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COUNSEL FOR CLAUDIA Z. SPRINGER, CHAPTER 11 TRUSTEE OF KENTUCKY OWL, LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re	§	Chapter 11
	§	
Kentucky Owl, LLC,[1]	§	Case No.: 24-80147-swe11
	§	
Debtor.	§	

KENTUCKY OWL TRUSTEE'S EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE TRUSTEE TO ENTER INTO AND PERFORM UNDER BARREL AGING SERVICES AGREEMENT

Emergency relief has been requested. Relief is requested no later than 1:30 p.m. (CT) on June 4, 2026.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

[1] The Debtor in this Chapter 11 Case, along with the last four digits of its federal identification number, is Kentucky Owl, LLC (3826). The Debtor's address is Kentucky Owl, LLC, Attn: Claudia Z. Springer, Chapter 11 Trustee, c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606.

A hearing will be conducted on this matter on June 4, 2026 at 1:30 p.m. (CT) in Courtroom No. 3 at the US Bankruptcy Court, 1100 Commerce Street, 14th Floor, Dallas, TX, 75242. You may participate in the hearing either in person or by an audio and video connection. Audio communication will be by use of the Court's dial-in facility. You may access the facility at 1-650-479-3207. Video communication will be by use of the Cisco WebEx platform. Connect via the Cisco WebEx application or click the following link on Judge Everett's home page: https://us-courts.webex.com/meet/Everett The meeting code is 2304 017 9738. Click the settings icon in the upper right corner and enter your name under the personal information setting. Hearing appearances must be made electronically in advance of electronic hearings. To make your appearance, click the "Electronic Appearance" link on Judge Everett's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

Claudia Z. Springer (the "Kentucky Owl Trustee"), as chapter 11 trustee of Kentucky Owl, LLC (the "Debtor"), hereby files this *Emergency Motion for Entry of an Order Authorizing the Trustee to Enter into and Perform Under Barrel Aging Services Agreement* (the "Motion") and respectfully represents:

Relief Requested

1. Pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq* (the "Bankruptcy Code") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Kentucky Owl Trustee seeks this Court's authorization to enter into and perform under the Barrel Aging Services Agreement (the "Agreement") between the Kentucky Owl Trustee and The Bardstown Bourbon Company, LLC ("Bardstown"), dated May 20, 2026. A true and correct copy of the Agreement is annexed hereto as **Exhibit A**. The Agreement provides for the continued and uninterrupted storage of nearly all of the Debtor's remaining 29,000-barrel inventory of bourbon and whiskey at Bardstown's warehouse (collectively, the "Barrel Inventory"). The storage and maintenance of the Barrel Inventory is pivotal to the Kentucky Owl Trustee's continuing monetization of these assets for the

benefit of creditors. In support of the Motion, the Kentucky Owl Trustee submits her declaration (the "Springer Decl.") annexed hereto as **Exhibit B**, which is incorporated herein by reference.

2. A proposed form of order approving the relief requested herein is attached hereto as **Exhibit C** (the "Proposed Order"). The Kentucky Owl Trustee seeks the relief requested herein on emergency basis to ensure that the Barrel Inventory continues to be stored seamlessly at Bardstown's warehouse.

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Northern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The legal predicates for the relief requested in this Motion are sections 105(a) and 363(b) of the Bankruptcy Code and rule 6004 of the Bankruptcy Rules.

6. The Kentucky Owl Trustee confirms her consent to the entry of a final order by the Court in connection with the Motion in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

BACKGROUND

General Background:

7. On November 27, 2024, the Debtor and its affiliate Stoli Group (USA), LLC ("Stoli") each filed voluntary petitions for relief under Chapter 11.

8. On December 3, 2024, the Bankruptcy Court entered the *Order (I) Authorizing the Debtors to Serve a Consolidated List of Creditors; (II) Authorizing the Debtors to Redact Certain Personal Identification Information; (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases and Bar Dates; and (IV) Granting Related Relief* [Stoli Docket No. 48], which established February 25, 2025 (the "Pre-Petition Bar Date") as the deadline for filing claims against the Debtor which arose before the Petition Date;

9. On February 5, 2026, the Court entered an order authorizing and directing the Office of the United States Trustee (the "U.S. Trustee") to appoint a chapter 11 trustee for the Debtor [Stoli Docket No. 1123].

10. On February 19, 2026, the U.S. Trustee appointed the Kentucky Owl Trustee [Stoli Docket No. 1145]. On March 4, 2026, the Court entered an order approving the appointment of Claudia Z. Springer as the Kentucky Owl Trustee [Stoli Docket No. 1172].

