PAYMENTS IN LIEU OF TAX AGREEMENT

This **PAYMENTS IN LIEU OF TAX AGREEMENT** (this "Agreement") is made as of [•], 2026, 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").

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RECITALS

A. The Company or an affiliate thereof currently is acquiring, constructing, equipping and installing an industrial project consisting of the facilities and properties described in **ATTACHMENT A** attached hereto (the "Project").

B. The Project represents new investment and is expected to generate economic development within the municipal boundaries of Issuer.

C. Issuer adopted a Bond Authorizing Ordinance (the "Ordinance"), providing for, among other things, the issuance of a single series of industrial building revenue bonds in a maximum principal amount not to exceed $90,000,000 (the "Bonds") for the benefit of the Company, pursuant to KRS 103.200 through 103.285 and KRS 65.940 to 65.956, inclusive (collectively, the "Act"), to finance the acquisition, construction, installation, and equipping of the Project, to acquire title to the Project, and to lease said Project back to the Company, all pursuant to the Act.

D. As set forth in the Ordinance, Issuer has found and determined that the Project constitutes a "building" or "industrial building" within the meaning of KRS 103.200(1)(a).

E. KRS 103.285 provides that all properties, both real and personal, which a county may acquire to be rented or leased to an industrial concern according to the Act shall be exempt from taxation to the same extent as other public property used for public purposes, as long as the property is owned by the Issuer.

F. KRS 132.200(5) provides that all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit under the provisions of KRS Chapter 103 shall be subject to taxation for state purposes only, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing.

G. KRS 65.948 provides that personal or real property leased to the county shall be exempt from all taxation by the Commonwealth and any of its political subdivisions.

H. In order to induce the Company to undertake the acquisition, construction, equipping, and operation of the Project, Issuer is willing to afford to the Company an abatement, through the operation of KRS 103.285, 132.200(5) and KRS 65.948, of a portion of the ad valorem property taxes with respect to the Project that otherwise would be payable.

I. As a condition to the issuance of the Bonds, Issuer has required that the Company enter into this Agreement whereby the Company agrees to make any payments necessary to hold the School District (defined below) harmless and to make payment in lieu of taxes as provided herein during the term of the Bonds.

NOW, **THEREFORE**, in consideration of the foregoing, the mutual agreement of the parties contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Recitals Incorporated. It is hereby found, determined, and declared that the recitals set forth in the recitals to this Agreement, including the definitions contained therein, are true and correct and are hereby incorporated in this Section 1 by reference.

Section 2. School-Related Definitions. The "School District" shall mean the Woodford County Public Schools. The School District, by and through the Board of Education of Woodford County, Kentucky (the "Board of Education"), is a body politic and corporate existing under KRS 160.160 and has the authority under KRS 160.460 through 160.476 to levy ad valorem taxes for school purposes on all property subject to local taxation with a taxable situs in the District ("School Property Taxes").

Section 3. Project Exempt From Taxation. It is understood, acknowledged, and agreed by the parties that pursuant to KRS 103.285 and KRS 65.948, the Project is exempt from taxation by the State, the Issuer, the School District, and other political subdivisions in Kentucky to the same extent as other public property used for public purposes, so long as same is owned by the Issuer and any balance remains outstanding on the Bonds. The parties further agree that (a) the Company's leasehold interest is exempt from local taxation pursuant to KRS 132.200(7) and is taxable for state purposes at the applicable state tax rate and (b) any proportion of the value of the leasehold interest created through any private financing is taxable at applicable state and local tax rates. The parties agree that the recording of the Lease Agreement or a memorandum thereof with the County Clerk of Woodford County, Kentucky shall constitute the listing of the taxable leasehold interest in real property created thereby pursuant to KRS 132.220. The Company agrees annually to list any taxable leasehold interest in real property, tangible personal property created by each Lease Agreement by listing such interest on and filing a Form 62A500 (Tangible Personal Property Tax Return) or other applicable property tax return.

Section 4. Hold Harmless School PILOT Payments.

