased to the Company pursuant to this Lease Agreement and further described **Exhibit “C2”** (Project site) attached hereto.

“Warehouse Rent Payments” has the meaning provided in Section 4.02 hereof.

All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles then in effect. Words of the feminine gender shall be deemed and construed to include correlative words of the masculine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. 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.” All references in this Lease

Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed unless the context indicates otherwise. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section, or other subdivision unless the context indicates otherwise.

Any reference herein to the Issuer or the Legislative Body or any officer or official of the Issuer shall include those who succeed to their respective functions, duties, or responsibilities pursuant to or by operation of law or who are lawfully performing such functions. Any reference herein to any other person or entity shall include his or its respective successors and assigns. Any reference herein to a section or provision of the Constitution of the Commonwealth or to a section, provision, or chapter of the Kentucky Revised Statutes shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded, provided that no such change shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Company under this Lease Agreement.

**Section 1.02 Incorporation Of Recitals and Warehouse Leases.** The foregoing recitals, and, except as otherwise set forth herein, the terms and provisions of the Warehouse Leases are incorporated herein by reference and are made a substantive part of this Lease Agreement.

## **ARTICLE II REPRESENTATIONS, AGREEMENTS AND WARRANTIES**

**Section 2.01 Representations, Agreements And Warranties Of The Issuer.** The Issuer represents, covenants, and warrants that:

(a) The Issuer is a de jure county and political subdivision of the Commonwealth duly organized and existing under the laws of the Commonwealth. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by the Issuer Documents and to carry out its obligations hereunder and thereunder. The Issuer is not in default under or in violation of the Constitution or any of the laws of the Commonwealth relevant to the issuance of the Series 2026 Bonds or the consummation of the transactions contemplated pursuant to the Issuer Documents and has duly authorized the issuance of the Series 2026 Bonds, and the execution and delivery of the Issuer Documents, by the Bond Legislation, which was duly adopted by the Legislative Body of the Issuer and is in full force and effect according to law. The Issuer Documents constitute valid and legally binding obligations of the Issuer enforceable in accordance with their terms.

(b) The Issuer agrees (i) to provide funds through the issuance of the Series 2026 Bonds in order to finance the acquisition, construction, development, installation, and equipping of the Project, which constitutes an Industrial Building, subject to the consideration of this Lease Agreement, to the end that commerce and industry, the economy, job opportunities, and the public welfare may be promoted, and (ii) to secure the Series 2026 Bonds by entering into the Bond Purchase Agreement and the Assignment. The Issuer represents, covenants, and agrees that its interest in this Lease Agreement will be assigned solely to the Purchaser pursuant to the Assignment and that no other assignment or pledge of the same will be made by the Issuer, except as may otherwise be permitted or provided by the Issuer Documents.

(c) Neither the execution and delivery of the Issuer Documents, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of the Issuer Documents conflicts with or results in a breach of the terms, conditions, or provisions of any corporate or governmental restriction or any agreement or instrument to which the Issuer

is now a party or by which it is bound or to which any of its property or assets is subject or (except in such manner as will not materially impair the ability of the Issuer to perform its obligations hereunder or thereunder) a breach of any statute, order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or its property, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of the property or assets of the Issuer under the terms of any instrument or agreement, except as set forth in this Lease Agreement, by the Permitted Encumbrances, and as provided in Section 103.250 of the Kentucky Revised Statutes.

(d) The Project Site is located within the Issuer's boundaries. There is no legal restriction on the Issuer's ability (i) to lease the Warehouse Premises from the Warehouse Landlords, (ii) to lease and sublease the Project and the Project Site to the Company under the this Agreement, (iii) to acquire title to the Project Site or leasehold interests therein, (iv) to lease the Project and sublease the Warehouse Premises to the Company in accordance with the terms of this Lease Agreement, or (v) to convey fee simple title to the Project Site (or leasehold interests therein) to the Company in accordance with the terms of this Lease Agreement. Except for the Permitted Encumbrances, the Issuer shall not mortgage or encumber the Project (including the Project Site) unless requested in writing by the Company.

(e) The Bond Legislation of the Legislative Body of the Issuer, and the Issuer's agreement in prior correspondence and discussions described therein in respect of the financing of the Project, have been continuously, and are currently, in effect.

**Section 2.02 Representations, Agreements And Warranties Of The Company.** The Company represents, covenants, and warrants that:

(a) It is a limited liability company validly organized and existing under the laws of the Commonwealth, it is duly qualified to transact business in the Commonwealth, it has the requisite power to enter into this Lease Agreement, and it has, by proper action, duly authorized the execution and delivery of this Lease Agreement.

(b) Neither the execution and delivery of this Lease Agreement nor the consummation of the transactions contemplated hereby conflicts in any material respect with or results in a material breach of the terms, conditions, or provisions of the Company's Articles of Organization, or Operating Agreement, as currently amended or restated, or any agreement or instrument to which the Company is now a party or by which it is bound or to which any of its property or assets is subject or (except in such manner as will not materially impair the Company's ability to perform its obligations hereunder) material breach of any statute, order, rule, or regulation of a court or governmental agency or body having jurisdiction over the Company or its property, or constitutes a material default under the foregoing, or results in the creation or imposition of a lien, charge, or encumbrance upon the Company's property or assets under the terms of an instrument or agreement, except as set forth in the Company Documents, by the Permitted Encumbrances, and as provided in Section 103.250 of the Kentucky Revised Statutes.

(c) The Company Documents have been duly executed and delivered by the Company and constitute legal, valid, and binding obligations of the Company in accordance with their respective terms, except to the extent that enforcement thereof may be limited by laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, reorganization, moratorium, or other laws affecting the enforcement of creditors' rights, and by the exercise of judicial discretion in accordance with general principles of equity.

(d) To the knowledge of the Company, there are no actions, suits, or proceedings pending or, to the Company's knowledge, threatened in writing, against or affecting the Company before

any court or before any governmental or administrative body or agency which would result in any material adverse change in the Company's operations, business, property, assets, or condition (financial or otherwise); and the Company is not in material default with respect to or under an applicable statute, rule, writ, injunction, decree, order, or regulation of a governmental agency which would have consequences that would materially and adversely affect the Company's operations, business, property, or assets.

(e) To the Company's knowledge, no consent, approval, authorization, or other order of a federal, state, or local governmental authority, not previously obtained or given, is required in connection with the acquisition, construction, development, installation, and equipping of the Project or the consummation of the transactions contemplated hereby.

(f) The Bond Legislation and the Issuer's agreement in prior correspondence and discussions described therein under which the Issuer conditionally agreed, among other things, to issue the Series 2026 Bonds for the purposes set forth herein, have encouraged and induced the Company to undertake the acquisition, construction, development, installation, and equipping of the Project, and the Company believes that such undertaking will promote economic development and encourage the increase of industry within the environs of the Issuer and the Commonwealth.

(g) All of the Project is and shall be situated on the Project Site. The Company intends to operate the Project as an Industrial Building during the Term of Agreement.

**Section 2.03 Further Representations, Warranties, Covenants, And Agreements Binding On Issuer And Company.** In connection with the sale and issuance of the Series 2026 Bonds, the representations, warranties, covenants, and agreements stated in the other Issuer Documents on behalf of the Company and the Issuer by their respective officers or agents shall be binding upon the respective parties as if specifically made herein. However, there are no representations, warranties, covenants, or agreements other than those stated in the Issuer Documents.

**Section 2.04 Representations And Covenants For Benefit Of the Bondholder.** The Issuer and the Company acknowledge that this Lease Agreement is executed in part to induce the purchase of the Series 2026 Bonds. Accordingly, all representations, warranties, covenants, and agreements on the part of the Issuer and the Company set forth in this Lease Agreement and in other certificates and documents related to the issuance of the Series 2026 Bonds signed by the Company or the Issuer are hereby declared to be for, in addition to the mutual benefit of the parties, the benefit of the Servicing Agent, the Bondholder, and Bond Counsel with respect to the issuance of the Series 2026 Bonds, and to be binding upon the Company or the Issuer, as the case may be.

**Section 2.05 Covenant for Benefit Of Warehouse Landlords and Issuer.** Company covenants and agrees (i) to use the Warehouse Premises in accordance with the terms of the Warehouse Leases and this Lease Agreement, (ii) not to do or permit to be done any action which would result in a violation of any of the terms of any Warehouse Lease or in any increase in any obligation or liability of Issuer under any Warehouse Lease, and (iii) not to fail to do any act required under this Lease Agreement or any Warehouse Lease, to the extent such obligation has been assumed by Issuer under such Warehouse Lease and assigned to or otherwise assumed by the Company under this Lease Agreement respecting the Warehouse Premises, if such failure would result in a violation of any of the terms of such Warehouse Lease or in an increase in other obligation or liability of Issuer under such Warehouse Lease.

**ARTICLE III  
ISSUANCE OF BONDS; APPLICATION OF  
BOND PROCEEDS; THE PROJECT**

**Section 3.01 Agreement To Issue The Series 2026 Bonds; Application Of Series 2026 Bond Proceeds.** The Issuer agrees that it will issue pursuant to the Bond Purchase Agreement and the Bond Legislation, sell, and cause to be delivered to or upon the order of the Purchaser the Series 2026 Bonds in an aggregate principal amount up to the Maximum Revolving Principal Amount, bearing interest, maturing, and having such other terms and conditions as are set forth in the Bond Purchase Agreement. The proceeds received from the sale of the Series 2026 Bonds shall be deposited in or credited to the Construction Fund to be used to pay the Costs of Construction, all in accordance with Section 3.08 hereof.

**Section 3.02 Authorization To Servicing Agent To Disburse From Construction Fund.** The Issuer hereby authorizes and directs the Servicing Agent under the Bond Purchase Agreement to disburse the moneys in the Construction Fund as provided therein and in Section 3.08 hereof.

**Section 3.03 Title To And Acquisition, Construction, Development, and Installation Of Project.**

(a) The Company has conveyed or caused to be conveyed to the Issuer good and marketable fee simple title to and ownership of certain components of the Project, and caused to be conveyed to the Issuer a leasehold interest in the Warehouse Premises, subject to the Permitted Encumbrances and any other encumbrances which are acceptable to the Issuer. It is agreed by the parties that such conveyance by or at the direction of the Company was, is and will be in consideration and in facilitation of the issuance of the Series 2026 Bonds by the Issuer pursuant to the Act in order to finance the Project.

(b) The Company represents and agrees that it has caused or will cause the Project to be acquired, installed, constructed, developed, equipped, and completed as herein provided on the Project Site substantially in accordance with the Plans and Specifications.

(c) The Company agrees that it will make, execute, acknowledge, and deliver any contracts, orders, receipts, writings, and instructions with any persons, firms, or corporations, and in general do all things which may be necessary or customary, for acquiring, constructing, developing installing, and equipping the Project.

(d) The Company agrees that it will ask, demand, sue for, levy, and use its best efforts to recover and receive such sums of money, debts, or other demands whatsoever in connection with the Project to which it may be entitled under any contract, order, guaranty, warranty, writing, or instruction in connection with any of the foregoing, and it will enforce the provisions of any contract, agreement, obligation, bond, or other security in connection with the Project; provided, however, that the Company shall have the discretion not to take any of the foregoing actions set forth in this clause (d) to the extent the Company determines failure to do so would not materially and adversely affect the value of the Project or is otherwise in the best interest of the Project.

(e) The Company agrees that it will perform the acquisition, construction, development, installation, and equipping of the Project with all reasonable dispatch, delays caused by reason of Force Majeure only excepted; but if for any reason such acquisition, construction, development, installation, and equipping of the Project is not timely completed there shall be no resulting liability on the part of the Company and no diminution in or postponement of the payments required pursuant to this Lease Agreement by the Company.

(f) Subject to the provision of Section 7.21, the parties agree that the Company shall transfer title to future components of the Project to the Issuer pursuant to one or more Bills of Sale, Deeds or Assignment of Warehouse Leases provided by the Company to the Issuer. Any such future components will be subject to any liens granted in favor of any Secured Parties, provided the Issuer and the Company comply with the requirements of Section 3.06 hereof. The parties shall execute, deliver, and record (if necessary) such Bills of Sale, Deeds or Assignment of Warehouse Leases (or memorandum thereof) on or before each December 31<sup>st</sup> (or effective as of each December 31<sup>st</sup>) to transfer title to the components of the Project acquired, constructed, installed, and equipped during the calendar year (subject to the Company's right to amend and restate any such Bill of Sale to correct or update the equipment, machinery, fixtures and other tangible personal property added to the Project as of such date if delivered no later than the due date of the Company's tangible personal property tax return for the immediately following January 1<sup>st</sup> assessment date). It is agreed by the parties that each such conveyance will be made by the Company in consideration and in facilitation of the issuance of the Series 2026 Bonds by the Issuer pursuant to the Act in order to finance the Project. Exhibits "A", "B", "C1", "C2" hereto or combination thereof (as the case may be) shall automatically be deemed amended upon the effectuation of any such Bill of Sale, Deed or Assignment of Warehouse Lease to reflect the additional components of the Project so transferred and then leased by the Company from the Issuer hereunder. Upon the effectuation of each such Bill of Sale, Deed or Assignment of Warehouse Lease in accordance with its terms, all property or rights in property described therein shall become part of the Project and subject to the terms and requirements of this Lease Agreement without any further action of the parties. The Issuer and the Company agree that title to any components of the Project constituting real property improvements shall vest automatically in the Issuer (subject to any liens granted in favor of any Secured Parties) if title to, or a Warehouse Lease of, the land underlying such real property improvements has been previously transferred by the Company to the Issuer in connection with the Issuer's issuance of industrial revenue bonds for the Company's benefit and that the execution or recordation of a separate deed or other conveyance document shall be unnecessary to effectuate the transfer of title to such real property improvements from the Company to the Issuer.

(g) The Issuer and the Company acknowledge that in anticipation of the execution of this Lease Agreement and the Issuer's issuance of the Series 2026 Bonds, the Company executed the Warehouse Leases with the Warehouse Landlords, whereby the Company leased certain components of the Project Site.

(h) The Issuer and the Company further acknowledge that the Company entered into the Assignment of Warehouse Leases pursuant to which the Company assigned to the Issuer the rights, title and interest in the Warehouse Leases (but not the duties, obligations and liabilities thereunder), whereby the Issuer acquired a leasehold interest in the Warehouse Premises and any real property improvements thereto, all effective as of the Closing Date.

**Section 3.04 Improvements; Assignment Of Warranties.** The Company, as the Issuer's designee, will make, execute, acknowledge, and deliver any contracts, orders, receipts, writings, and instructions with any other persons, firms or corporations and in general make all commercially reasonable efforts to do all things required with respect to acquiring, constructing, developing, installing, and equipping the Project. Any amounts received in connection with the foregoing, after deduction of expenses incurred in such recovery, before full disposition of the Series 2026 Bond proceeds in accordance with this Lease Agreement and the Bond Purchase Agreement, shall be paid to the Company.

The Issuer hereby assigns, without recourse or warranty, to the Company all warranties, guaranties, indemnities, express or implied, or similar rights which the Issuer may have against any manufacturer, seller, engineer, contractor, or builder in respect of the Project or any component part thereof. Such assignment shall remain in effect so long as no Default hereunder shall have occurred and be continuing. So that the Company may have the full benefit of the assignment affected or intended to be affected by this

Section 3.04, the Issuer agrees that it will, at the Company's expense, execute and deliver such further documents, including powers of attorney, enjoining such actions or proceedings as the Company shall reasonably request.