11. On March 31, 2026, the Court entered the *Order Granting Emergency Motion for Entry of an Order (I) Approving Certain Modifications to Joint Case Administration Procedures and (II) Granting Related Relief* [Stoli Docket No. 1252], which established certain case administration procedures as to the Debtor's chapter 11 case, including ordering that the Debtor's case no longer be jointly administered with the Stoli case.

The Debtor's Prior Agreement with Bardstown:

12. On July 22, 2021, the Debtor and Bardstown entered into that certain Supply and Aging Services Agreement (the "Supply Agreement"), whereby Bardstown provided the Debtor certain storage in its warehouse and related services for the Barrel Inventory. On October 31, 2024, Bardstown terminated the Supply Agreement claiming that the Debtor materially breached the Supply Agreement by failing to remit payments thereunder (the "Prepetition Arrearage"). Bardstown filed a claim against the Debtor (Claim No. 128) for the Prepetition Arrearage prior to the Pre-Petition Bar Date. The Kentucky Owl Trustee acknowledges that the asserted amount of this claim totals $6,382,364.07, but reserves all other rights related to the claim.

13. Since the Petition Date, Bardstown continued to provide the Debtor storage in its warehouse and related services as to the Barrel Inventory without any agreement between the parties. The Kentucky Owl Trustee, immediately after her appointment, engaged with Bardstown regarding an agreement to ensure that the Barrel Inventory continues to be properly stored and maintained as it is the primary asset of the Debtor's estate. As a result of good faith, arms' length negotiations between the Kentucky Owl Trustee and Bardstown, and their respective professionals, the Kentucky Owl Trustee now seeks this Court's approval of the Agreement.

THE AGREEMENT[2]

14. The material terms of the Agreement are as follows:

a) **Storage**. Barrel Inventory shall be stored and Aged at Bardstown's Warehouse.

b) **Pricing**. The storage and service costs to be charged by Bardstown for the Barrel Inventory varies depending on the number of years the

2. Capitalized terms used in this section but not otherwise defined shall have the meaning ascribed to them in the Agreement. In the event of a conflict between the summary contained in this section and terms of the Agreement, the Agreement shall govern.

particular barrels have been stored at Bardstown. A schedule of the pricing is annexed as Exhibit B to the Agreement.

c) **Indemnification by the Debtor**. The Debtor agrees to indemnify, defend, and hold Bardstown and its officers, directors, representatives, agents, subcontractors and employees harmless against any Loss to the extent that such Loss was caused by or arose from: (a) any formulas, instructions or standards furnished by the Debtor to Bardstown; (b) any defect or damage to any product, or component provided by the Debtor; or (c) any violation of a statute, regulation, ordinance or other law by, or any willful misconduct, bad faith or gross negligence of the Debtor and certain related parties, in each case except to the extent that such Loss is caused by the gross negligence, material breach, or willful misconduct of Bardstown, its directors, officers, employees, agents, representatives, and sub-contractors.

d) **Indemnification by Bardstown**. Bardstown agrees to indemnify, defend, and hold the Debtor, the Kentucky Owl Trustee, and certain related parties harmless against any Loss to the extent that such Loss was caused by or arose from: (a) any failure by Bardstown to perform the warehouse services in accordance with the standard of care set forth in Section 8.1 of the Agreement; (b) any damage to Barrel Inventory to the extent directly caused by Bardstown failure to perform its obligations in accordance with the standard of care set forth in Section 8.1 of the Agreement; (c) any violation of a statute, regulation, ordinance or other law by, or any willful misconduct, bad faith or gross negligence of Bardstown and certain related parties; or (d) any material breach of this Agreement by Bardstown arising from or relating to this Agreement in each case except to the extent that such Loss is caused by the acts or omissions of the Debtor.

e) **Reservation of Rights of Fifth Third Bank, National Association ("Fifth Third Bank")**. Nothing in the Agreement shall limit, modify or expand the terms of that certain bailee agreement between the Debtor, Bardstown, and Fifth Third Bank, dated February 3, 2023 (the "Bailee Agreement"). The Kentucky Owl Trustee and Bardstown acknowledge that the rights of Fifth Third Bank under the Bailee Agreement shall continue to apply equally with respect to the storage of such Barrel Inventory under this Agreement.

BASIS FOR RELIEF

15. Entry into and performance under the Agreement represents a sound exercise of the Kentucky Owl Trustee's business judgment and is permissible under sections 363(b) and 105(a) of the Bankruptcy Code.

16. Pursuant to section 363(b) of the Bankruptcy Code, a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The Court of Appeals for the Fifth Circuit has held that debtors must articulate a "business justification" for using, selling, or leasing property outside of the ordinary course of business. *See, e.g., In re ASARCO, L.L.C.*, 650 F.3d 593, 601 (5th Cir. 2011) (outside of the ordinary course of business, "for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors, and equity holders, there must be some articulated business justification for using, selling, or leasing the property") (internal quotation marks omitted). The "business judgment standard is flexible and encourages discretion." *ASARCO*, 650 F.3d at 601. "The business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.'" *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Any more exacting scrutiny would slow the administration of the debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to impartially control a case. *See Richmond Leasing Co. v. Capital Bank*, 762 F.2d 1303, 1311 (5th Cir. 1985).