A. Agreement to Make. In consideration of Issuer's agreement to issue the Bonds and take all other actions authorized by the Ordinance, the Company agrees to make an annual payment to the School District, computed as indicated below, in each calendar year beginning on and after the first January 1st assessment date following issuance of the Bonds (each an "Assessment Date") that Issuer owns the Project or any portion thereof and any balance remains outstanding on the Bonds.

B. Calculation. The payment due to the School District in each calendar year such payments are due hereunder shall be equal to twenty-two percent (22%) of the Abated School Property Tax, less any School Property Taxes paid by the Company on any portion of the value of the leasehold interest in the Project owned by the City created through and private financing. "Abated School Property Tax" for any calendar year equals the product of (x) the Fair Cash Value (as hereinafter defined) of the Project or portion thereof financed by the Bonds and owned by the Issuer as of the January 1st of such calendar year which would be subject to School Property Taxes if the Project were owned by a tax-paying entity absent application of KRS 103.285 and KRS 65.948 (the "Locally Taxable Assets"), multiplied by (y) the ad valorem tax

rate levied by the Board of Education for such calendar year under KRS 160.460 through 160.476 (the "Tax Rate"). If, in any calendar year during which the foregoing calculation is made, the Board of Education has levied different ad valorem tax rates on different classes of property subject to School Property Taxes, the foregoing calculation shall be made separately for each such class of property that is included within the portion of the Project financed by the Bonds. The amount of the PILOT Payment shall not be less than zero.

C. Hold Harmless; State Funding Adjustment. The annual payment to the School District has been determined based upon (a) the estimated School Property Taxes levied on the Project or the portion thereof owned by the County that otherwise would have been due and payable to the Board of Education but for the issuance of the Bonds, less (b) the estimated reduction in the amount of state-provided funds under the Support Education Excellence in Kentucky and Facilities Support Program of Kentucky school funding programs that otherwise would have been due and payable to the Board of Education, as if the Project were owned by a tax-paying entity and subject to payment of School Property Taxes absent the application of KRS 103.285 and KRS 65.948.

Section 5. Determination Of Fair Cash Value Of The Project.

A. Real Property. The "Fair Cash Value" of the elements of the Project that are real property and owned by Issuer shall be the original costs of those elements as capitalized on the books of the Company. If the Project real property or any element thereof is damaged by fire, natural catastrophe, civil disobedience, vandalism, or by an Act of God and such damage has not been repaired as of any Assessment Date, Issuer and the Company agree to work in good faith to reduce the Fair Cash Value and arrive at an agreed estimated fair cash value of the elements of the Project that are real property as of such Assessment Date which agreed value shall be its Fair Cash Value for such Assessment Date for purposes of calculating the PILOT Payments. Every fourth year during the term of the Bonds, Issuer or the Company may request that the Woodford County Property Valuation Administrator (the "PVA") provide an opinion of value of the real property elements of the Project. Either Issuer, the Company or both may appeal the PVA's opinion of value of the real property elements of the Project by filing an action in the Circuit Court of Woodford County, Kentucky which shall make a *de novo* determination of value. If the PVA declines to provide such opinion of value, then the Company may obtain, or the Issuer may require the Company to obtain at Company's cost, an appraisal by a licensed appraiser of the real property elements of the Project which appraised value shall be conclusive as to the Fair Cash Value for the Assessment Date; provided, however, Issuer within ten days after notice of the Company's appraisal may notify the Company that Issuer elects to obtain at Issuer's cost an additional appraisal by a licensed appraiser, in which event the average of the fair market value determined under these two appraisals shall be conclusive as to the Fair Cash Value for the Assessment Date.

B. Tangible Personal Property. The "Fair Cash Value" of the tangible personal property portion of the Project having a taxable situs in Issuer's municipal boundaries shall be determined annually for each such asset using its original cost, age and the applicable trending tables published by the Department of Revenue, Kentucky Finance and Administration Cabinet, in its Form 62A500 (Tangible Personal Property Tax Return) or other applicable personal property tax return, adjusted to take into account the scrapping, removal, or other disposition of personal property in the ordinary course of business.