**Section 3.05 Agreement As To Ownership Of Project.** The Issuer and the Company agree that title to and ownership of the Project and leasehold interests in the Warehouse Premises, shall, during the Term of Agreement, be vested in the Issuer, subject to the terms of this Lease Agreement and the Warehouse Leases. It is acknowledged that the Company has conveyed or caused to be conveyed title to and ownership of certain components of the Project and a leasehold interest in certain components of the Project Site and real property improvements thereto to the Issuer in connection with the issuance of the Series 2026 Bonds pursuant to the Act and will convey title to and ownership of the remaining components of the Project and a leasehold interest in the remaining real property improvements of the Project Site to the Issuer in connection with the issuance of the Series 2026 Bonds pursuant to the Act in accordance with the requirements of Section 3.03(f) hereof.

**Section 3.06 Agreement As To Additional Liens for Secured Parties.** The Issuer and the Company agree that the Company may request the Issuer to execute and deliver documents and other instruments from time to time granting liens on all or a portion of the Project, including documents and other instruments involving subordination of existing liens or the sharing of collateral, to secure obligations owed by the Company to a Secured Party or Secured Parties. In connection with any such document or instrument, the Company shall provide the Issuer sufficient evidence that the Project, or such portion of the Project to then be encumbered, is then unencumbered, or that any Secured Party then holding a lien on such property has otherwise consented to such encumbrance, and the Issuer shall, upon determining that the Issuer shall not become liable or obligated for payment of such obligation as a result of the requested encumbrance, execute and deliver such requested document or instrument. The Issuer may reasonably rely upon the advice of legal counsel for determining whether any such request subjects the Issuer to liability for payment in determining whether to execute and deliver such document or instrument. For purposes of clarity, the Issuer and the Company acknowledge that the Issuer does not consent to assume or accept title to any assets related to the Project that, as a result of a lien existing on such asset, would cause the Issuer to become liable for payment of any obligation owed by the Company to any Secured Party or other creditor.

**Section 3.07 Financing Of Additional Facilities.** The Company and the Issuer hereby recognize that additional costs of Industrial Building facilities at the Project Site (other than those costs which are financed by the Series 2026 Bonds) may be financed by one or more series of revenue bonds issued in addition to the Series 2026 Bonds, to the extent permitted by law. The Issuer authorizes the Company to make improvements and build additional facilities as the Company determines are appropriate or necessary to enhance its operations at the Project Site, provided such additions or improvements do not materially and adversely affect the value of the Project and the Project Site.

**Section 3.08 Advances Of Series 2026 Bond Proceeds; Disbursements From Construction Fund.** The Purchaser, as purchaser of the Series 2026 Bonds under the Bond Purchase Agreement, shall make advances of Series 2026 Bond proceeds, in amounts of at least \$10,000.00 and no more frequently than twelve (12) times in any twelve-month period, to the Servicing Agent (for the account of the Issuer) for deposit in or credit to the Construction Fund. The total amount of all advances of Series 2026 Bond proceeds shall not, in the aggregate, exceed the Maximum Revolving Principal Amount of the Series 2026 Bonds. The procedure for the Company's requesting an advance of Series 2026 Bond proceeds from the Purchaser, and for the Purchaser making such advances, shall be as follows:

(a) The Purchaser shall make each such advance by paying the amount thereof in immediately available funds to the Servicing Agent, provided that the Purchaser's obligation to make each

such advance shall be subject to the fulfillment (or waiver in writing by the Purchaser) of the following conditions precedent:

(i) at least one Business Day before making an advance, the Purchaser shall have received a written requisition from an Authorized Company Representative (a copy of which shall have been sent to the Servicing Agent by the Company) (A) requesting that the Purchaser make such advance in the amount and on the date specified therein, (B) describing the Costs of Construction for which such advance is requested, (C) stating that, to the knowledge of the Authorized Company Representative signing such requisition, the statements set forth in clauses (ii) and (iii) below are true and correct on and as of such date, and (D) certifying that the total amount of all advances to be received by the Company and outstanding pursuant to this Lease Agreement, will not exceed the Maximum Revolving Principal Amount (subject to the Company's right to amend and restate any such requisition to correct or update the equipment, machinery, fixtures and other tangible personal property added to the Project as of such date if delivered no later than the due date of the Company's tangible personal property tax return for the immediately following January 1<sup>st</sup> assessment date);

(ii) all appropriate governmental and regulatory and other consents, approvals, licenses, authorizations, exemptions, and environmental and construction permits for the construction, improvement, and operation of the Project that are required to be obtained as of the date of such advance shall have been obtained (and Company shall have no reason to believe that all others required to be obtained in the future will not be obtained in a timely fashion) and shall be in full force and effect; and

(iii) no Default under this Lease Agreement shall have occurred and be continuing on and as of the date of such advance.

(b) The Purchaser shall make each advance on the date and in the amount specified in the requisition delivered pursuant to Section 3.08(a) hereof, notwithstanding anything to the contrary in this Lease Agreement, as long as (i) the Series 2026 Bonds are held by the Purchaser or an assignee of the Purchaser related to or for the benefit of an entity constituting a member of any Control Group to which the Company belongs and (ii) the lessee under this Lease Agreement is the Company, the payment and funding obligations described in this Section 3.08 may be satisfied by intercompany journal entries reflecting intercompany payment and funding of such funds, and no cash funds need be transferred during such period. The provisions of the immediately preceding sentence shall survive any bankruptcy or liquidation of the Company or the Purchaser, or such assignee.

The Issuer has, in the Bond Purchase Agreement, authorized and directed the Servicing Agent to make payments from the Construction Fund to pay the Costs of Construction or to reimburse the Company for any amount of the Costs of Construction paid or incurred by it. Payments for Costs of Construction shall be made promptly or within three Business Days of the Servicing Agent's receipt from time to time of a requisition signed by the Authorized Company Representative stating, with respect to each payment to be made: (i) the requisition number; (ii) the name and address of (or wire instructions for) the person, firm, or corporation to whom payment (including reimbursement, in the case of the Company) is due; (iii) the amount to be paid and the general purpose of such payment; and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Construction Fund, is unpaid or unreimbursed, and has not been the basis of any previous disbursement from the Construction Fund. The Company agrees (i) to cause such requisitions to be directed to the Servicing Agent as may be necessary to effect payments out of the Construction Fund in accordance with this Section 3.08 and (ii), in the case of reimbursement to the Company for payment of any Costs of Construction, to furnish to the Servicing Agent, upon written request, the name of the person, firm, or corporation to whom such Costs of Construction was paid.

**Section 3.09 Company Required To Pay If Construction Fund Insufficient.** If the moneys in the Construction Fund available for payment of the Costs of Construction should be insufficient to pay such Costs of Construction in full when due, the Company agrees to pay such portion of the Costs of Construction in excess of the moneys available therefor in the Construction Fund at such time and shall be entitled to seek reimbursements for such excess payment pursuant to Section 3.08 hereof. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Construction Fund and available for payment of the Costs of Construction will be sufficient to pay all of such Costs of Construction. The Company agrees that if, after exhaustion of such moneys in the Construction Fund, the Company should directly pay any portion of the Costs of Construction pursuant to the provisions of this Section 3.09, it shall not be entitled to any diminution or abatement of the amounts payable under Section 4.02 and Section 4.03 hereof.

#### **ARTICLE IV LEASE OF PROJECT; AMOUNTS PAYABLE**

**Section 4.01 Lease of Project.** The Issuer, as landlord of the Project owned in fee and sublandlord of the Warehouse Premises, as the case may be, hereby demises and leases and subleases to the Company, subject to the all the terms and conditions of the Warehouse Leases, and the Company leases and subleases from the Issuer, the Project (including the Project Site), at the rent set forth in Section 4.02 and Section 4.03 hereof and in accordance with the provisions of this Lease Agreement, subject to the rights of the Company under Section 3.07 hereof. In the event of any conflict between the terms of this Lease Agreement and the Warehouse Leases with respect the Warehouse Premises, the terms of the respective Warehouse Lease shall prevail. The Issuer makes no warranty, either express or implied, as to the Project and the Project Site or that it will be suitable for the Company's purposes or needs. The Issuer agrees that so long as no Default hereunder or Event of Default under the Bond Purchase Agreement has occurred and is continuing, the Company, in performing the covenants and conditions contained herein, shall and may peaceably, quietly, and exclusively have, hold, enjoy, and possess the Project, including the Project Site, free from molestation, eviction, or disturbance by the Issuer or by any other person or persons claiming the same by, through, or under the Issuer. The Issuer agrees that it will not sell, assign, transfer, or convey the Project, the Project Site, or any portion thereof (except as otherwise permitted in this Lease Agreement) or create or permit the creation of any lien, encumbrance, or charge upon the Project or the Project Site other than the security intended to be given under the Bond Purchase Agreement, and that it will not grant any easement, license, right of way, or other right or privilege in the nature of easements with respect to the Project and the Project Site except as provided herein, by the Permitted Encumbrances, as provided in Section 103.250 of the Kentucky Revised Statutes or as permitted by the Company. This Lease Agreement shall be deemed and construed to be a "net lease," and the Company shall pay absolutely net during the term of this Lease Agreement the rent and all other payments required hereunder, free of any deductions, without abatement, deduction, or set-off other than those herein expressly provided.

**Section 4.02 Warehouse Rent.** In consideration of the sublease of the Warehouse Premises, the Company hereby covenants and agrees to make all rent payments and pay all other amounts due under the Warehouse Leases ("Warehouse Rent Payments"). Company has assigned its rights under the Warehouse Leases to the Issuer, but retained the obligation to pay the Warehouse Landlords and other counterparties all amounts due under the Warehouse Leases pursuant to the Assignment of Warehouse Leases. Company shall pay in immediately available funds to each Warehouse Landlord as Warehouse Rent Payments for the Warehouse Premises on or before the date that any payment of rent, extension fee, ad valorem taxes, or any other amount is required to be made under each Warehouse Lease during each month or year (as the case may be) of the term of said Warehouse Lease.

#### **Section 4.03 Primary Rent Payments and Other Amounts Payable.**

(a) In consideration of the lease of the Project, the Company hereby covenants and agrees to make rent payments (“Primary Rent Payments”) as follows: on or before any Interest Payment Date or the Maturity Date for the Series 2026 Bonds or any other date that any payment of interest or principal is required to be made or otherwise satisfied in respect of the Series 2026 Bonds pursuant to the Bond Purchase Agreement, until the principal of and interest on the Series 2026 Bonds shall have been fully paid or otherwise satisfied or provision for the payment thereof shall have been made in accordance with the Bond Purchase Agreement, the Company will pay in immediately available funds a sum which will enable the Servicing Agent to pay the amount payable on such date as principal of (whether at maturity or upon redemption, acceleration, or otherwise) and interest on the Series 2026 Bonds as provided in the Bond Purchase Agreement.

(b) The Company shall reimburse or pay the Issuer for any and all costs, expenses, fees (including attorneys’ fees), and liabilities paid or incurred by the Issuer in satisfaction of any obligation of the Company hereunder not performed by the Company in accordance with the terms hereof. The Company shall also repay or reimburse the Issuer for any and all expenses paid or to be paid by the Issuer and (i) requested by the Company, (ii) required by the Issuer Documents, (iii) incurred in enforcing the provisions of the Issuer Documents, (iv) incurred in defending any action or proceedings with respect to the Project (including the Warehouse Premises), or the Issuer Documents, or (v) arising out of or based upon any other document relating to the issuance of the Series 2026 Bonds, which are not otherwise required to be paid by the Company hereunder.

(c) The Company will also pay the reasonable fees and expenses of the Servicing Agent under the Bond Purchase Agreement and all other amounts which may be payable to the Servicing Agent under Section 9.05 of the Bond Purchase Agreement, such amounts to be paid or credited directly to the Servicing Agent for its accounts as and when such amounts become due and payable.

(d) Notwithstanding anything to the contrary in this Lease Agreement, so long as (i) the Series 2026 Bonds are held by the Purchaser or an assignee of the Purchaser related to or for the benefit of an entity constituting a member of any Control Group to which the Company belongs, and (ii) the lessee under this Lease Agreement is the Company, the Company’s obligation to make Primary Rent Payments pursuant to Section 4.03 hereof and the Purchaser’s right to receive the same may be satisfied by intercompany journal entries reflecting receipt of such Primary Rent Payments, and no cash funds need be transferred during such rental period. The provisions of the immediately preceding sentence shall survive any bankruptcy or liquidation of the Company or the Purchaser.

(e) If the Company should fail to make any of the payments required in this Section 4.03, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due to the date of payment.

**Section 4.04 Primary Rent Payments Assigned.** The Issuer pursuant to the Bond Purchase Agreement and the Assignment, has assigned the Issuer’s rights, title, and interest in the Pledged Receipts to the Purchaser, and the Company hereby consents to such assignment. Except as otherwise provided herein, all payments by the Company constituting Pledged Receipts under this Lease Agreement will be in lawful money of the United States of America in immediately available funds. The Company further agrees to make or credit all payments hereunder directly to the Servicing Agent for the account of the Issuer to be deposited in the Bond Fund, and to make all Primary Rent Payments required to be made under Section 10.02 hereof directly to the Issuer.

**Section 4.05 Obligations Of Company Unconditional; Exception.** The Company's obligation to make the payments required in Section 4.02 and Section 4.03(a) hereof shall be absolute and unconditional, without relief from valuation and appraisal laws, and shall not be subject to any defense or right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer or the Servicing Agent of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer or the Servicing Agent, and, until Payment in Full of the Series 2026 Bonds, the Company will not suspend or discontinue any payments provided for in Section 4.03(a) hereof, and except as provided in ARTICLE XV hereof, will not terminate this Lease Agreement for any cause, including the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project or the Project Site, the taking by eminent domain of title to or temporary use of any or all of the Project or the Project Site, commercial frustration of purpose, any change in the laws of the United States of America or of the Commonwealth, or any political subdivision of either thereof, or any failure of the Issuer or the Servicing Agent to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Lease Agreement. Nothing contained in this Section 4.05 shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, and if the Issuer or the Servicing Agent should fail to perform any such agreement on its part, the Company may institute such action against the Issuer or the Servicing Agent as the Company may deem necessary to compel performance so long as such action does not abrogate the obligations of the Company contained in the first sentence of this Section 4.05. Notwithstanding anything to the contrary in this Lease Agreement, as long as (i) the Series 2026 Bonds are held by the Purchaser or an assignee of the Purchaser constituting a member of any Control Group to which the Company belongs and (ii) the lessee under this Lease Agreement is the Company, the Company's obligation to make Primary Rent Payments pursuant to Section 4.03 and Section 4.04 hereof and the Purchaser's right to receive the same may be satisfied by intercompany journal entries reflecting intercompany payment receipt of such Primary Rent Payments, and no cash funds need be transferred during such period. The provisions of the immediately preceding sentence shall survive any bankruptcy or liquidation of the Company or the Purchaser or such assignee.