17. Section 105 of the Bankruptcy Code provides further support for entry of an order approving the Kentucky Owl Trustee's entry into the Agreement. Section 105 empowers the Court "to issue any order, process, or judgment that is necessary and appropriate to carry out

the provisions of this title." 11 U.S.C. §105 (a). Section 105(a) operates "to facilitate the implementation of other Bankruptcy Code provisions," and in so doing it provides a "bankruptcy court with broad authority to exercise its equitable powers." *Ameriquest Mortgage Co. v. Nosek (In re Nosek)*, 544 F.3d 34, 43 (1st Cir. 2008) (internal citations omitted). In this circuit, section 105(a) is interpreted "liberally" provided that the relief sought is "consistent with the rest of the Bankruptcy Code." *Matter of Zale Corp.*, 62 F.3d 746, 760 (5th Cir. 1995) (revised for clarity). These equitable powers are granted to effectuate the policies and goals of chapter 11 reorganization, which are to rehabilitate the debtor. *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176–77 (Bankr. S.D.N.Y. 1989), and to "create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately." *Mich. Bureau of Workers' Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 287 (S.D.N.Y. 1987).

18. The entry into and performance under the Agreement represents a reasonable exercise of the Kentucky Owl's business judgment. In consultation with her professionals and consultant, the Kentucky Owl Trustee determined that storing and maintaining the Barrel Inventory pursuant to the Agreement, is in the best interests of the Debtor and its estate. Specifically, (a) Bardstown, the Debtor's historical warehouse, has safely and securely maintained the Barrel Inventory since at least 2021; and (b) the cost of moving the Barrel Inventory to another warehouse would far exceed any savings which may have been obtained with such transition. Further, after arm's-length negotiations with Bardstown, the Kentucky Owl Trustee believes that the Agreement contains the most favorable terms available under the circumstances. Approval of the Agreement is necessary and appropriate to assist the Trustee in her duty to maximize value for

the Debtor's estate and its creditors. The Agreement will facilitate the marketing and sale process of the Barrel Inventory, which is the primary source of recovery for the Debtor's creditors.

REQUEST FOR BANKRUPTCY RULE 6004 WAIVERS

19. The Kentucky Owl Trustee requests a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h).

NOTICE

20. Notice of this Motion has been provided to (i) the U.S. Trustee; (ii) counsel to Fifth Third Bank; (iii) counsel to the Creditors' Committee; (iv) counsel to Bardstown Bourbon Company; and (v) all parties in interest who have formally appeared and requested notice in the Debtor's chapter 11 case. The Kentucky Owl Trustee respectfully submit that no further notice of this Motion is required.

21. The pleadings in the Debtor's case and supporting papers are available on the Kentucky Owl Trustee's website at https://cases.stretto.com/KentuckyOwl or on the Bankruptcy Court's website at https://ecf.txnb.uscourts.gov/.

[signature page to follow]

WHEREFORE, the Kentucky Owl Trustee respectfully requests entry of the Proposed Order and granting such other relief as the Court deems appropriate under the circumstances.

Dated: May 28, 2026

Respectfully submitted,

FERGUSON BRASWELL
FRASER KUBASTA PC

By: /s/ *Rachael L. Smiley*
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-and-

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Counsel for Claudia Z. Springer,
Chapter 11 Trustee of Kentucky Owl, LLC

Certificate of Conference

The undersigned certifies that counsel for the Kentucky Owl Trustee has conferred with counsel for Fifth Third, Bardstown, and the Creditors' Committee, as well as the Office of the U.S. Trustee, concerning this Motion. None of those parties object to hearing the Motion on an emergency basis on June 4, 2026, and the parties are considering the substantive relief requested by the Motion. Given the emergency nature of the relief requested, further delay in the filing of this Motion was not feasible.

/s/ Rachael L. Smiley
Rachael L. Smiley

Certificate of Service

I certify that on May 28, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas upon all parties entitled to receive such notice.