Section 6. Timing Of PILOT Payments. Any PILOT Payment payable in any calendar year hereunder shall be paid at the same time and in the same manner as Woodford County ad valorem

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property taxes for such calendar year, except that the Company shall deliver or mail the PILOT Payment for the School District directly to the School District at the address provided in Section 8 below, along with supporting calculations The PILOT Payment for each such calendar year shall be due and payable in full no later than two full months from the date the bill for the county ad valorem property taxes is issued in accordance with KRS 134.015; provided, however, if the Company pays a PILOT Payment on or before any discount date established pursuant to KRS 134.015 for county ad valorem property taxes, the Company may reduce the PILOT Payment by the corresponding discount percentage. All PILOT Payments shall be considered paid when delivered or mailed by regular U.S. mail, postage prepaid and addressed in accordance with Section 9 below.

Section 7. Termination. Notwithstanding any other provision herein and with the exception of Sections 1 through 3 hereof, this Agreement shall terminate on the day immediately following the earlier to occur of either (a) the first date that title to the Project is no longer owned by Issuer or (b) the first date that no Bonds issued by Issuer remain issued and outstanding; provided, however, that any PILOT Payments with respect to Assessment Dates prior to such termination shall remain due and payable.

Section 8. Notices and Payments.

(a) All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed, postage prepaid, addressed as follows:

To Issuer:	County of Woodford, Kentucky 103 South Main Street, Room 200 Versailles, Kentucky 40382 Attention: County Judge/Executive E-mail: judgekay@woodfordcountyky.gov
To the Company:	Peristyle, LLC 4445 McCracken Pike Frankfort, Kentucky 40601 Attn: Will Arvin E-mail: will@castleandkey.com
With a copy that shall not constitute notice to:	Timothy J. Eifler Stoll Keenon Ogden PLLC 400 West Market Street Suite 2700 Louisville, Kentucky 40202

Issuer and the Company may by notice given hereunder designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(b) All PILOT Payments to the School District shall be addressed or delivered as follows:

To the School District, at:	Superintendent Woodford County School District 330 Pisgah Pike Versailles, Kentucky 40383

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Section 9. Entire Agreement. This Agreement contains all of the agreements and conditions made between the parties hereto regarding the subject matter of this Agreement and there are no other agreements or understandings, written or oral, between the parties relating to the subject matter of this Agreement. This Agreement supersedes all prior agreements and understandings, written and oral, between the parties with respect to such subject matter. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by both parties hereto or their respect successors in interest. The invalidity, illegality, or unenforceability of any provision of this Agreement will not affect the validity, legality, or enforceability of the remaining provisions.

Section 10. Binding Effect; No Third-Party Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon Issuer, the Company, and their respective successors and assigns. Issuer and the Company agree that this Agreement is not intended to create any third-party beneficiaries, and that no provision of this Agreement is intended to benefit any person or entity other than the signatories hereto. The provisions of this Agreement may be enforced solely by Issuer, the Company, and their respective successors and assigns and shall not be enforceable by any other person or entity.

Section 11. Execution In Counterparts. This 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. Any party may deliver an executed copy of this Agreement (and an executed copy of any documents contemplated by this Agreement) by facsimile transmission to another party or e-mailed .pdf files of scanned copies bearing their respective signatures, and such delivery will have the same force and effect as any other delivery of a manually signed copy of this Agreement (or such other document).

Section 12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 13. Captions; Headings. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

[*Signature Page To Follow*]

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SIGNATURE PAGE TO PAYMENTS IN LIEU OF TAX AGREEMENT

IN WITNESS WHEREOF, the parties hereto have entered into this Payments In Lieu of Tax Agreement on the date first above written.

ISSUER:

COUNTY OF WOODFORD, KENTUCKY

By: _____
James Kay
Judge/Executive

Attest:

_____
Jordan Coyle
Fiscal Court Clerk

COMPANY:

PERISTYLE, LLC,
a Kentucky limited liability company

By: Millville Castle, LLC, Manager

By: _____
William Miles Arvin, Jr.
Manager

ATTACHMENT A
TO PAYMENTS IN LIEU OF TAX AGREEMENT

Project Description

The Project includes C&K's existing fixed assets and leased assets (land, building and equipment) located at 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.