**Section 4.06 Obligations Under This Lease Agreement.** The rights of any Bondholder to the Pledged Receipts hereunder shall be subordinate to (i) the rights of the holder of any Permitted Encumbrance, to the extent such Permitted Encumbrance is secured by a pledge of any Pledged Receipt hereunder, and (ii) the rights of any Secured Party in any Pledged Receipts of the Company. Moreover, it is expressly acknowledged as a condition of the purchase of the Series 2026 Bonds under the Bond Purchase Agreement that the statutory mortgage lien provided for the Series 2026 Bonds pursuant to the Bond Legislation and Section 103.250 of the Kentucky Revised Statutes is subordinate to the claims of any Secured Party as a condition to the purchase of the Series 2026 Bonds under the Bond Purchase Agreement. Notwithstanding the foregoing, such subordination shall not extinguish the obligations set forth herein.

**Section 4.07 Credits Against Rentals.** Notwithstanding any provision contained in this Lease Agreement or in the Bond Purchase Agreement to the contrary, in addition to any credits against Primary Rent Payments under Section 4.03(a) hereof resulting from the payment or prepayment thereof from other sources any moneys deposited with the Servicing Agent in the Bond Fund, from any source, for payment on the Series 2026 Bonds shall be credited against the obligation of the Company to pay Primary Rent Payments equal to the principal and interest on the Series 2026 Bonds as the same become due.

**Section 4.08 Income Tax and Financial Accounting.** The Company and Issuer intend that this Lease Agreement shall be construed as a financing for federal income tax and financial accounting purposes. The Company will retain and is entitled to claim all depreciation, amortization, cost recovery, and other income tax and accounting benefits with respect to the Project under Sections 167, 168 and 197 of the Code, under similar state and local income tax laws and for financial accounting purposes.

**ARTICLE V  
THE WAREHOUSE LEASES**

**Section 5.01 Subject to the Warehouse Leases .** This Lease Agreement is and shall remain in all respects subject and subordinate to the Warehouse Leases with respect to the Warehouse Premises. It is agreed that, except as may be specifically noted or as may be evident from the context (e.g., with respect to Warehouse Rent Payments), the terms and conditions of the Warehouse Leases are incorporated into this Lease Agreement. If this Lease Agreement contains a more restrictive provision than does any Warehouse Lease, then the more restrictive provision of this Lease Agreement shall control as between the Warehouse Landlord and the Issuer as to that respective Warehouse Lease. Subject to the provisions of Section 5.02 below and ARTICLE X hereof, the rights of the Issuer against the Company under this Lease Agreement (i.e., sublease of the Warehouse Premises) shall correspond, insofar as may be applicable, to the rights of the Warehouse Landlords or counterparties against the Issuer under the Warehouse Leases.

**Section 5.02 Limitations.** Issuer shall not have any liability to Company by reason of any inconvenience, annoyance, interruption or injury to business arising from a Warehouse Landlord's making any repairs or changes required or permitted by a Warehouse Lease, or required by law.

**Section 5.03 Extension and Termination Rights.** The Company shall have all rights under each Warehouse Lease to extend or terminate the term of same. Issuer shall execute all documents necessary or required to effectuate the Company's exercise of these rights.

**Section 5.04 Amendments.** In the event the Company, in its capacity as Assignor under any of the Warehouse Leases, executes any amendments to any of the Warehouse Leases along with the execution, acknowledgement and delivery of such amendment by Issuer, such one or more Warehouse Leases shall be deemed amended hereunder. Provided, however, that such amendments will not cause Issuer to have any duty, obligation or liability thereunder and any duty, obligation or liability associated with such amendments will be the sole responsibility of the Company.

**ARTICLE VI  
DAMAGE, DESTRUCTION, AND CONDEMNATION**

**Section 6.01 Damage, Destruction, And Condemnation.** Unless the Company shall exercise an option to prepay the Primary Rent Payments due hereunder pursuant to the provisions of ARTICLE XV, or shall be obligated to prepay the Primary Rent Payments due hereunder pursuant to the provisions of ARTICLE XV hereof (in which case the provisions of ARTICLE XV hereof shall control), if before Payment in Full of the Series 2026 Bonds, (i) the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (ii) title to or the temporary use of the Project or any part thereof or any estate of the Company in the Project or any part thereof be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority, the Company shall be obligated to continue to pay or otherwise satisfy the amounts specified herein, but the Net Proceeds of any insurance benefits or condemnation awards shall be paid to the Company except as provided in Section 6.02.

**Section 6.02 Condemnation.** In the event that a Warehouse Lease shall be terminated by the Warehouse Landlord as to that portion of the Warehouse Premises as a result of a taking of any part of same under the exercise of the power of eminent domain, this Lease Agreement and the estate hereby granted shall terminate as to that portion of the Warehouse Premises. The Company shall give the Issuer notice of any taking promptly upon the Company's receipt thereof. Nothing contained herein shall preclude the Company from bringing any separate action for relocation expenses, etc. which it may have for compensation as a result of such taking. The effect of a partial taking and the award of Net Proceeds shall

be as provided in the Warehouse Leases, except that any condemnation award payable to the ‘Tenant’ under the Warehouse Leases shall be paid to the Company.

## ARTICLE VII SPECIAL COVENANTS AND AGREEMENTS

**Section 7.01 No Warranty Of Condition Or Suitability By Issuer.** THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE COMPANY’S PURPOSES OR NEEDS. EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN SECTION 4.01 HEREOF, THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE COMPANY WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE COMPANY’S PURPOSES.

**Section 7.02 Access To Project.** The Company agrees that the Issuer and the Servicing Agent and their duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right at their expense to inspect the Project and the Project Site at all reasonable times during normal business hours and on at least five-days prior written notice for purposes reasonably related to the administration of the Issuer Documents. All such inspections shall comply with the Company’s safety protocols. The Issuer, the Servicing Agent and such other persons agree to maintain confidentiality of any information acquired hereunder or in the course of issuing the Series 2026 Bonds except to the extent that the disclosure of such information may be legally required and notice of such required disclosure is first given to the Company.

**Section 7.03 Further Assurances And Corrective Instruments.** The Issuer and the Company agree that they will, from time to time, execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Lease Agreement.

**Section 7.04 Issuer And Authorized Company Representatives.** Whenever under the provisions of this Lease Agreement the approval of the Issuer or the Company is required or the Issuer or the Company is required to take some action at the request of the other, such approval or such request shall be given for the Issuer by an Authorized Issuer Representative and for the Company by an Authorized Company Representative. The Servicing Agent shall be authorized to act on any such approval or request.

**Section 7.05 Financing Statements.** The Company agrees to execute and file or cause to be executed and filed all financing statements, if any, or amendments thereof or continuation statements necessary to perfect and continue the perfection of any security interests granted in the Bond Purchase Agreement. The Company shall pay all costs of filing such instruments.

**Section 7.06 Company To Maintain Its Existence; Conditions Under Which Exceptions Permitted.** The Company agrees that during the Term of Agreement it will maintain its existence, will continue to be a limited liability company duly qualified to do business in the commonwealth, will not dispose of all or substantially all of its assets to another entity, and will not consolidate with or merge into another entity, unless in all cases such other entity (i) is a corporation or limited liability company organized under the laws of, or duly qualified to do business as a foreign corporation or limited liability company in, the Commonwealth and (ii) assumes in writing all of the Company’s obligations herein. Compliance with all of these requirements shall relieve the Company of all of its obligations herein.

**Section 7.07 Maintenance Of Project; Permits; Maintenance And Modifications.** The Company shall use, maintain, and operate the Project, or cause it to be used, maintained, and operated, in good repair, in accordance with all applicable laws, rules, and regulations, subject to ordinary wear and tear and obsolescence. Subject to the terms of Section 7.12, Section 7.13, Section 7.14 and Section 12.01 hereof, the Company may make modifications, replacements, and renewals of and to the Project as the Company shall deem necessary or desirable and that do not materially and adversely affect the value of the Project provided that all such additions, modifications, or improvements comply with all applicable federal, state, and local codes. Improvements on the Project Site which are not a part of the Project shall be under the Company's absolute control and dominion.

**Section 7.08 Issuer's (as Sublandlord) Covenants.** Issuer shall not do or permit anything to be done which would cause a default under the Warehouse Leases or this Lease Agreement or a termination or forfeiture by reason of any right of termination or forfeiture, reserved or vested in any Warehouse Landlord under any Warehouse Lease. Issuer represents to Company that to Issuer's actual knowledge, no default exists on the part of any Warehouse Landlord under any Warehouse Lease (which are identified on **Exhibit "B"** attached hereto).

**Section 7.09 Taxes And Other Governmental Charges.**

(a) The Company shall pay, as the same become due, all taxes, assessments, impositions, and governmental charges of any kind whatsoever, general and specific, foreseen and unforeseen, and any and all utilities and other governmental charges that may be lawfully assessed, levied, or imposed on the payments under this Lease Agreement or on or with respect to the Project. The Company shall pay, as the same become due, all utility and other charges incurred in the operation, maintenance, use, and occupancy of the Project and all assessments and charges lawfully made by any governmental body for public improvements to the Project. The Company may allow to exist any indebtedness for any such tax, assessment, charge, levy, or claim; provided any such tax, assessment, charge, levy, or claim is being contested in good faith by appropriate proceedings and the Company shall have established and maintained adequate reserves for the payment of the same.

(b) The Company and the Issuer acknowledge that under Sections 65.948 and 103.285 of the Kentucky Revised Statutes and upon transfer to the Issuer of the Project (including the leasehold interests in the Warehouse Premises under the Warehouse Leases), no ad valorem taxes are presently to be due on the Project financed by the Series 2026 Bonds (including those leasehold interests in the Warehouse Premises), so long as the Series 2026 Bonds are outstanding and to the extent title to the Project or a leasehold interest therein is held by the Issuer, with the exception of the tax on the value of the Company's leasehold interest (including the Company's subleasehold interest in the Warehouse Premises) under this Lease Agreement pursuant to Sections 132.020 of the Kentucky Revised Statutes, and that such ad valorem tax exemption was and is a material factor in inducing the location of the Project in the Commonwealth and the Issuer's environs. As long as such ad valorem tax exemption remains constitutionally valid, the Issuer agrees not to take any action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Project so long as the Series 2026 Bonds are rightly outstanding under the Bond Purchase Agreement and to the extent title to the Project, including title to the leasehold interest in the Warehouse Premises, is therefore held by the Issuer. If any such assessment or levy is threatened or occurs as a result of any action on the part of Issuer, the Commonwealth, or other local taxing authority, the Issuer shall fully cooperate with the Company in all reasonable ways to prevent, remove or mitigate any such levy or assessment. Nothing in this Section shall preclude the Company from contesting as provided by law the assessed value of the Project or any portion thereof or the Company's leasehold interest therein. The Issuer shall cooperate with the Company at the Company's expense in any such contest, in the name of the Company or, if necessary, in the name of the Issuer as fee owner of the Project.

The Company further acknowledges that such ad valorem tax exemption does not apply to improvements and equipment not financed by the Series 2026 Bonds.

**Section 7.10 Insurance.**

(a) Company shall (in lieu of Issuer under the Warehouse Leases) carry liability insurance naming the Warehouse Landlords and other counterparties, and Issuer as additional insured parties, in such amounts and types, and with such carriers, as required under the Warehouse Leases including, but not limited to all risk insurance coverage on the original tenant improvements and alterations made to the Warehouse Premises by or on behalf of Issuer, which as of the Closing Date shall become the responsibility of Company hereunder. Notwithstanding any incorporation by reference of the Warehouse Leases, Company shall continue to maintain all insurance coverages required of Issuer under the Warehouse Leases, and such Company-provided insurance shall be primary and non-contributory. Company shall be responsible to maintain all-risk property insurance coverage on the Company's fixtures, equipment, computers and computer equipment, furnishings and other Company-owned property.

(b) In addition to the insurance required by Section 7.10(a), the Company agrees, at its sole expense, to maintain, or cause to be maintained, insurance policies or self-insurance plans with the Issuer and the Servicing Agent as additional insureds, as their interests may appear (subject to the provisions of Section 16.12 hereof), insuring against such risks and in such amounts as are customarily insured against by entities owning facilities of like size and type as the Project and the Project Site paying, as the same become due and payable, all premiums in respect thereof, including:

- (i) commercial general liability insurance coverage;
- (ii) insurance covering the Project against special form causes of loss (including fire and similar perils) in an amount not less than the replacement cost of the Project;
- (iii) workers' compensation coverage; and
- (iv) any other type of insurance required by the laws of the Commonwealth.

(c) The Company shall require that any contractor employed for construction of the Project provide comprehensive general liability coverage and workers' compensation coverage in amounts customarily carried by contractors with respect to such construction.

(d) The insurance policies or endorsements or self-insurance plans, as the case may be, shall cover the entire Project. The Company shall provide the Issuer and the Servicing Agent with or more certificates of insurance from the insurers or the Company's insurance agent or self-insurance plans, as the case may be, at such times as may be necessary to show that insurance is being maintained as required by this Section 7.10.

(e) Any obligations of the Issuer under this Section 7.10 are in all respects subject to ARTICLE X hereof and shall be assigned, assumed and performed in all respects by the Company pursuant to this Lease Agreement.

**Section 7.11 Liens; Contests.**

(a) The parties recognize that the statutory mortgage lien provided by Section 103.250 of the Kentucky Revised Statutes exists upon the Project and the Project Site (land or leasehold interests in

land, as the case may be) in favor of the Bondholder, but subordinate in all respects to the Permitted Encumbrances and any claims of a Secured Party.

(b) The parties further recognize that the Company's conveyance of title to the Project Site (including any leasehold interests therein) to the Issuer was subject to the Permitted Encumbrances.

(c) Except for security interests or similar liens arising out of or related to the Company's (or its affiliated) financing activities in the ordinary course of business, the Company will not, directly or indirectly, create, incur, assume, or suffer to exist any lien on or with respect to the Project and the Project Site, except (i) the Permitted Encumbrances granted to Secured Parties; (ii) the statutory mortgage lien provided by Section 103.250 of the Kentucky Revised Statutes; (iii) liens for taxes either not yet due and payable or being contested by the Company in good faith by appropriate proceedings, (iv) materialmen's, mechanic's, workmen's, repairmen's, or other like liens arising in the ordinary course of business which are, notwithstanding the fact that payment of the underlying claim may be delinquent and the fact that a lien has been asserted against the Project, (A) being contested in good faith by appropriate proceedings and, (B) if the liens are in an aggregate amount greater than \$500,000.00, immediately or subsequently discharged by bonding or other applicable procedure or process; (v) liens arising out of judgments or awards against the Company which have been bonded or with respect to which, at the time, an appeal or proceeding for review is being prosecuted in good faith and with respect to which there shall have been secured a stay of execution pending the outcome of such appeal or proceeding; and (vi) liens granted to Secured Parties. In connection with all mechanic's or similar statutory liens, and in accordance with Section 376.100 of the Kentucky Revised Statutes, the Issuer hereby recognizes and agrees that the Company shall for purposes of such statute be deemed a person contracting with the Issuer for the furnishing of improvements or services for which any such lien is created, thereby providing the Company with full authority and ability, to the exclusion of the Issuer, to bond any such lien pursuant to such statute. The parties agree to execute any and all further documents that may be required in order to facilitate the authority of the Company provided hereby.