/s/ Rachael L. Smiley
Rachael L. Smiley

EXHIBIT A

(Barrel Aging Services Agreement)

The Bardstown Bourbon Company, LLC

Barrel Aging Service Agreement

This Barrel Aging Service Agreement (this **"Agreement"**) is entered into as of May 20, 2026, by and between The Bardstown Bourbon Company, LLC, a Kentucky limited liability company with an address of 1500 Parkway Drive Bardstown, KY 40004 ("**BBC**"), and Kentucky Owl, LLC, a Delaware limited liability company, with an address of c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606 ("**Client**"), acting by and through Claudia Z. Springer, solely in her capacity as duly appointed Chapter 11 Trustee of Client's bankruptcy estate (the "**Trustee**") in *In re Kentucky Owl, LLC*, Case No. 24-80147-swe11, pending in the United States Bankruptcy Court for the Northern District of Texas (such case, the "**Bankruptcy Case**", and such court, the "**Bankruptcy Court**"). BBC and Client (acting through the Trustee) are each referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, BBC and Client previously entered into that certain Supply and Aging Services Agreement dated as of July 22, 2021 (the "**Supply Agreement**");

WHEREAS, effective October 31, 2024, BBC terminated the Supply Agreement, as a result of Client's material breach thereof arising from Client's failure to remit payments due thereunder, and as of such date, certain outstanding amounts remained due and owing to BBC by Client under the Supply Agreement (the "**Prepetition Arrearage**");

WHEREAS, on November 27, 2024 (the "**Petition Date**"), Client filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**"), thereby commencing the above-referenced Bankruptcy Case; and thereafter, the Bankruptcy Court entered an order authorizing and directing the appointment of the Trustee as Chapter 11 trustee of Client's bankruptcy estate, with authority to operate Client's business and manage property of the estate;

WHEREAS, from and after the termination of the Supply Agreement, and continuing through the Effective Date of this Agreement, BBC has continued to store Client's Barrel Inventory at BBC's Warehouses, and has incurred storage fees and associated costs and expenses in connection therewith (the "**Post-Termination Fees**");

WHEREAS, the outstanding Post-Termination Fees incurred and outstanding for the period from the Petition Date through February 28, 2026 were recently paid and there are no such Post-Termination Fees for that period currently due and owing to BBC;

WHEREAS, Client acknowledges that Post-Termination Fees have continued to accrue following February 28, 2026 and shall continue to accrue until the execution of this Agreement (and thereafter in accordance with its terms), and such amounts shall be payable in accordance with this Agreement;

WHEREAS, BBC is willing to continue storing the Barrel Inventory in its Warehouses on a going-forward basis, on the terms set forth in this Agreement;

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions governing BBC's continued storage of the Barrel Inventory, and to establish the rights and obligations of the Parties with respect to ongoing storage; and

WHEREAS, the Trustee has determined, in the exercise of her reasonable business judgement, that entry into this Agreement is in the best interests of Client's estate and its creditors.

NOW THEREFORE, the Parties, in consideration of the promises and mutual covenants contained herein, agree as follows:

1 Definitions. As used in this Agreement, the following terms have the respective meaning set forth below:

"**Additional Services Fee"** shall mean additional fees agreed to in writing by the Parties following the process described in Section 7.3 of this Agreement.

"**Affiliate**" shall mean, with respect to any Person, any Persons directly or indirectly controlling, controlled by, or under common control with, such other Person at any time during the period for which the determination of affiliation is being made. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"**Age**," "**Aging**" and/or "**Aged**" shall mean storing Whiskeys (as defined below) in wood barrels.

A "**Bankruptcy Event**" shall occur upon the filing of an involuntary petition in bankruptcy or similar proceeding against such Party seeking its reorganization, liquidation or the appointment of a receiver, trustee or liquidator for it or for all or substantially all of its assets, whereupon such petition shall not be dismissed within forty-five (45) days after the filing thereof, or if such Person shall (i) apply for or consent in writing to the appointment of a receiver, trustee or liquidator of all or substantially all of its assets, (ii) file a voluntary petition or admit in writing its inability to pay its debts as they become due, (iii) file a petition or an answer seeking reorganization or an arrangement with creditors or take advantage of any insolvency law, (iv) file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency proceedings or any similar proceedings, or (v) generally have the inability to pay its debts as they become due.

"**Barrel**" shall mean a white oak barrel owned by Client.

"**Barrel Inventory**" shall mean Barreled Distillate and Bulk Inventory housed in the Warehouse, a current listing of which, including identification numbers and ages of such Barreled Distillate, is attached as Exhibit A, hereto.

"**Barreled Distillate**" shall mean distillate that is through the manufacturing process, contained in a Barrel and owned by Client.

"**Bulk Inventory**" shall mean Barreled Distillate or any other Whiskey BBC may purchase on behalf of the Client.

"**Confidential Information**" shall be as defined in Section 11.

"Effective Date" shall mean the date on which the order of the Bankruptcy Court approving this Agreement becomes final and non-appealable.

"ERP System" shall mean business management software used to collect, store, manage and interpret data from the barrel aging activities provided under this Agreement, including inventory management.

"**Evaporation Loss**" shall be as defined in Section 4.

"**Excise Duties**" shall be as defined in Section 5.3.

"**Facility**" shall mean the production and warehouse facilities located in Kentucky, which are owned, leased, or managed by BBC or its Affiliates.

"**Federal Act**" shall mean the Federal Alcohol Administration Act, as amended, and all regulations promulgated thereunder by the Alcohol and Tobacco Tax and Trade Bureau, a bureau of the United States Department of the Treasury, which regulates and collects taxes on trade and imports of alcohol, tobacco, and firearms within the United States.

"**Finished Distillate**" shall mean distillate that is through the manufacturing process and ready to be barreled or shipped.

"**Liens**" shall mean any lien, encumbrance or security interest of any type.

"**Loss**" shall mean any damage, claim, loss, charge, action, suit, proceeding, deficiency, Tax, interest, or penalty as well as reasonable costs and expenses (including reasonable attorneys' fees) related to any of the foregoing.

"**Outstanding Balance**" means the aggregate sum of (i) the Prepetition Arrearage, (ii) the Post-Termination Fees, and (iii) any other fees, costs, or charges accrued and unpaid as of the Effective Date, all in the amounts set forth on Exhibit C attached hereto.

"**Person**" shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization.

"**Products**" shall mean Client's Finished Distillate and Barrel Inventory in BBC's possession, including, without limitation, at the Facility.

"Release Orders" shall be as defined in Section 5.1.

"Taxes" shall mean all applicable foreign, federal, state, county, and local taxes, including without limitation federal excise tax and ad valorem taxes under laws of the Commonwealth of Kentucky or other relevant taxing entities.

"**Term**" shall be as defined in Section 13.

"**Transport Tanks**" shall be as defined in Section 5.2.

"**TIB**" shall mean a Transfer in Bond, a document requiring TTB approval prior to transferring spirits from one DSP to another.

"**Warehouse**" means a barrel storage facility controlled or managed by BBC or its Affiliates and located at the Facility.

"**Whiskey**" or "**Whiskeys**" means a potable alcoholic distillate obtained from a mash of cereal grain or cereal grain products saccharified by the diastase of malt or other natural enzyme and fermented by the action of yeast and may contain flavoring or caramel.

2 Inventory.

2.1. A listing of identification numbers and ages of the Barrel Inventory is attached as Exhibit A. Exhibit A will be updated whenever Barreled Distillate or Bulk Inventory is added to or removed from the Barrel Inventory. The Parties agree that additions to the Barrel Inventory at the request of Client, in writing, will automatically be covered by this Agreement, provided BBC has adequate Warehouse space and agrees in writing to store the additional Barrel Inventory.

2.2. Client shall at all times retain the risks and rewards of ownership of the Barrel Inventory.

3 Warehouse Management.

3.1. The Barrel Inventory shall be stored and Aged at the Warehouse.

3.2. Inventory records for the Barrel Inventory are maintained in an ERP System.

3.3. BBC identifies barrels Client has stored from other stock in the Warehouse by assigning Client an owner code (unique for each owner) to each barrel within its warehouse management system.

4 Shrinkage. The Parties acknowledge that in the course of storing and Aging Whiskey in Barrels some volume of liquid is lost through evaporation, or absorption into the Barrel, or Barrel leakage ("**Evaporation Loss**"). Subject to BBC's obligations under Section 8.1 (including, without limitation, with respect to standards of care), BBC shall not be responsible for any Evaporation Loss(es) from the Barrel Inventory. Further, unless set forth in another agreement between Client and BBC, Client acknowledges that BBC is acting solely as a warehouseperson and is not providing Client with any advice on the proper Aging of Barreled Distillate or any other aspect of the production of Barreled Distillate. Client remains solely responsible for the quality of the Barreled Distillate. BBC

shall have no responsibility for the condition, maintenance, or repair of Barrels, and any loss attributable to the condition or integrity of the Barrels shall be borne by Client.

5 Barrel Inventory Shipment.

5.1. Release Orders. Client will direct BBC, in writing, to prepare specified quantities of Barrel Inventory for shipment to other facilities designated by Client's release orders ("**Release Orders**"). Release Orders will be submitted to BBC no less than five (5) calendar days prior to the required shipment date. Release Orders may call for either Barrel shipments or Transport Tank shipments.

5.2. Containers. Barrel Inventory dumped in response to Release Orders will be shipped in truck tank trailers or other containers (referred to as "**Transport Tanks**") as specified in the Release Order. BBC may, with Client's prior approval adjust the quantities of Barrel Inventory called for in a Release Order(s) to match the quantity that can be shipped in full Transport Tanks. BBC will only load Transport Tanks that are properly sealed and accompanied by a cleaning certificate (or wash ticket) or if properly sealed and accompanied by a letter from Client authorizing BBC to load without the cleaning certificate. All other containers shall be turned away at Client's expense. If BBC discovers leakage or other fault after filling that requires product to be transferred to a second Transport Tank, in such circumstances, BBC will not be liable for process transfer loss to such second Transport Tank.