(d) The Company shall have the right, after prior written notice to the Issuer, to contest by appropriate legal proceedings conducted in good faith, all without cost or expense to the Issuer, the validity or application of all present and future laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments, courts, departments, commissions, boards, and officers, or any other body exercising functions similar to those of any of the foregoing, which may be of applicability to the Project and the Project Site or any part thereof, and the Company may delay compliance therewith until the final determination of any such proceeding. If any lien or charge against the Project would or might be incurred by reason of any such delay, the Company nevertheless may contest as aforesaid and delay as aforesaid, provided that the Company bonds any such charge or lien with, or obtains a stay of enforcement from, the court or governmental agency having jurisdiction over any such matter. The rights given to the Company hereunder are intended to be the rights otherwise attributable to the owner of the Project, and shall be exercised hereunder to the exclusion of the Issuer throughout the Term of Agreement.

(e) In connection with this Section 7.11, the parties hereby agree that the results achieved by the Company with respect to its contest of any laws or taxes, shall in all respects be fully and completely binding on the Issuer and that the agreement or disagreement of the Issuer with respect to such outcome shall in no way alter, diminish, or modify the obligations and undertakings of the Issuer hereunder.

(f) Other than the security interest described in Section 10.04 herein, the Issuer shall not grant any lien, charge, or encumbrance whatsoever upon any of the Project under the terms of any instrument or agreement without the prior written consent of the Company, the Purchaser, the Servicing Agent, and the Secured Parties.

**Section 7.12 Easements And Other Rights.** Promptly upon written request of the Company, the Issuer agrees to execute any and all instruments or documents (collectively, “Instruments”) reasonably requested by the Company that may be required (i) in order to provide for easements, licenses, other means of ingress and egress, and such other rights or limited rights with respect to the Project as the Company may reasonably require or (ii) in order for the Company to obtain and maintain any and all licenses, permits, or other governmental or agency approvals that may be necessary or desirable (as determined by the Company) in the conduct of its operations on the Project. All such Instruments shall be prepared by the Company, and shall be approved by the Issuer with respect to form and substance, which approval shall not be unreasonably withheld or delayed. All such Instruments shall be prepared and recorded at the Company’s expense, and shall in no way abridge or modify the rights and obligations of the parties to this Lease Agreement.

**Section 7.13 Modifications Of Project.** Subject to the rights of the Secured Parties, the Company may, also at its own expense, make from time to time any additions, modifications, or improvements to the Project it may deem desirable for its business purposes that do not materially and adversely affect the value of the Project. All such additions, modifications, and improvements to the Project so made by the Company shall become a part of the Project; provided that any buildings, land improvements, personal property, machinery, equipment, or furniture installed by the Company at its own cost (i.e., not financed from proceeds of Series 2026 Bonds) for use in connection with the operation of the Project and which is not essential to the operation of the Project may be removed by the Company at any time and from time to time, and provided further that any damage to the Project occasioned by such removal shall be repaired by the Company at its own expense. Improvements on the Project Site which are not a part of the Project shall be under the Company’s absolute control and dominion.

**Section 7.14 Release Of Portions Of Project Site.** Subject to the rights of the Secured Parties and the Warehouse Leases, the Company shall have the right to release from this Lease Agreement and the leasehold estate created hereby any part of the Project Site (on which Project facilities are not located) at any time and from time to time. Before any such release, the Company and the Issuer, at the Company’s cost, shall furnish the Issuer the following:

(a) a notice in writing containing (i) an adequate legal description of that portion of the Project Site with respect to which such right is to be exercised, and (ii) a statement that the Company intends to exercise its right to the release of such portion of the Project Site on a date stated, which shall not be less than ten nor more than sixty (60) days from the date of such notice; and

(b) a certificate of an Authorized Company Representative, dated not more than sixty (60) days before the date of the release, and stating that, in the opinion of the person signing such certificate (i) the portion of the Project Site with respect to which the right is exercised is not needed for the operation of the Project, and (ii) the release will not materially impair the usefulness of the Project and will not destroy the means of ingress thereto or egress therefrom.

On the date of any such release, the parties shall deliver to the Servicing Agent a duly authorized and executed copy of the appropriate amendment or supplement to this Lease Agreement. The Issuer shall, if requested by the Company, convey good and marketable title to such released portion of the Project Site to the Company by deed (if owned in fee simple by the Issuer), assignment of lease (if part of the Warehouse Premises), such other instruments as may be necessary or combination thereof, all in form and substance mutually agreeable to the parties, subject to the following: (i) those liens and encumbrances (if any) to which title to the Project Site was subject when acquired by the Issuer (including liens in favor of any Secured Parties); (ii) those liens and encumbrances created or consented to by the Company and Issuer after the Project Site was acquired by the Issuer in favor of one or more Secured Parties; and (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on

its part contained in this Lease Agreement. Such documents shall be prepared by the Company and all expenses of the Issuer incurred in connection with such release and conveyance shall be paid by the Company.

If the parties hereto shall exercise the right granted to them under this Section 7.14, the Company shall not be entitled to any abatement or diminution of the payments under Section 4.03 hereof, unless the Company elects to make an additional rental payment equal to the portion of the then-outstanding balance of the Series 2026 Bonds associated with the financing of the costs of such removed portion of the Project Site.

If the parties hereto shall exercise the right granted to them under this Section 7.14, the portion of the Project released to the Company by the Issuer shall be subject to all property taxes levied by the Issuer or the Commonwealth or any political **subdivision thereof, effective as of the date of such release.**

**Section 7.15 Additions, Modifications or Replacements of and to Project Facilities after Placed in Service.** The Company in making modifications, replacements and renewals of and to the Expansion Project pursuant to the provisions of Section 7.06, additions, modifications, or improvements to the Expansion Project pursuant to the provisions of Section 7.13 or any other changes, additions or improvements at the Expansion Project that constitute or after installation will constitute machinery actually engaged in manufacturing within the meaning of KRS 132.020 and 132.200 (collectively, “New Assets”), may elect to treat the costs of such New Assets as additional Costs of Construction, convey or cause to be conveyed to the Issuer title to the New Assets pursuant and Section 3.03 seek an advance pursuant to Section 3.08 or Section 3.09 to pay or reimburse those Costs of Construction, provided that the total aggregate principal amount of all Series 2026 Bond proceeds outstanding at any time shall not exceed the Maximum Revolving Principal Amount. It is recognized and acknowledged that the Company may install in and about the Expansion Project at its own expense machinery, equipment and other general property to which it may choose to retain title. All such machinery, equipment and property to which the Company chooses to retain title shall remain the sole property of the Company and shall not be conveyed to the Issue

**Section 7.16 Removal Of Project Facilities.** Subject to the rights of the Secured Parties, the Company and the Issuer shall not be under any obligation to renew, repair, or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Project facilities, except as may be otherwise required herein. In any instance where the Company, in its reasonable discretion, determines that any portion of Project facilities have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Company may remove such portion of Project facilities and may, on behalf of the Issuer, sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) and may retain any proceeds of such disposal. The removal from the Project of any portion of the Project facilities pursuant to the provisions of this Section 7.14 shall not entitle the Company to any abatement or diminution of the payments required under Section 4.02 and Section 4.03 hereof, unless the Company elects to make an additional rental payment equal to the portion of the then-outstanding balance of the Series 2026 Bonds associated with the financing of the costs of such removed Project facilities.

**Section 7.17 Project Facilities List.** The Company shall maintain a list setting forth in reasonable detail all items constituting the Project and financed by the Series 2026 Bonds.

**Section 7.18 Environmental Use Of Project.** Subject to the rights of the Secured Parties, the Company shall not use the Project (including the Project Site) in any manner so as to violate in a material way any applicable law, rule, regulation, or ordinance of any governmental entity or authority or in such manner as to vitiate insurance upon the Project. The Company shall not commit or permit any waste upon the Project which would materially decrease the value of the Project. The Company shall materially comply with all regulations concerning the environment, health, and safety relating to the generation, use, handling,

production, disposal, discharge, and storage of Hazardous Materials, as defined herein, in, on, under, or about the Project. The Company shall promptly take any and all necessary action in response to the presence, storage, use, disposal, transportation, or discharge of any Hazardous Materials in, on, under or about the Project by the Company or persons acting on behalf of or at the direction of the Company as all applicable laws, rules, regulations, or ordinances may require; provided, however, that the Company shall notify the Issuer if it takes any material remedial action in response to the presence of any Hazardous Materials in, on, under, or about the Project, or enters into any settlement agreement, consent decree, or other compromise with respect to any claims, proceedings, lawsuits, or actions, completed or threatened pursuant to any Hazardous Materials laws or in connection with any third party; notice to the Issuer shall not be necessary if the presence of Hazardous Materials in, on, under, or about the Project either (i) poses an immediate threat to the health, safety, welfare or property right of any individual, or (ii) is of such a nature that an immediate remedial response is necessary under applicable laws, rules, regulations, or ordinances, and in either case it is not possible to obtain the Issuer's consent before undertaking such action. If the Company undertakes any remedial action with respect to any Hazardous Materials on, under, or about the Project, the Company shall immediately notify the Issuer of any such remedial action, and shall conduct and complete such remedial action (A) in substantial and material compliance with applicable federal, state, and local laws, regulations, rules, ordinances, and policies and (B) in accordance with the orders and directives of all governmental authorities.

The Company shall protect, indemnify, and hold the Issuer and its officials, officers, employees, and agents and the Servicing Agent and its officers, employees, and agents harmless from and against any and all claims, proceedings, lawsuits, liabilities, damages, losses, fines, penalties, judgments, settlements, awards, costs, and expenses (including reasonable attorneys' fees and costs and expenses of investigation and proof actually incurred) to the extent arising out of or relating in any way to any generation, use, handling, production, transportation, disposal, or storage of any Hazardous Materials in, on, under, or about the Project (including the Project Site) by the Company or by any person acting on behalf of or at the direction of the Company, including (i) all foreseeable and all unforeseeable consequential damages directly or indirectly arising out of (A) the use, generation, storage, discharge, or disposal of Hazardous Materials by the Company, or persons acting on behalf of or at the direction of the Company, (B) any residual contamination affecting any natural resource or the environment, or (C) the existence of Hazardous Materials on or about the Project before the effective date of this Lease Agreement, and (ii) the costs of any required or necessary repair, cleanup, or detoxification of the Project and the preparation of any closure or other required plans (all such costs, damages, and expenses referred to in this Section 7.18 hereafter referred to as "Expenses"); provided there shall be no such indemnification of the Issuer and its commissioners, officers, employees, and agents upon any gross negligence or intentional misconduct of the Issuer or any of its commissioners, officers, employees, or agents. In addition, the Company agrees that if any Hazardous Material is caused to be removed from the Project by the Company, the Issuer, or any other person or entity, such Hazardous Material shall be considered generated, transported, or disposed of solely in the Company's name and the Company shall assume any and all liability for such removed Hazardous Material. The Company's indemnification of the Issuer and the Servicing Agent shall be a continuing indemnification and shall remain in full force and effect notwithstanding the expiration or termination of this Lease Agreement.

As used herein, the term "Hazardous Materials" shall mean: (i) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other substances, materials or pollutants that (A) pose a hazard to the Project or the Project Site, to adjacent premises or to persons on or about the Project or adjacent premises, (B) that cause the Project to be in violation of any local, state, or federal law, rule, regulation, or ordinance, or (C) which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances" or words of similar import under any applicable local, state, or federal law or under the regulations, policy guidelines or other publications adopted or promulgated pursuant thereto, including (1)

the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., (2) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq., (3) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, et seq., (4) the Clean Air Act, 42 U.S.C. §7412 and amendments thereto, (5) the Toxic Substance Control Act, 15 U.S.C. §2601 et seq., (6) the Clean Water Act, 33 U.S.C. §1317 and §1321(b)(2)(A) and (7) rules, regulations, ordinances, and other publications adopted or promulgated pursuant to the aforesaid laws; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation; and (iii) any other chemical, material, or substance, exposure to which is prohibited, limited, or regulated by any governmental authority or may or could pose a hazard to the health and safety or property interests of the Company or its employees, the occupants of the Project or the owners or occupants of property adjacent to or surrounding the Project.

**Section 7.19 Notice Of Proposed Plan Or Petition.** The Issuer shall provide the Company notice of any submission by the Issuer of any proposed plan of bankruptcy or reorganization to the State Local Debt Officer, or any successor thereof, for approval pursuant to Section 66.400 of the Kentucky Revised Statutes or the filing of a petition of bankruptcy or reorganization with any applicable governmental authority no later than thirty (30) days before the date the Issuer submits or files any such proposed plan or petition.

**Section 7.20 Rights Related To Municipal Annexation or Transfer.** The Issuer and the Company agree that the Company shall retain all rights arising from and related to the proposed annexation or transfer of all or any portion of the Project by any city, municipal corporation, or other political subdivision. The Issuer and the Company further agree that (a) the Issuer shall provide the Company notice of such proposed annexation or transfer of the Project, pursuant to Section 81A.425 or 81.500 of the Kentucky Revised Statutes or other authority, within two Business Days of the Issuer's receipt of such notice or knowledge of such proposed annexation or transfer; (b) the Issuer shall not consent to any such proposed annexation or transfer of the Project without the Company's prior written consent, which the Company can withhold for any reason; (c) if timely requested by the Company, the Issuer shall petition, at the Company's expense, pursuant to Section 81A.420(2) of the Kentucky Revised Statutes or other authority in opposition to any such proposed annexation of the Project; (d) if timely requested by the Company, the Issuer shall petition, at the Company's expense, pursuant to Section 81.500(3) of the Kentucky Revised Statutes or other authority, in favor of any proposed transfer of the Project; and (e) that the Company can assert any right provided to parties opposing the annexation of property under Section 81A.510 of the Kentucky Revised Statutes or other authority in its own name and right and in the Issuer's name and right.

**Section 7.21 Bankruptcy.** If this Lease Agreement is rejected by a trustee or debtor in possession in any bankruptcy or insolvency proceeding or this Lease Agreement is terminated, and within thirty (30) days after such rejection or termination, any Secured Party or its transferee has cured or arranged to cure any default by the Company or any Secured Party under this Lease Agreement or any Issuer Document as of the date of such rejection or termination, then the Issuer agrees that it will, to the extent permitted by law and the Issuer Documents, execute and deliver to such Secured Party or such transferee a new lease agreement for the Project, which (a) shall be for a term equal to the remaining term of the terminated Lease Agreement, before giving effect to such rejection or termination, and (b) except as provided in subsection (a) above, shall be the same in form and substance as this Lease Agreement.

## **ARTICLE VIII CONDITION OF PROJECT SITE**

**Section 8.01 Inspection of Project Site.** Company acknowledges that it has inspected and is fully familiar with the Project Site (including the Warehouse Premises and that the Project Site will be delivered in an "as-is where-is" condition.

**ARTICLE IX  
USE**

**Section 9.01 Use of Project Site.** Company may occupy and use the Project Site (including the Warehouse Premises) as for any legal use and for no other purpose. The Project Site shall not be used or occupied for any purpose except as expressly permitted under this Lease Agreement, and additional the Riverside premises shall not be use or occupied for any purpose except as or occupied for any purpose except as expressly permitted under the Warehouse Leases and this Lease Agreement.

**ARTICLE X  
ASSIGNMENT; SUBLETTING; NONRECOURSE; INDEMNITY**

**Section 10.01 Assignment.** Subject to the rights of the Secured Parties, this Lease Agreement may be assigned, or the Project may be subleased, by the Company without the necessity of obtaining the consent of the Issuer or the Purchaser, subject, however, to each of the following conditions:

(a) No assignment or sublease shall relieve the Company from primary liability for any of its obligations hereunder, and, upon any such assignment or sublease, the Company shall continue to remain primarily liable for payment of the amounts specified in Section 4.02 and Section 4.03 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it, to the same extent as though no assignment or sublease had been made.