5.3. Excise Duties. BBC shall keep Client informed of all applicable Federal, provincial, state, and local excise duties ("**Excise Duties**") on such shipments, and Client shall reimburse BBC for any such Excise Duty payments made on Client's behalf. Client shall retain the right to challenge Excise Duties that Client believes are excessive or for which Client is not responsible; provided, further, that Client shall reserve sufficient funds for all challenged Excise Duties unless otherwise ordered by the Bankruptcy Court. Client shall be solely responsible for delivering to BBC in advance of any shipment the amount of applicable Excise Duties estimated by mutual agreement of the Parties.

5.4. Shipment Terms. Shipment terms are Ex Works Facility. Barrels selected for Release Orders will be shipped by common carriers selected by Client or by BBC at Client's request. If BBC makes shipping arrangements on behalf of Client, BBC will direct the invoices for such shipments to Client's attention for payment. If Client makes shipping arrangements, it will provide BBC with all necessary tender information.

6 Empty Barrels. Empty barrels will only be held by BBC at the Warehouse for a short period of time. Within five (5) days' notice from BBC that empty Barrels are available for

shipment, Client will advise BBC where to ship the barrels unless BBC has agreed to purchase the empty Barrels.[1]

7 Fees.

7.1. The fees for services provided pursuant to this Agreement are set forth on Exhibit B. Fees are exclusive of all Taxes. Any Taxes which must be collected by BBC shall be added to each invoice as a separate line item.

7.2. BBC will invoice Client by the 5th day of the month for services provided the preceding month:

(a) Storage charges for Barrel Inventory, including insurance fees if elected, will be based on the number of Barrels in the Warehouse at month end regardless of when Barrel Inventory was placed in the Warehouse.

(b) All other fees set forth in Exhibit B, and, in the case of Additional Services under 7.3, fees as may be agreed upon by the Parties, will be invoiced monthly for the services performed during the previous month.

(c) Excise Duties, if any, mutually agreed for the coming month according to Section 5.3.

(d) State, county, or local Taxes, including ad valorem taxes, assessed during the previous month on Barrel Inventory while in BBC's possession.

7.3. Additional Service Fees. If Client requests, or BBC wishes to provide, any customer service, administrative, operational, or account-management assistance that is beyond the scope of services covered by the fees set forth on Exhibit B, then, before commencing any such service, BBC shall provide Client with a written estimate of the time required to complete the requested work, why BBC believes that such fees are for services not otherwise covered by the fees charged under this Agreement, and the proposed amount of Additional Service Fees. Client shall provide written approval of such estimate before BBC commences the work. Client agrees to compensate BBC for all approved Additional Service Fees and Client shall be invoiced upon such approval. If BBC anticipates exceeding the approved estimate's dollar amount, BBC shall notify Client and obtain Client's written approval prior to proceeding further.

7.4. Payment. Payment terms are net fifteen (15) days from date of invoice, provided that Client shall not withhold, delay, or offset payment of any amounts due hereunder. Client must verify, via email and phone, any changes to BBC bank account information directly with the contact named in Section 14 hereunder. BBC and its Affiliates shall not be directly or

[1]NTD: Subject to confirmation how many empty barrels are currently at the warehouse. BBC can conduct this service for Additional Service Fees.

indirectly liable for any losses incurred by any party in connection with payments to accounts that were not verified using the aforementioned procedure.

7.5. Taxes. Following notice to Client (with a copy to Fifth Third Bank, National Association ("**Fifth Third Bank**") for informational purposes only), BBC shall pay on behalf of Client the appropriate state, county, or local Taxes, including ad valorem taxes on Barrel Inventory, as they become due. On or around October 31 each year, BBC will invoice Client for Taxes paid on Client's behalf (including amounts for which BBC provided reasonable advance notice to Client)) which invoice shall be payable as soon as practicable, but in no event later than fourteen (14) calendar days after receipt thereof.

7.6. Adjustments. The fees payable hereunder may each be adjusted as of each January 1 during the Term for the calendar year commencing on such January 1 at the sole discretion of BBC. Other than insurance fees, such adjustment shall not result in an increase of any fee of more than the greater of (i) two percent (2%), or (ii) the percentage increase of the Producer Price Index ("PPI") (specifically, PCU 312: industry sub-sector data for beverage & tobacco manufacturing, not seasonally adjusted) as published by the U.S. Bureau of Labor Statistics for such preceding trailing twelve months as of the date of the notice. Insurance fee adjustments shall not result in an increase in fees greater than BBC's average actual premium increase as of the most recent premium renewal.

7.7. Outstanding Balance. The Parties acknowledge and agree that the Outstanding Balance, as set forth on Exhibit C, is due and owing to BBC as of the Effective Date and continues to be due and owing solely from Client after the Effective Date. Nothing herein shall be deemed to waive or limit BBC's rights to collect the Outstanding Balance, subject to applicable bankruptcy law. Subject to applicable bankruptcy law, the Parties reserve all rights regarding manner of collection and payment of the Outstanding Balance in the Bankruptcy Case, provided that nothing in this Agreement shall limit, modify or expand the terms of that certain bailee agreement between the Parties and Fifth Third Bank, dated February 3, 2023 (the "**Bailee Agreement**"). Client acknowledges that all Post-Termination Fees accrued through the Effective Date are and shall remain due and payable in accordance with this Agreement.

8 Covenants.

8.1. By BBC. BBC warrants and covenants that:

(a) BBC shall obtain and maintain all permits, approvals, and licenses necessary to perform its obligations hereunder and shall at all times comply with the terms and conditions of such permits, approvals and licenses;

(b) All Barrel Inventory will be stored or shipped in compliance with all applicable US federal, state, and local laws, rules and regulations relating to alcohol beverages, including but not limited to, the Federal Act;

(c) BBC shall exercise the degree of care of the Barrel Inventory that a reasonable and prudent warehouseperson would exercise to protect its own goods. BBC shall maintain the Warehouse in a sound, clean condition and take all reasonable steps to keep it free of insects, rodents, birds, and other conditions which may adversely affect the condition of the Barrel Inventory;

(d) BBC shall operate and maintain its facilities in a safe and secure manner. BBC shall adopt and adhere to such security procedures and systems as are required by applicable law and as are reasonably necessary to maintain the integrity, security, and restricted access to its facilities;

(e) BBC shall obtain and maintain customary property, liability, and other insurance coverages;

(f) As of the Effective Date, BBC is a solvent company, and is able to pay its debts and obligations as they become due;

(g) Other than as may be instructed by Client, BBC shall not sell or transfer any of the Products to any third-party or use any of the Products for its own or any of its Affiliates' or other customers' use; and

(h) BBC may, at its sole discretion, file a financing statement under Article 9 of the Uniform Commercial Code (UCC) or take other actions as may be necessary to perfect and enforce its warehouseman's lien, subject solely to the terms of the Bailee Agreement and applicable law.

8.2. THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY BBC AND ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE. IN NO EVENT SHALL BBC OR ITS AFFILIATES BE LIABLE TO CLIENT FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, STATUTORY, EXEMPLARY, PUNITIVE, OR MULTIPLE DAMAGES OR FOR ANY EXCISE TAXES. TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE TOTAL LIABILITY, IN THE AGGREGATE, OF BBC AND ITS AFFILIATES TO CLIENT, OR ANY PERSON OR ENTITY CLAIMING BY, THROUGH OR UNDER CLIENT, FOR ANY AND ALL CLAIMS, LOSSES, COSTS OR DAMAGES OF ANY NATURE WHATSOEVER ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATED TO THE SERVICES AND PRODUCTS DESCRIBED HEREIN INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, BREACH OF CONTRACT OR WARRANTY, EXPRESS OR IMPLIED, OR ANY OTHER ALLEGED ACTIONS OF BBC OR BBC'S AFFILIATES, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, AGENTS OR CONSULTANTS, OR ANY OF THEM, SHALL NOT EXCEED THE AGGREGATE FEES RECEIVED BY BBC FROM CLIENT UNDER THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, THIS PROVISION SHALL NOT LIMIT IN ANY WAY CLIENT'S ABILITY TO COLLECT DAMAGES FROM BBC'S INSURANCE, PROVIDED, HOWEVER, THAT CLIENT'S RECOVERY FROM BBC'S INSURANCE SHALL BE LIMITED TO THE COVERAGE AMOUNTS AND TERMS SET FORTH IN SECTION 12, AND FURTHER PROVIDED THAT CLIENT SHALL FIRST SEEK RECOVERY UNDER

ITS OWN INSURANCE FOR ANY LOSS OR DAMAGE TO PRODUCTS STORED HEREUNDER.

9 Indemnification.

9.1. By Client. Client agrees to indemnify, defend, and hold BBC and its officers, directors, representatives, agents, subcontractors and employees harmless against any Loss to the extent that such Loss was caused by or arose from: (a) any formulas, instructions or standards furnished by Client to BBC; (b) any defect or damage to any product, or component provided by Client; or (c) any violation of a statute, regulation, ordinance or other law by, or any willful misconduct, bad faith or gross negligence of Client, its directors, officers, employees, agents, representatives, and sub-contractors, in each case except to the extent that such Loss is caused by the gross negligence, material breach, or willful misconduct of BBC, its directors, officers, employees, agents, representatives, and sub-contractors.