(b) The Company shall, within thirty (30) days after a written request therefor, furnish or cause to be furnished to the Issuer and to the Bondholder a true and complete copy of each assignment or sublease and assumption of obligation, as the case may be.

Anything herein to the contrary notwithstanding, the Company's interest in this Lease Agreement may not be assigned, or more than an insubstantial part of the Project subleased, unless (i) such assignment or sublease shall be to any entity constituting a member of any Control Group to which the Company belongs; (ii) such assignment is made in connection with the enforcement of any right or remedy by any Secured Party with respect to any pledge or collateral assignment of the Purchaser's right, title, or interest in and to the Lease Agreement; or (iii) the Company shall have furnished to the Issuer and the Bondholder an opinion of Bond Counsel to the effect that the proposed assignment or sublease will not impair the validity of the Series 2026 Bonds under the Act.

**Section 10.02 Release And Indemnification Covenants.**

(a) The Company shall and hereby agrees to indemnify, save, and defend the Issuer and the Servicing Agent harmless against and from all claims by or on behalf of any person, firm, corporation, or other legal entity arising from the conduct or management by the Company or any of its contractors, subcontractors, agents, assigns, or sublessees of, or from any work or thing done by the Company or any of its contractors, subcontractors, agents, assigns, or sublessees on, the Project during the Term of Agreement, including (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under the Company Documents, (iii) any act of negligence of the Company or of any of its agents, contractors, servants, employees, licensees, assigns, or sublessees or (iv) any act of negligence of any assignee or lessee of the Company, or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Company. If any action shall be brought against the Issuer or the Servicing Agent in respect of which indemnity hereunder may be sought against the Company, then the Issuer or the Servicing Agent, as the case may be, shall promptly notify the Company in writing, and the Company at its option may or, at the request of the Issuer or the Servicing Agent, as the case may be, shall assume the defense thereof, including the employment of counsel and the

right to negotiate and consent to settlement. If the Company assumes the defense thereof, the Issuer or the Servicing Agent, as the case may be, shall have the right to employ separate counsel in any such action and to participate in the defense thereof, provided that the fees and expenses of such counsel shall be at the expense of the Issuer or the Servicing Agent, as the case may be, unless the employment of such counsel has been authorized in writing by the Company. The Company shall not be liable for any settlement of any such action effected without its consent.

(b) Notwithstanding the fact that it is the intention of the parties hereto that the Issuer shall not incur any pecuniary liability by reason of the terms of this Lease Agreement or the undertakings required of the Issuer hereunder, by reason of the issuance of the Series 2026 Bonds, by reason of the execution of the Bond Purchase Agreement or the Assignment or by reason of the performance of any act requested of the Issuer by the Company, including, but not limited to, all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer should incur any such pecuniary liability, then the Company shall indemnify, defend, and hold the Issuer harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm, corporation or other legal entity arising out of the same or out of any offering statement in connection with the sale or resale of the Series 2026 Bonds and all reasonable costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon. If any action shall be brought against the Issuer in respect of which indemnity hereunder may be sought against the Company, the Issuer shall promptly notify the Company in writing, and the Company at its option may or, at the request of the Issuer, shall assume the defense thereof, including the employment of counsel, and the right to negotiate and consent to settlement. If the Company assumes the defense thereof, the Issuer shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Issuer. The Company shall not be liable for any settlement of any such action effected without its consent. All references to the Issuer in this Section 10.02 shall be deemed to include its officials, officers, employees, and agents.

(c) The Company shall and hereby agrees to indemnify the Servicing Agent for, and hold it harmless against, any loss, liability, or expense (including the reasonable costs and expenses of defending against any claim of liability) incurred without the negligence or willful misconduct by the Servicing Agent and to the extent arising out of or in connection with the acceptance or administration of its duties as Servicing Agent under the Bond Purchase Agreement. If any action shall be brought against the Servicing Agent in respect of which indemnity hereunder may be sought against the Company, the Servicing Agent shall promptly notify the Company in writing, and the Company at its option may assume the defense thereof, including the employment of counsel and the right to negotiate and consent to settlement. If the Company assumes the defense thereof, the Servicing Agent shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Servicing Agent unless the Company shall have consented in writing to the employment of such counsel. The Company shall not be liable for any settlement of any such action effected without its consent.

(d) Notwithstanding anything to the contrary in this Section 10.02, the Company shall have no obligation to indemnify the Issuer against claims, demands, causes of action, cost, expenses, or damages resulting from or connected with the gross negligence or willful misconduct of the Issuer.

(e) The Company's indemnification of the Issuer and the Servicing Agent shall be a continuing indemnification and shall remain in full force and effect notwithstanding the expiration or termination of this Lease Agreement.

**Section 10.03 Redemption Of Series 2026 Bonds.** The Company shall have and is hereby granted the option to prepay the Primary Rent Payments hereunder and thus cause all or a portion of the

Series 2026 Bonds to be redeemed at the times and at the prices permitted by the Bond Purchase Agreement and, if the Company exercises such option, it shall notify the Servicing Agent as provided in the Bond Purchase Agreement. The Issuer, at the Company's request, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Bond Purchase Agreement to effect redemption of all or part of the Outstanding Series 2026 Bonds, as the Company may specify, on the date established for such redemption. Any amount so prepaid which is less than the full unpaid principal amount of the Series 2026 Bonds shall be credited against the rentals representing the installment or installments of principal due on the Series 2026 Bonds being redeemed.

**Section 10.01 Mandatory Extraordinary Redemption Of Series 2026 Bonds.** The Series 2026 Bonds are subject to extraordinary mandatory redemption before maturity in whole pursuant to Section 3.04(d) of the Bond Purchase Agreement. Upon the occurrence of mandatory redemption, an amount equal to all amounts then due and payable on the Series 2026 Bonds shall be immediately due and payable. Notwithstanding anything to the contrary in this Lease Agreement, as long as (i) the Series 2026 Bonds are held by the Purchaser or an assignee or transferee of the Purchaser related to or for the benefit of an affiliate of the Company and (ii) the lessee under this Lease Agreement is the Company, the Company's obligation to make payments pursuant to this Section 10.01 and the Purchaser's right to receive the same will be deemed satisfied by intercompany journal entries reflecting intercompany payment and receipt of such payment, and no funds need be transferred pursuant to Section 3.04 of the Bond Purchase Agreement and this Section 10.01. The provisions of the immediately preceding sentence shall survive any bankruptcy or liquidation of the Company or the Purchaser or such assignee.

**Section 10.02 Issuer To Grant Security Interest To Servicing Agent.** The parties hereto agree that pursuant to the Assignment, the Issuer is assigning to the Servicing Agent, in order to secure payment of the Series 2026 Bonds, all of the Issuer's remaining right, title, and interest in and to this Lease Agreement, except for the Issuer's rights, protections and remedies provided by Section 4.03(b), Section 7.09(b), Section 7.18, Section 10.02, Section 13.06, Section 15.02, and Section 15.03 hereof.

**Section 10.03 Special And Limited Obligations Of Issuer.** This Lease Agreement shall be a special and limited obligation of the Issuer payable solely from the Pledged Receipts and other rights that may be pledged hereunder, and shall be a valid claim of the Purchaser only against the Primary Rent Payments and any amounts other than Warehouse Rent Payments due or to become due from Company under this Lease Agreement, all of which are hereby pledged hereunder for the payment of the Bond Purchase Agreement and shall be used for no other purpose than as set out above except as may be otherwise expressly authorized in the Bond Purchase Agreement. The parties recognize that the statutory mortgage lien provided by Section 103.250 of the Kentucky Revised Statutes exists upon the Project and Project Site (land or leasehold interests in land, as the case may be) in favor of the Series 2026 Bondholder, subject only to the preexisting rights of the Secured Parties and of the Warehouse Landlords to the Warehouse Premises under the Warehouse Leases. This Lease Agreement and the Warehouse Leases do not constitute a debt or liability of the Issuer, or of any agency or political subdivision thereof, other than a special and limited obligation of the Issuer, or a pledge of the faith and credit of the Issuer, or any agency or political subdivision thereof, other than a special and limited obligation of the Issuer, but shall be payable solely from the Primary Rent Payments, Warehouse Rent Payments and Pledged Receipts. The execution of this Lease under the provisions of the Act does not directly, indirectly, or contingently obligate the Issuer, or any agency or political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment, and this Lease Agreement and the Primary Rent Payments and any other amounts payable hereunder, along with the Warehouse Leases, do not now and shall never constitute a debt of the Issuer, or any agency or political subdivision thereof within the meaning of the constitution or the statutes of the Commonwealth and do not now and shall never constitute a charge against the credit or taxing power of the Issuer, or any agency or political subdivision thereof. The Issuer shall not in any event be liable for the payment of the Primary Rent Payments or any other amounts payable under this Lease

Agreement or the Warehouse Leases or for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by the Issuer. No breach by the Issuer of any such pledge, mortgage, obligation, or agreement may impose any liability, pecuniary or otherwise, upon the Issuer or any charge upon its general credit or against its taxing power.

**Section 10.04 Immunity of Officials, Officers, And Employees of Issuer.** No recourse shall be had for the payment of the Primary Rent Payments, Warehouse Rent Payments and any other amounts payable under this Lease Agreement or the Warehouse Leases or for any claim based thereon or upon any obligation, covenant, or agreement in this Lease Agreement or in any Warehouse Lease against the Issuer, the Commonwealth, any past, present, or future official, officer, director, member, employee, or agent of the Issuer or the Commonwealth, or any incorporator, official, officer, director, member, trustee, employee, or agent of any successor entity or body politic of the Issuer or of the Commonwealth or any agency or instrumentality thereof, as such, either directly or through the Issuer or any successor entity or body politic or of the Commonwealth or any agency or instrumentality thereof, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officials, officers, directors, trustees, members, employees, or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Assignment of Warehouse Leases and the execution of this Lease Agreement. This Lease Agreement is tendered as a nonrecourse instrument; if there is a default under a Warehouse Lease or this Lease Agreement which remains uncured (a) neither the Issuer nor or any of its officials or employees shall be directly or personally liable for or obligated to make any Primary Rent Payments, Warehouse Rent payments or other payments or amounts outstanding under this Lease Agreement (other than to remit over to Purchaser all Pledged Receipts received from the Company under this Lease Agreement), (b) neither the Purchaser or the Company shall seek, commence or prosecute any action against or obtain a judgment against the Issuer for payment of amounts due (other than to remit over to Purchaser all payments of Pledge Receipts received from the Company under this Lease Agreement) or performance of any other obligation under this Lease Agreement, whether by subrogation, reimbursement, contribution, indemnity or otherwise arising by contract or operation of law; and (c) Warehouse Landlords' and Purchaser's sole remedy and recourse for all obligations under this Lease Agreement and the Warehouse Leases shall be limited to enforcement of the Company's obligations under this Lease Agreement and the Warehouse Leases.

**Section 10.05 Indemnification.** Company shall indemnify the Issuer and its elected officials, employees and contractors (collectively the "Issuer Indemnitees"), and hold each Issuer Indemnitee harmless from, any and all any costs, expenses (including reasonable attorney's fees and disbursements), damages, claims, demands, actions, losses or liabilities incurred by or asserted against any Issuer Indemnitee by any person other than such Issuer Indemnitee arising out of, in connection with, or as a result of the execution or delivery of this Lease Agreement, the Assignment of Warehouse Leases or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby. The obligations of Company under this Section 10.07 and all other parts of this Article X shall survive termination of the Warehouse Leases and this Lease Agreement.

## **ARTICLE XI TERM OF AGREEMENT; ELECTION TO TERMINATE AGREEMENT BY ISSUER**

**Section 11.01 Term of Agreement.** The "Term of Agreement" of this Lease Agreement shall be as follows:

(a) with respect to the portion of the Warehouse Premises leased to Issuer under each Warehouse Lease, the Term of Agreement of this Lease Agreement shall commence on the Closing Date

and shall terminate on the earlier to occur of (i) the Term under said Warehouse Lease (the “Expiration Date”), or (ii) the Maturity Date, unless sooner terminated as herein provided. The Company shall have the right to exercise all options to extend the Term under the Warehouse Lease, if any, on behalf of Issuer, provided that no such extension may extend this Lease Agreement with respect to said Premises beyond the Maturity Date; and

(b) with respect to the Project other than the Warehouse Premises, the Term of Agreement of this Lease Agreement shall commence on the Closing Date and shall terminate on the Maturity Date, unless sooner terminated as herein provided.

**Section 11.02 Issuer’s Right to Terminate.** The Issuer may elect to terminate this Lease Agreement and the Bonds at any time on or after the twentieth anniversary of Closing Date as follows:

(a) Within thirty (30) days of the twentieth anniversary of the Closing Date, the Company shall provide written notice to the Issuer of the availability of Issuer’s right to terminate this Lease Agreement.

(b) To exercise its right under this Section 11.02, Issuer shall give written notice of its election to terminate this Lease Agreement to the Company, the Servicing Agent and the Bondholder. Unless earlier rescinded, within thirty (30) days after delivery of the Issuer’s notice the Company shall deliver to Issuer documents executed by or on behalf of the Company conveying good and marketable fee simple title to the Company by deed, bill of sale, assignment or such other instruments as may be necessary, all in form and substance mutually agreeable to the parties, subject to the following (i) those liens and encumbrances, if any, to which title to the Project was subject when acquired by the Issuer, unless subsequently released, (ii) those liens and encumbrances created or consented to by the Company, and (iii) those liens and encumbrances resulting from the Company’s failure to perform or observe any of its duties in this Lease Agreement. The documents shall be promptly executed by the appropriate official or officials of Issuer and returned to the Company to be recorded, as necessary, in the records of the office of the Clerk. Termination of this Lease Agreement shall be effective upon delivery to the Company of the fully-executed documents of transfer (the “Elective Termination Date”).

(c) The Company and the Issuer each are expressly authorized to secure specific performance if either party fails to perform as required by this Section 11.02 in a court of competent jurisdiction sitting in the Commonwealth of Kentucky, in addition to all other rights and remedies at law or in equity. Except as otherwise provided herein, the provisions of this Section 11.02 shall survive the termination or expiration of this Lease Agreement.

## **ARTICLE XII ISSUER’S PROPERTY ON WAREHOUSE PREMISES; ALTERATIONS**

**Section 12.01 Company Barrels and Other Property on Warehouse Premises.** Subject to the terms of the Warehouse Leases, all barrels and other articles of personal property owned by the Company and stored or otherwise located in the Warehouse Premises, title to which has not been expressly transferred to the Issuer shall be and shall remain the property of the Company and may be removed by the Company at any time during the Term of Agreement.

## **ARTICLE XIII DEFAULTS AND REMEDIES**

**Section 13.01 Defaults Defined.** The following shall be “Defaults” under this Lease Agreement and the term “Default” shall mean, whenever it is used in this Lease Agreement, any of the following events:

(a) Failure by the Company to pay or otherwise satisfy any amount required to be paid under Section 4.02 hereof that results in a default under a Warehouse Lease;

(b) Failure by the Company to pay or otherwise satisfy any amount required to be paid under Section 4.03 hereof that results in a failure to pay or otherwise satisfy principal of or interest on the Series 2026 Bonds, and such failure causes an Event of Default under the Bond Purchase Agreement;

(c) Failure by the Company to observe and perform any material covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 13.01(a) hereof, for a period of thirty (30) days after receipt by the Company and any Secured Parties of written notice from the Servicing Agent or the Bondholder specifying such failure and requesting that it be remedied, unless the Servicing Agent or the Bondholder shall agree in writing to an extension of such time before its expiration or such notice is rescinded; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Servicing Agent or the Bondholder, as applicable, will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Company or any Secured Party within the applicable period and diligently pursued until such failure is corrected, and if the Authorized Company Representative delivers a notice to the Servicing Agent or the Bondholder, as applicable, designating the date by which such failure is expected to be corrected;

(d) The Company's (i) voluntary initiation of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt, or any other form of debtor relief, (ii) the initiation against the Company of any such proceeding which shall remain undismissed or unstayed for sixty (60) consecutive days, (iii) failure by the Company to promptly have discharged or stayed any execution, garnishment or attachment of such consequence as would materially impair the Company's ability to carry on its operations at the Project, (iv) assignment by the Company for the benefit of creditors, or (v) the Company's entry into an agreement of composition with its creditors;

(e) The occurrence of an Event of Default under the Bond Purchase Agreement if such Event of Default is due to the action or inaction of the Company; or

(f) The occurrence of an event of default under any instrument governing or securing any obligation owed to a Secured Party and for which the Series 2026 Bonds or the Project serve as security.

The provisions of subsection (b) of this Section 13.01 are subject to the following limitation: if by reason of Force Majeure the Company is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in ARTICLE IV hereof), the Company shall not be deemed in Default during the continuance of such inability. The Company agrees, however, to use reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreement, provided that the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Company and the Company shall not be required to settle strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the sole judgment of the Company unfavorable to the Company.

**Section 13.02 Failure to Pay Warehouse Rent Payments; Remedies of Counterparties.** If the Company shall fail to pay any amount required to be paid under Section 4.02 hereof, Issuer may serve upon Company a written notice of termination of this Lease Agreement on a date specified therein, which date shall be no earlier than 30 days after the date of the service of such notice, and (a) this Lease Agreement and the Term of Agreement thereof shall end and expire on and as of such date as fully and completely as if the date specified in such notice were the Expiration Date, (b) Company shall relinquish all rights to the Warehouse Premises under this Lease Agreement, subject to the Permitted Encumbrances or any other pre-existing liens or encumbrances, (c) Issuer shall relinquish to Company all rights to the Warehouse Premises

previously assigned, and (d) only the Company shall remain liable to the Warehouse Landlords for all remedies any or all may seek as otherwise provided to the Warehouse Landlord pursuant to the Warehouse Lease.

**Section 13.03 Warehouse Lease Notices.** Whenever a notice is given or received pursuant to the Warehouse Lease, or this Lease Agreement by or to Issuer or Company which has relevance to the Warehouse Premises, Issuer and Company each agree promptly to provide the other with a copy of such notice. Any notice, demand or communication which, under the terms of the Warehouse Leases or this Lease Agreement or under any statute or municipal regulation, must or may be given or made by the parties hereof, shall be in accordance with the notice provisions of Section 16.02.

**Section 13.04 Remedies On Default.** Whenever any Default referred to in Section 13.01 hereof shall have happened and be continuing, the Bondholder or the Issuer may take one or any combination of the following remedial steps:

(a) If the Bondholder has declared the Series 2026 Bonds immediately due and payable pursuant to Section 7.02 of the Bond Purchase Agreement, by written notice to the Issuer and the Company, declare an amount equal to all amounts then due and payable on the Series 2026 Bonds, whether by acceleration of maturity (as provided in the Bond Purchase Agreement) or otherwise, to be immediately due and payable as liquidated damages under this Lease Agreement and not as a penalty, whereupon the same shall become immediately due and payable;

(b) Order the Servicing Agent to terminate the disbursement of any moneys in the Construction Fund and apply such moneys to the payment of any amounts then due or to become due under this Lease Agreement; or

(c) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Company under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section 13.04 shall be applied in accordance with the provisions of this Lease Agreement and the Bond Purchase Agreement.

**Section 13.05 No Remedy Exclusive.** Subject to Section 6.02 of the Bond Purchase Agreement, no remedy herein conferred upon or reserved to the Issuer or the Bondholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power so long as the Default is continuing or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. To entitle the Issuer or the Bondholder to exercise any remedy reserved to it in this ARTICLE XIII, it shall not be necessary to give any notice, other than such notice as may be required in this ARTICLE XIII. The Bondholder, subject to the provisions of the Assignment, shall be entitled to the benefit of all covenants and agreements herein contained.

**Section 13.06 Agreement To Pay Attorneys' Fees And Expenses.** If any Default shall have occurred and the Issuer or the Bondholder should employ attorneys or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, within 10 Business Days after demand therefor, pay to the Issuer or the Bondholder the reasonable fee of such attorneys and such other reasonable expenses so incurred by the Issuer or the Bondholder.

**Section 13.07 No Additional Waiver Implied By One Waiver.** If any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

#### **ARTICLE XIV SUBORDINATION TO WAREHOUSE LEASES**

**Section 14.01 Subordination.** This Lease Agreement is subject and subordinate to the Warehouse Leases and to all leases and mortgages to which the Warehouse Leases may now or hereafter become subject and subordinate. Company shall execute any certificates confirming such subordination which Warehouse Landlord or Issuer may reasonably request.

#### **ARTICLE XV OPTION TO TERMINATE AGREEMENT BY COMPANY; PURCHASE OF PROJECT BY COMPANY**

**Section 15.01 Option To Terminate At Any Time.** Subject to the rights of Secured Parties, the Company shall have, and is hereby granted, the option to terminate its obligations under this Lease Agreement at any time by providing for Payment in Full of the Series 2026 Bonds in accordance with Section 3.04 of the Bond Purchase Agreement.

**Section 15.02 Company's Option To Purchase the Project.** Subject to the rights of Secured Parties, the Company shall have, and is hereby granted, the option to purchase the Project, including the Warehouse Premises, at any time before the expiration of the Term of Agreement upon payment of TEN DOLLARS (\$10.00) to the Issuer and upon Payment in Full of the Series 2026 Bonds, through prepayment of Primary Rent Payments hereunder or otherwise, provided that, as of the date of such purchase, all fees, expenses, and charges due and payable under the provisions of this Lease Agreement and the Bond Purchase Agreement shall have been paid by the Company and the Issuer receives certificates to that effect from the respective recipients of such fees, expenses, and charges. To exercise such option the Company shall give written notice to the Issuer and the Servicing Agent, if any, of the Outstanding Series 2026 Bonds shall then be unpaid or provision for their payment shall not have been made in accordance with the provisions of the Bond Purchase Agreement, and shall specify therein the date of closing such purchase, which date shall be not less than fifteen (15) nor more than ninety (90) days from the date such notice is given; and in respect of the redemption of the Series 2026 Bonds in accordance with the provisions of the Bond Purchase Agreement, the Company shall make arrangements reasonably satisfactory to the Servicing Agent for the giving of the required notice of redemption in accordance with the applicable provisions of the Bond Purchase Agreement. The option granted to the Company by this Section 15.02 shall survive termination of this Lease Agreement.

The Issuer shall not contest any election by the Company to purchase the Issuer's interest in the Project pursuant to this ARTICLE XV as a result of the submission by the Issuer of a proposed plan of bankruptcy or reorganization to the State Local Debt Officer pursuant to Section 66.400 of the Kentucky Revised Statutes or the filing of a petition of bankruptcy or reorganization with any applicable governmental authority and in such case the Issuer shall fully cooperate with the Company in all respects to convey Issuer's interest, title or combination thereof to the Project and the Project Site to the Company despite any such proposed plan or filing.

No purchase price shall be required or paid with respect to any purchase of the Project pursuant to this ARTICLE XV if the Bondholder is a member of any Control Group to which the Company belongs.

**Section 15.03 Conveyance Of Project.** At the closing of any purchase of the Project pursuant to this ARTICLE XV, the Issuer will, upon receipt of the purchase price, deliver to the Company the following:

(a) An acknowledgment that this Lease Agreement has been terminated and, if at that time the Bond Purchase Agreement shall not have been satisfied in full, a release from the Purchaser of the Issuer's assignment of its rights under this Lease Agreement to the Purchaser pursuant to the Assignment; and

(b) Documents conveying to the Company good and marketable fee simple title or leasehold title to the Project, including the Warehouse Premises, by deed, bill of sale, assignment or such other instruments as may be necessary, all in form and substance mutually agreeable to the parties, subject to the following (i) those liens and encumbrances, if any, to which title to the Project was subject when acquired by the Issuer, unless subsequently released, (ii) those liens and encumbrances created or consented to by the Company, and (iii) those liens and encumbrances resulting from the Company's failure to perform or observe any of its duties in this Lease Agreement.

The documents described in (i), (ii), and (iii) of the immediately preceding paragraph (b) shall be prepared by the Company and all reasonable expenses of the Issuer incurred in connection with such conveyance shall be paid by the Company.

Notwithstanding the foregoing, either (i) on the date specified in the Company's notice to the Issuer exercising the Company's option to purchase the Project and upon Payment in Full of the Series 2026 Bond or (ii) upon termination of this Lease Agreement, legal and equitable title to the Project automatically shall be transferred from Issuer to the Company notwithstanding the fact that no deed, bill of sale, assignments, or combination thereof has been executed and delivered by the Issuer. It is the intention of the parties that at the conclusion of the Term of this Lease Agreement, including by exercise of the Company's option pursuant to Section 15.02, title to the Expansion Project automatically shall be vested in the Company notwithstanding the Issuer's delivery or failure to deliver a deed, bill of sale, assignments or other instruments of transfer.

The Company expressly is authorized to secure specific performance of the Issuer in a court of competent jurisdiction sitting in the Commonwealth to enforce the Company's option to purchase pursuant to Section 15.02 in addition to all other rights and remedies at law or in equity. Except as otherwise provided herein, the provisions of this ARTICLE XV shall survive the termination or expiration of this Lease Agreement. The Issuer names, appoints and constitutes the Company as its irrevocable attorney-in-fact, coupled with an interest, the interest being the Company's leasehold estate hereunder, to execute and deliver any deed, bill of sale, and assignment as provided above and to execute all other documents and to undertake all other action necessary to effect the transfer of the Project pursuant to this ARTICLE XV. In order to fully effect the Company's right and interest under this ARTICLE XV, the Company's appointment as the Issuer's attorney-in-fact cannot be terminated, nullified or revoked by the Issuer or otherwise by operation of law, notwithstanding anything contained herein to the contrary. Furthermore, any Event of Default by the Company under this Lease Agreement shall not affect the Company's authority under its appointment, as the Issuer's attorney-in-fact.

Upon the closing of any purchase of the Project pursuant to this ARTICLE XV, the Project shall be subject to all property taxes levied by the Issuer, the Commonwealth, or any political subdivision thereof, effective as of the date of the Company's purchase of the Project from the Issuer.

No purchase price shall be required or paid with respect to any purchase of the Project pursuant to this ARTICLE XV if the Bondholder is a member of any Control Group to which the Company belongs.

**Section 15.04 Obligation to Purchase Project.** The Company hereby agrees to purchase, and the Issuer hereby agrees to sell, the Issuer's interest in the Project, for \$10.00 at the expiration of the Term of Agreement following Payment in Full of the Series 2026 Bonds, subject to compliance with the provisions of the first sentence of Section 15.02 hereof. In the event the Company does not exercise this option on or before the expiration of the Term of Agreement, or, after exercise of the option, fails to proceed with the closing of the purchase of the Project pursuant to the terms and provisions as contained herein, the Issuer shall be entitled to retain the fee of \$10.00, and the option shall be deemed exercised by the Company. No purchase price shall be required or paid with respect to any purchase of the Project pursuant to this ARTICLE XV if the Bondholder is a member of any Control Group to which the Company belongs.

**Section 15.05 Company Entitled to Certain Primary Rent Abatements If Series 2026 Bonds Paid Before Maturity.** If at the time the aggregate moneys in the Bond Fund shall be sufficient (and shall continue to be sufficient) to retire in accordance with the provisions of the Bond Purchase Agreement all of the then Outstanding Series 2026 Bonds, and to pay all fees and charges of the Servicing Agent, if any, due or to become due through the date on which the last of the Series 2026 Bonds is retired, under circumstances not resulting in termination of the Term of Agreement, and if a Default shall not have occurred and be continuing, the Company shall not be required to pay any further Primary Rent Payments under Section 4.03 hereof

## ARTICLE XVI MISCELLANEOUS

**Section 16.01 Institutional Lender Modifications.** If, in connection with financing of the Project, a recognized institutional lender shall request reasonable modifications in this Lease Agreement as a condition to such financing, Company will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the Obligations of Company hereunder or adversely affect the leasehold interest hereby created or Company's use and quiet enjoyment of the Warehouse Premises.

**Section 16.02 Notices.** All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered personally or received by overnight delivery service, or United States or electronic mail, and, in each case, addressed as follows:

if to the Issuer, to:

County of Woodford, Kentucky  
103 South Main Street, Room 200  
Versailles, Kentucky 40382  
Attention: County Judge/Executive  
E-mail: judgekay@woodfordcountyky.gov

With a copy that shall not  
constitute notice to:

Alan George  
Woodford County Attorney  
103 South Main Street, Room 300  
Versailles, Kentucky 40382  
E-mail: ajgattorney@wcaoky.com

if to the Company, to:

Peristyle, LLC  
4445 McCracken Pike  
Frankfort, Kentucky 40601  
Attn: President  
E-mail: will@castleandkey.com

With a copy that shall not  
constitute notice to:

Stoll Keenon Ogden PLLC  
400 W. Market Street, Suite 2700  
Louisville, Kentucky 40202  
Attention: Timothy J. Eifler  
E-mail: timothy.eifler@skofirm.com

if to the Servicing Agent, to:

C&K Investments, LLC  
4445 McCracken Pike  
Frankfort, Kentucky 40601  
Attn: President  
E-mail: will@castleandkey.com

Notices to the Servicing Agent shall be effective upon receipt by the Servicing Agent. A duplicate copy of each notice, certificate, or other communication given hereunder by the Issuer or the Company shall also be given to the Servicing Agent. A duplicate of any notice, certificate, or other communication given hereunder to any entity shall also be given to the Company. The Issuer, the Company, and the Servicing Agent may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

**Section 16.03 Binding Effect.** This Lease Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company, the Servicing Agent, the Bondholder, and their respective successors and assigns. Any Secured Parties are express third-party beneficiaries of this Lease Agreement.

**Section 16.04 Memorandum of Lease.** The Issuer and the Company agree that this entire Lease Agreement shall not be recorded. However, contemporaneously with the full execution of this Lease Agreement, the Issuer and the Company shall execute and record (at the Company's expense) a memorandum of this Lease Agreement, specifying the Term of Agreement, the Company's option to purchase hereunder, the Expiration Date, the Extension Terms granted herein, and such other provisions hereof as the parties may mutually agree to incorporate therein, which memorandum of lease shall be in form sufficient to publish notice and protect the validity of this Lease Agreement and the Company's rights hereunder. The memorandum of lease shall be published in the office of the Clerk. The parties acknowledge and agree that the recording of the memorandum of lease in the office of the Clerk shall constitute the listing of the taxable leasehold interest in the real property improvements created thereby pursuant to KRS 132.220.

**Section 16.05 Severability.** Except to the extent otherwise set forth herein, if any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 16.06 Amounts Remaining In Funds.** Subject to the provisions of the Bond Purchase Agreement, it is agreed by the parties hereto that any amounts remaining in the Bond Fund, the Construction Fund, or any other fund or account created hereunder or under the Bond Purchase Agreement upon expiration or earlier termination of this Lease Agreement, as provided in this Lease Agreement, after

Payment in Full of the Series 2026 Bonds, the fees and expenses of the Servicing Agent, if any, in accordance with the Bond Purchase Agreement, shall belong to and be promptly paid to the Company by the Servicing Agent.

**Section 16.07 Amendments, Changes, And Modifications.** After the issuance of Series 2026 Bonds and before Payment in Full of the Series 2026, and except as otherwise herein expressly provided, the Warehouse Leases and this Lease Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Bondholder and Servicing Agent in accordance with the provisions of the Bond Purchase Agreement, the written consent of the Issuer in accordance with the provisions of the Bond Legislation, and the written consent of the Company and Purchaser. This Lease Agreement shall not be amended, changed, modified, altered, or terminated without the Secured Parties' prior written consent.

**Section 16.08 Execution In Counterparts.** This Lease Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. It will not be necessary, in proving this Lease Agreement in any proceeding, to produce or account for more than one counterpart of this Lease Agreement. This Lease Agreement will become effective when one or more counterparts have been signed by each party and delivered to the other parties, respectively.

**Section 16.09 Applicable Law.** This Lease Agreement shall be governed by and construed in accordance with the laws of the Commonwealth.

**Section 16.10 Captions.** The captions and headings in this Lease Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions, Articles, or Sections of this Lease Agreement.

**Section 16.11 Approval Of Bond Purchase Agreement.** The Company hereby acknowledges that it has received an executed copy of and approves the Bond Purchase Agreement and is familiar with its provisions, and agrees that it will take all such actions as are required or contemplated of it under the Bond Purchase Agreement to preserve and protect the rights of the Servicing Agent and of the Bondholder thereunder and that it will not take any action which would cause a default thereunder. Any redemption of Series 2026 Bonds before maturity shall be affected as provided in the Bond Purchase Agreement.

**Section 16.12 Limitation Of Issuer's Liability.** Upon any default by the Issuer hereunder, the liability of the Issuer to the Company shall be enforceable only out of its interest in the Project and under this Lease Agreement and there shall be no other recourse for damages by the Company against the Issuer, its officers, the members of its Legislative Body, or any of its officials, officers, agents, and employees, or any of the property now or hereafter owned by it or them. No provision, covenant, or agreement contained in this Lease Agreement or breach thereof shall constitute or give rise to a pecuniary liability of the Issuer or a charge upon its general credit or taxing powers. In making such covenants, agreements or provisions, the Issuer has not obligated itself, except with respect to issuing the Series 2026 Bonds for purposes of the Project and the application of the revenues of this Lease Agreement as hereinabove provided. The foregoing shall not impair, limit, or prejudice the right of the Company to pursue equitable relief in connection with any term, covenant, or condition of this Lease Agreement, including a proceeding for a temporary restraining order, a preliminary injunction, a permanent injunction, or specific performance and, specifically, a proceeding for specific performance of Issuer's covenant to convey title to the Project under Section 15.03 upon the Company's exercise of its option pursuant to Section 15.02.

**Section 16.13 Payments Due On Saturdays, Sundays, And Holidays.** If any date a payment is due under this Lease Agreement is a day which is not a Business Day, and the Servicing Agent is closed,

then such payment need not be made by the Company on that date, but that payment may be made on the next succeeding Business Day on which the Servicing Agent is open for business with the same force and effect as if that payment were made on the fixed date and no interest shall accrue for the period after that date.

**Section 16.14 Entire Agreement.** This Lease Agreement, the other Issuer Documents and the Bond Legislation merge all prior negotiations, representations, warranties, and agreements between the parties hereto and constitute the entire agreement of the parties with respect to the subject matters of this Lease Agreement, the other Issuer Documents, and the Bond Legislation. The parties shall be responsible only for their representations, warranties, and agreements set forth in this Lease Agreement, the other Issuer Documents, and the Bond Legislation.

## **ARTICLE XVII BROKERAGE**

**Section 17.01 Brokerage.** Issuer and Company each represent that they have had no dealings with any real estate broker, finder or other person, with respect to this Lease Agreement in any manner.

*[Signatures and Acknowledgments Appear on Following Pages]*



**COMPANY:**

**PERISTYLE, LLC,**  
a Kentucky limited liability company

By: Millville Castle, LLC, Manager

By: \_\_\_\_\_  
William Miles Arvin, Jr.  
Manager

**COMMONWEALTH OF KENTUCKY** )  
 ) Sct.  
**COUNTY OF WOODFORD** )

The foregoing instrument (including the appended **Exhibits "A", "B", "C1" and "C2"**) was subscribed, sworn to and acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2026, William Miles Arvin, Jr., Manager of **MILLVILLE CASTLE, LLC**, as Manager of **PERISTYLE, LLC**, a Kentucky limited liability company, for and on behalf of said company.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
Commission No. \_\_\_\_\_

This instrument prepared by:

**STOLL KEENON OGDEN PLLC**

400 W. Market Street

Suite 2700

Louisville, Kentucky 40202

By: \_\_\_\_\_  
Timothy J. Eifler

DRAFT

[Signature Page to Lease Agreement]

## **EXHIBIT A**

### **PROJECT**

The “**Project**” includes C&K’s existing fixed assets and leased assets (land, building and equipment) located at the Project Site (4306 and 4445 McCracken Pike, 120 U.S. 60 Bypass, 1022 Greenheck Drive and 3025 Versailles Road), all located within the County, and any or all of the following and other planned or potential improvements at the McCracken Pike locations (the distillery) deemed necessary by C&K in connection with the operation of the distillery:

1. Superintendent's Cottage: This portion of the project involves renovating an existing building onsite that was historically used as a dwelling for distillery workers. The building will be transformed for various uses, including adding a kitchen to allow hosting of private events for VIPs and industry groups, including an additional tasting space, an overnight rental option, etc.
2. Second Cistern Room: This portion of the project makes use of a dilapidated building (presently has no roof) that was historically used as the distillery's cistern room. The building will be transformed into a single barrel selection space/tasting room.
3. Distillery-related dining facility: This portion of the project involves renovating one part of a building onsite to transform it into a dining facility (pizza) for guests who visit the distillery.
4. Distillery-related overnight accommodations facility: Potential conversion of the administration building into a facility providing overnight accommodations for guests who visit the distillery, including conversion costs and related furniture, fixtures and equipment.

Barrels, distillate, raw materials, goods in process and finished goods inventories are specifically excluded from the Project.

The “**Project Site**” includes the following parcels of real property (i.e., land, improvements, fixtures, easements and appurtenances relating to same), the legal descriptions of which are detailed in **Exhibits “C1”** and “**C2**”, either acquired for the Project (**Exhibit “C1”**) or leased for the Project (the Warehouse Premises, being **Exhibit “C2”**), and all existing and future real property improvements thereon:

<b>Parcel #</b>	<b>Address</b>	<b>Owner</b>
01-0000-023-00	4445 McCracken Pike	Issuer
01-0000-023-01	4306 McCracken Pike	Issuer
30-0000-041-01	120 U.S. 60 Bypass	A & P Investments, LLC and Tandy Three LLC
06-0000-032-01	3025 Versailles Road	A & P Investments, LLC and Tandy Three LLC
06-0000-032-000	1022 Greenheck Avenue	A & P Investments, LLC and Tandy Three LLC

**EXHIBIT B**

**WAREHOUSE LEASES**

<b>Lease</b>	<b>Parcel #</b>	<b>Address</b>	<b>Owner</b>	<b>Acres</b>
1	052-0000-039-00-000	120 U.S. 60 Bypass	A & P Investments, LLC and Tandy Three LLC	23.84
2	065-0000-024-00-000	3025 Versailles Rd.	A & P Investments, LLC and Tandy Three LLC	46
	065-0000-026-00-000	1022 Greenheck Ave.	A & P Investments, LLC and Tandy Three LLC	62.5

1. Warehouse Lease Agreement dated effective as of November 1, 2021, by and between (a) (i) **A & P INVESTMENTS, LLC** and (ii) **TANDY THREE LLC**, both with a mailing address of 108 West Maple Street, Nicholasville, Kentucky 40356, and (b) **PERISTYLE, LLC**, having offices at 4445 McCracken Pike, Frankfort, Kentucky 40601 (the “First Warehouse Lease”).

2. Warehouse Lease Agreement dated effective as of June 1, 2024, by and between (a) (i) **A & P INVESTMENTS, LLC** and (ii) **TANDY THREE LLC**, both with a mailing address of 108 West Maple Street, Nicholasville, Kentucky 40356, and (b) **PERISTYLE, LLC**, having offices at 4445 McCracken Pike, Frankfort, Kentucky 40601 (the “Second Warehouse Lease”).

## EXHIBIT C1

### PROJECT SITE

#### Property Description - Parcels owned by the Issuer

The following described real property located in the County of Woodford, Kentucky:

#### Tract A, 4445 McCracken Pike

That tract of land located in Millville, Kentucky, in Woodford County, and lying on both sides of McCracken Pike, about 0.2 miles west of Duncan Road, is more particularly described as follows:

Beginning at an aluminum disc set in concrete, marked #2747, said point being the corner to the James B. Beam Distilling Company, in the southern Right-of-Way of McCracken Pike, thence with said Right-of-Way for two calls, N 50° 02' 54" E - 250.93' to an aluminum disc set in concrete, thence N 56° 37' 22" E - 77.04' to an aluminum disc set in concrete, thence crossing McCracken Pike N 11° 48' 21" W - 77.38' to an aluminum disc set in concrete on the east side of Hanly Lane, said point being a corner to James Barber Sr. and Betty Barber (DB. 160, PG. 104), thence with Barber's line for two calls, N 79° 50' 31" E - 488.17' to an Existing Concrete Monument (ECM), thence S 66° 27' 03" E - 234.32' to an Iron Pin Set, capped "Carroll, PLS #3241" (IPS), said point being a new divisional corner for Stonecastle Properties, Inc., thence with the new line for eleven calls, S 29° 02' 55" W - 88.69' to an Existing Iron Pin (EXIP) capped "J. Grider", said point being in the northern Right-of-Way of McCracken Pike, 25' from center, thence with said Right-of-Way S 56° 50' 56" E - 101.23' to an IPS, thence S 47° 54' 15" E - 76.87' to an IPS, thence S 40° 44' 45" E - 80.23' to an IPS, thence S 35° 02' 48" E - 95.02' to an IPS, thence S 27° 58' 52" E - 59.77' to an IPS, thence S 22° 14' 58" E - 33.61' to an IPS, thence leaving the roadway N 89° 13' 44" E - 262.32' to an IPS, thence S 00° 02' 52" W - 180.42' to an EXIP, capped "J. Grider" at a chain link fence corner, thence S 03° 49' 19" E - 764.12' to an IPS, thence S 46° 11' 56" E - 394.34' to an ECM, said point being a corner to William and Ruby Arnold (DB. 218, PG. 560), thence with the Arnold line for five calls S 28° 32' 54" W - 190.17' to an aluminum disc in concrete, thence S 22° 13' 00" W - 205.94' to an IPS at a corner post, thence S 54° 36' 26" E - 424.70' to an ECM, thence S 41° 52' 30" E - 196.15' to an EXIP, no cap, thence S 40° 51' 16" E - 605.27' to an IPS at a disturbed concrete monument, thence S 21° 08' 38" W - 102.04' to an ECM, thence S 32° 01' 09" E, passing an ECM on line, 168.49' to a R.R. spike set in the center of McCracken Pike, thence with the center of said road for one call, S 84° 35' 25" W - 232.96' to a R.R. spike set in the center of McCracken Pike, thence leaving said centerline N 38° 33' 32" W, passing an ECM on line, 701.58' to an ECM on the slope of the hill, thence down the hill S 47° 25' 14" W, passing an ECM on line, 101.67' to a R.R. spike set in the center of McCracken Pike, thence with the centerline of said road for one call N 37° 20' 05" W - 298.89' to a R.R. spike set in the center of the road, thence leaving McCracken Pike along the line of Margaret McKinney (DB. 129, PG. 685) for one call S 08° 55' 38" W - 108.55' to an ECM, thence S 31° 17' 52" E - 141.06' to an IPS, said point being in the eastern edge of an old R.R. easement (DB. 18, PG. 300), thence crossing the old R.R. easement S 56° 03' 03" W - 59.70' to an IPS on the western edge of the easement, said point being a corner to Clinton Tufts (DB. 108, PG. 106), thence with Tufts for one call, S 22° 22' 53" W - 299.70', crossing Glenn's Creek, to an ECM at a

24" cedar, said point being a corner to Jim Plemmons(D.B. 151, PG 204), thence with Plemmons for two calls, N 39° 26' 28" W - 94.00' to an ECM, thence N 51° 36' 07" W - 342.30' to an IPS, corner to other property owned by Jim Plemmons(DB. 140, PG. 592), thence with the line of Plemmons for nine calls, N 42° 04' 14" W - 316.42' to an ECM, thence N 37° 21' 05" W.- 127.40' to an IPS near the west bank of Glenn's Creek, thence S 79° 54' 12" W - 25.55' to an ECM, thence N 01° 49' 51" W - 37.33' to an ECM, thence N 81° 52' 47" W - 483.67' to an Existing Stone, thence S 81° 57' 13" W - 79.20' to an ECM, thence S 82° 14' 11" W - 148.34' to an ECM, thence S 64° 09' 21" W - 162.01' to an ECM on the east bank of a branch, thence down the branch N 05° 41' 31" E - 192.32' to an ECM on the west side of the branch, said point being a corner to James B. Beam Distilling, thence with the Beam Line for two calls, N 13° 31' 10" E - 613.90' to an IPS on the east bank of the branch, thence N 07° 49' 53" W - 1148.00' to the point of beginning. Said tract herein described contains 83.246 Acres as surveyed by Stephen D. Carroll, KY PLS #3241, in August of 2005.

Being the same property conveyed to Old Taylor Partners, LLC, a Tennessee limited liability company, by deed dated September 1, 2005, of record in Deed Book 230, page 282, and further by Deed of Correction of record In Deed Book 280, at page 48, in the Woodford County Court Clerk's Office.

#### **Tract B, 4306 McCracken Pike**

Property known as Old Taylor Distillery situated on Glenss Creek in Woodford County, Kentucky, and more particularly described as follows:

BEGINNING at the intersection of the south line of Glenss Creek Road with the line common to the Old Crow and Old Taylor Distilleries both of which being National Distillers & Chemical Corporation property; thence with the south line of Glenss Creek Road, North 50 degrees 08 minutes 07 seconds East, 251.00 feet and North 56 degrees 45 minutes 07 seconds East, 77.00 feet to a point in same thence leaving said south line, North 11 degrees 40 minutes 53 seconds East, 77.50 feet to its intersection with the south line of the tract conveyed to Harold S. Moore by deed of record in Deed Book 49, Page 350 in the office of the Clerk of the County Court of Woodford County, Kentucky; thence with lines common to said Moore tract, North 79 degrees 58 minutes 07 seconds East 488.16 feet; South 66 degrees 22 minutes 14 seconds East, 318.17 feet; North 88 degrees 54 minutes 46 seconds East, 771.13 feet and North 7 degrees 10 minutes 34 seconds East, 366.15 feet to a corner common to the tract conveyed to Evelyn Cabe by deed of record in Deed Book 121, Page 221 in the office aforesaid; thence with lines common to said tract the following courses and distances: South 81 degrees 44 minutes 03 seconds East, 769.50 feet; South 5 degrees 58 minutes 59 seconds West, 318.04 feet; South 83 degrees 15 minutes 00 seconds West, 454.26 feet; South 12 degrees 15 minutes 54 seconds East, 119.99 feet; South 11 degrees 43 minutes 11 seconds West, 282.18 feet; South 3 degrees 25 minutes 56 seconds West, 592.40 feet to a corner common to same and common to said Distillers and Arnold Heirs; thence with said Arnold Heirs tract, South 4 degrees 50 minutes 56 seconds West, 434.30 feet and South 38 degrees 46 minutes 04 seconds East, 37.18 feet to a point in a branch; thence continuing with said Arnold Heirs tract, South 79 degrees 52 minutes 49 seconds West, 140.32 feet and North 56 degrees 46 minutes 11 seconds West, 153.09 feet to a concrete monument; thence continuing with said Arnold Heirs tract, South 28 degrees 39 minutes 31 seconds West, 190.07 feet and South 22 degrees 17 minutes 48 seconds

West, 205.00 feet to a tack in a post at a stone fence; thence continuing with said Arnold Heirs tract, South 54 degrees 22 minutes 12 seconds East, 424.80 feet; South 41 degrees 46 minutes 20 seconds East, 196.15 feet; and South 40 degrees 42 minutes 44 seconds East, 607.92 feet to a corner common to same; thence South 22 degrees 28 minutes 48 seconds West, 100.50 feet and South 31 degrees 51 minutes 12 seconds East 167.63 feet to its intersection with the centerline of Glenss Creek Road; thence with said centerline South 84 degrees 36 minutes 41 seconds West, 233.33 feet to a point in same; thence leaving said centerline, North 38 degrees 04 minutes 27 seconds West, 701.00 feet and South 47 degrees 28 minutes 33 seconds West, 101.67 feet to the west line of Glenss Creek Road; thence with said west line, North 37 degrees 39 minutes 19 seconds West, 299.25 feet to a point in same; thence leaving said west line; South 10 degrees 31 minutes 00 seconds West, 108.55 feet and South 31 degrees 16 minutes 58 seconds East, 143.64 feet to a point in the east line of the L.&N. Railroad; thence South 56, degrees 08 minutes 02 seconds West, 59.70 feet to a point in the west line of the L.&N. Railroad; thence South 22 degrees 27 minutes 52 seconds West, 299.70 feet to its intersection with the line common to said Distillers and the tract conveyed to James, Jr. and Mirian Cox by deed of record in Deed Book 77, Page 463 in the office aforesaid; thence with said common line, North 39 degrees 12 minutes 08 seconds West, 94.05 feet; North 51 degrees 31 minutes 08 seconds West, 342.30 feet; North 41 degrees 54 minutes 05 seconds West, 316.42 feet; North 37 degrees 13 minutes 45 seconds West, 127.40 feet; South 79 degrees 50 minutes 18 seconds West, 25.55 feet; North 2 degrees 08 minutes 02 seconds West, 37.31 feet; North 81 degrees 45 minutes 42 seconds West, 483.45 feet; South 82 degrees 05 minutes 23 seconds West, 79.10 feet; South 82 degrees 19 minutes 51 seconds West, 148.46 feet; and South 64 degrees 16 minutes 31 seconds West, 161.87 feet to its intersection with the line common to Daisy Tutt; thence with same, North 5 degrees 48 minutes 02 seconds East, 192.39 feet to a corner common to the Old Crow and Old Taylor Distilleries aforesaid; thence with the line common to same, North 13 degrees 42 minutes 55 seconds East, 613.90 feet and North 7 degrees 49 minutes 53 seconds West, 1,148.00 feet to the point of beginning encompassing 113.539 acres of which 4.90 acres are Railroad right of way pursuant to the right of way easement set out in Deed Book 18, Page 300, in the Office of the Clerk of Woodford County, Kentucky.

There is excepted therefrom and not conveyed herein all of the following described 83.246 acre tract conveyed to Old Taylor Partners, LLC, by Deed dated September 1, 2005, of record in Deed Book 230, Page 282, in the office of the Woodford County Clerk and more particularly described as follows:

Beginning at an aluminum disc set in concrete, marked #2747, said point being the corner to the James B. Beam Distilling Company, in the southern Right-of-Way of McCracken Pike, thence with said Right-of-Way for two calls, N 50° 02' 54"E-250.93' to an aluminum disc set in concrete, thence N 56° 37' 22" E - 77.04' to an aluminum disc set in concrete, thence crossing McCracken Pike N 11° 48' 21" W - 77.38' to an aluminum disc set in concrete on the east side of Hanly Lane, said point being a corner to James Barber Sr. and Betty Barber (DB. 160, PG. 104), thence with Barber's line for two calls, N 79° 50' 31" E 488.17' to an Existing Concrete Monument (ECM), thence S 66° 27' 03" E - 234.32' to an Iron Pin Set, capped "Carroll, PLS #3241" (IPS), said point being a new divisional corner for Stonecastle Properties, Inc., thence with the new line for eleven calls, S 29° 02' 55" W - 88.69' to an Existing Iron Pin (EXIP) capped "J. Grider", said point being in the northern Right-of-Way of McCracken Pike, 25' from center, thence with said Right-of-Way S 56° 50' 56" E -101.23' to an IPS, thence S 47° 54' 15" E - 76.87' to an IPS, thence S 40° 44' 45" E 80.23' to an IPS,

thence S 35° 02'48" E 95.02' to an IPS, thence S 27° 58' 52" E - 59.77' to an IPS, thence S 22° 14' 58" E - 33.61' to an IPS, thence leaving the roadway N 69° 13' 44" E - 262.32' to an IPS, thence S 00° 02' 52" W 180.42' to an EXIP, capped "J. Grider" at a chain link fence corner, thence S 03° 49' 19" E - 764.12' to an IPS, thence S 46° 11' 56" E - 394.34' to an ECM, said point being a corner to William and Ruby Arnold (DB. 218, PG. 560), thence with the Arnold line for five calls S 28° 32' 54" W -190.17' to an aluminum disc in concrete, thence S 22° 13' 00" W - 205.94' to an IPS at a corner post, thence S 54° 35' 26" E - 424.70' to an ECM, thence S 41° 52' 30" E 196.15' to an EXIP, no cap, thence S 40° 51'16" E — 605.27' to an IPS at a disturbed concrete monument, thence S 21° 08' 38" W 102.04' to an ECM, thence S 32° 01' 09" E, passing a ECM on line, 168.49' to a R.R. spike set in the center of McCracken Pike, thence with the center of said road for one call, S 84° 35' 25" W- 232.96' to a R.R. spike set in the center of McCracken Pike, thence leaving said centerline N 38° 33' 32" W, passing an ECM on line, 701.58' to an ECM on the slope of the hill, thence down the hill S 47° 25' 14" W, passing an ECM on line, 101.67' to a R.R. spike set in the center of McCracken Pike, thence with the centerline of said road for one call N 37° 20' 05" W - 298.89' to a R.R. spike set in the center of the road, thence leaving McCracken Pike along the line of Margaret McKinney (DB 129, PG. 685) for one call S 08° 55' 38" W 108.55' to an ECM, thence S 31° 17' 52" E - 141.06' to an IPS, said point being in the eastern edge of an old R.R. easement (DB 18, PG. 300), thence crossing the old R.R. easement S 56° 03' 03" W - 59.70' to an IPS on the western edge of the easement, said point being a corner to Clinton Tufts (DB 108, PG. 106), thence with Tufts for one call, S 22° 22' 53" W 299.70', crossing Glenn's Creek, to an ECM at a 24" cedar, said point being a corner to Jim Plemmons (DB 151, PG. 204), thence with Plemmons for two calls, N 39° 26' 28" W 94.00' to an ECM, thence N 51° 36' 07" W - 342.30' to an IPS, corner to other property owned by Jim Plemmons (DB. 140, PG. 592), thence with the line of Plemmons for nine calls, N 42° 04' 14" W - 316.42' to an ECM, thence N 37° 21' 05" W.- 127.40' to an IPS near the west bank of Glenn's Creek, thence S 79° 54'12" W - 25.55' to an ECM, thence N 01° 49' 51.° W - 37.33' to an ECM, thence N 81° 52' 47° W - 483.67' to an Existing Stone, thence S 81° 57' 13" W - 79.20' to an ECM, thence S 82° 14' 11" W - 148.34' to an ECM, thence S 64° 09' 21" W -162.01' to an ECM on the east bank of a branch, thence down the branch N 05°41' 31" E 192.32' to an ECM on the west, side of the branch, said point being a corner to James B. Beam Distilling, thence with the Beam line for two calls, N 13° 31' 10".E - 613.90' to an IPS on the east bank of the branch, thence N 07° 49' 53" W -1148.00' to the point of beginning. Said tract herein described contains 83.246 Acres as surveyed by Stephen D. Carroll, KY PLS #3241, in August of 2005.

Being the same property conveyed to Peristyle, LLC, a Kentucky limited liability company, by Deed from Glenn Graetz and Mary Katherine Graetz, husband and wife, dated December 26, 2014, recorded in Deed Book 284, Page 604, in the Woodford County Clerk's office.

Being the same property conveyed to County of Woodford, Kentucky by Special Warranty Deed dated effective as of [●], and of record in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, in the Office of the Clerk of Woodford County, Kentucky.

## **EXHIBIT C2**

### **PROJECT SITE**

#### **Property Description – Parcels leased by the Issuer and subleased to Company**

##### **First Warehouse Lease**

Being all of Tract 1A, consisting of 23.843 acres, as shown on 3<sup>rd</sup> Amended Minor Subdivision Plat for 100 US 60, LLC (Formerly Rand McNally & Company Properties), 100 & 120 US 60 Bypass, Versailles, Woodford County, Kentucky, of record in Plat Cabinet F, Slide 184, in the office of the Woodford County Clerk, the improvements thereon being known and designated as 120 U S 60 By Pass, Versailles, Woodford County Kentucky.

Being a portion of the same property conveyed to 100 U.S. 60, LLC, a Minnesota limited liability company, by Deed dated July 1, 2020, of record in Deed Book 320, Page 502, in the office of the Woodford County Clerk.

##### **Second Warehouse Lease**

TRACT I: Beginning at a fence post in the Northeast corner of C.N. Hoover's property (now or formerly) and the Northwest corner of the Chadwick property (now or formerly), said corner being a point along the south right-of-way line of U.S. 60; thence S 36 degrees (erroneously stated as 16 degrees in prior deeds) 30' W a distance of 440.2 feet to a fence post; thence S 21 degrees 10' W a distance of 1924.5 feet to a fence post; thence N 64 degrees 50' W a distance of 348.8 feet (erroneously stated as 340.8 feet in prior deeds) to a stone; thence S 02 degrees 40' W a distance of 152.0 to an oak tree; thence N 64 degrees 46' W a distance of 404.1 feet to a fence post; thence N 18 degrees 54' E a distance of 1967.3 feet (erroneously stated as 1967.1 feet in prior deeds) to a fence post; thence S 68 degrees 26' E a distance of 197.2 feet to a stone; thence N 10 degrees 54' E a distance of 1028.2 feet to a fence post; thence S 81 degrees 00' E a distance of 101.3 feet to a fence post, said post being a point along the South right-of-way line of U.S. 60; thence in an Easterly direction an arc distance of 651.0 feet along said right-of-way line to a fence post; thence S 26 degrees (erroneously stated as 16 degrees in prior deeds), 10' E along said right-of-way line a distance of 325.1 feet to the point of beginning, containing 46 acres.

Said Tract I being the same property conveyed to KAREN R. SCOTT, TRUSTEE OF THE KAREN R. SCOTT QUALIFIED PERSONAL RESIDENCE TRUST U/T/A DATED JULY 23, 2004, by Deed dated January 4, 2005, recorded in Deed Book 226, page 246, in the Woodford County Clerk's office

TRACT II: Lying within Woodford County, Kentucky, and Franklin County, Kentucky, and more particularly described as follows, to-wit:

That certain tract of land lying along the west side of Versailles Road (US 60) about 0.8 mile south of 1-64 is bounded and described as follows: Beginning at a Post in the west right-of-way line of Versailles Road corner to Bizzack Brothers (now or formerly), thence

with Bizzack's fence line for eight calls: S 41 degrees 30' 47" W 314.48' to a 12" Twin Hackberry; thence S 41 degrees 33' 58" W 436.58' to a 12" Hedge Apple; thence S 41degrees 15' 07" W 377.14' to an 18" Wild Cherry; thence S 41 degrees 40' 42" W 313.58' to a Post; thence N 50 degrees 35' 08" W 262.08' to an 18" Wild Cherry; thence N 50 degrees 46' 13" W 469.43' to a Post; thence N 50 degrees 46' 34" W 332.09' to a Post; thence S 22 degrees 09' 25" W 341.07' to a Post corner to Charles Marcum (now or formerly); thence with Marcum's fence line for three calls: S 29 degrees 28' 25" E 182.10' to an Iron Pin; thence S 43 degrees 08' 51" W 276.76' to a 48" Oak; thence N 83 degrees 30' 05" W 23.00' to 40" Twin Oak corner to Hilltop Meadows Subdivision; thence with the fence line of said subdivision one call S 19 degrees 36' 11" E 367.37' to a Post corner to Tract A, Mrs. G.W. Hancock Estate (now or formerly); thence with Tract A for four calls: S 51 degrees 02' 44" E 167.06' to a Post; thence S 58 degrees 09' 35" E 632.84' to a Post; thence S 36 degrees 38' 21" E 559.06' to a Post; thence S 48 degrees 59' 31" E 431.09' to a Post in the line of Newton Hoover (formerly); thence with Hoover's fence line for six calls N 21 degrees 11' 14" E 468.96' to an 8" Hedge Apple; thence N 20 degrees 18' 53" E 593.77' to a Post; thence S 66 degrees 44' 01" E 198.54' to an Iron pin; thence N 12 degrees 20' 55" E 691.64' to a 24" Hedge Apple; thence N 12 degrees 40' 45" E 336.18' to a 40" Hedge Apple; thence S 80 degrees 19' 27"E 102.18' to a Post in the west right-of-way line of Versailles Road; thence with said right-of-way fence line for one call N 22 degrees 43' 23" W 751.87' to the point of beginning. Said tract of land described herein contains 62.509 Acres as surveyed by C. Wayne Carroll, Registered Land Surveyor, in September, 1986.

Said Tract II being the same property conveyed to WAYNE AND KAREN SCOTT INVESTMENTS, LLC, a Kentucky limited liability company, by Deed dated January 4, 2005, recorded in Deed Book 226, page 242, in the Woodford County Clerk's office.