9.2. By BBC. BBC agrees to indemnify, defend, and hold Client and its officers, directors, representatives, agents, subcontractors and employees harmless against any Loss to the extent that such Loss was caused by or arose from: (a) any failure by BBC to perform the warehouse services in accordance with the standard of care set forth in Section 8.1 herein; (b) any damage to Barrel Inventory to the extent directly caused by BBC's failure to perform its obligations in accordance with the standard of care set forth in Section 8.1; (c) any violation of a statute, regulation, ordinance or other law by, or any willful misconduct, bad faith or gross negligence of BBC, its directors, officers, employees, agents, representatives, and sub-contractors; or (d) any material breach of this Agreement by BBC arising from or relating to this Agreement in each case except to the extent that such Loss is caused by the acts or omissions of Client.

9.3. Conditions and Control. The foregoing indemnifications are conditioned upon the Party claiming indemnification hereunder (the "**Indemnified Party**") promptly furnishing the other Party (the "**Indemnifying Party**") with written notice of each Loss for which indemnity is claimed and permitting the Indemnifying Party to assume control and/or the defense thereof at its sole cost and expense. The Indemnifying Party shall have thirty (30) calendar days from effective date of such notice to notify the Indemnified Party as to (a) whether the Indemnifying Party disputes the liability of the Indemnifying Party to the Indemnified Party hereunder with respect to such claim or demand, and (b) whether it desires to defend the Indemnified Party against such claim or demand. The Indemnified Party shall not settle, compromise, or offer to settle or compromise, or make an admission of liability with respect to, a claim or demand. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, settle, compromise or offer to settle or compromise any such claim or demand on a basis that would result in (i) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any subsidiary or affiliate thereof, or (ii) any monetary liability of the Indemnified Party that will not be paid or reimbursed by the Indemnifying Party. The Party handling any defense of any claim hereunder shall use its reasonable best efforts in such defense. To the extent the Indemnifying Party shall direct, control or participate in the defense or settlement of any third party claim or demand, the Indemnified Party shall give the Indemnifying Party and its counsel access to, during normal business hours, the relevant business records and other documents, and shall permit them to consult with the employees and counsel of the Indemnified Party, provided that employees or counsel of the Indemnified Party shall not be required to respond to any request to the extent doing so could in the Indemnified Party's counsel's opinion, compromise the attorney-client, work-product or similar privilege. If the Indemnifying Party assumes the defense with respect to any third-party claim, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel reasonably acceptable to the Indemnifying Party, at the Indemnifying Party's sole expense, separate from the counsel employed by the Indemnifying Party, if such claim involves potential conflicts of interest between or substantially different defenses for the Indemnified Party and the Indemnifying Party.

9.4. Limitation. This Section 9 only applies to any Loss that arose on or after the Effective Date. Nothing herein shall alter, amend, or modify BBC's right to claim any indemnification or reimbursement under the Supply Agreement.

10 Communications; Access Rights.

10.1. Communications. BBC and Client will each designate one Person as the contact point for all major communications issues between the Parties, which on the date of this Agreement, until otherwise notified, is Richard Shaw for BBC and Michael Boyer of NOVO Advisors LLC for Client. However, nothing shall prohibit communications between functional departments of both Parties.

10.2. Access Rights. Upon reasonable prior notice (not less than five (5) business days), and provided that Client shall not unduly interfere with the normal operations of BBC, BBC shall permit Client to examine the Warehouse and its equipment, inspect and take inventories of the Barrel Inventory, and examine the Warehouse records relating to the Barrel Inventory.

10.3. Cooperation. Each Party will use all reasonable efforts to provide to the other Party such data extracts, inquiry capabilities and other information as is reasonably required by the other Party to fulfill its obligations under this Agreement or as Client otherwise reasonably needs to effectively manage its business as it relates to the Barrel Inventory.

11 Confidentiality.

11.1. During the term of this Agreement, each Party may disclose to the other Party confidential information including but not limited to product specifications and requirements, recipes, designs, drawings, processes, financial, sales, markets and marketing techniques, business practices, other business or technical data and information, and personal information concerning employees. Furthermore, either Party may generate or derive confidential information based upon information disclosed by the other Party. Collectively, this information is referred to as "**Confidential Information**". The Parties will hold any Confidential Information strictly confidential, will not use the Confidential Information for any other purpose other than performing under this Agreement, and will not disclose the

Confidential Information, or any part of it, to any third party until the information becomes public knowledge or until the other Party gives written permission, whichever occurs first. Both Parties will inform their employees, subcontractors and/or agents of the confidentiality obligations under this Agreement and shall ensure that any such employees, subcontractors and/or agents who receive Confidential Information are bound by confidentiality obligations no less restrictive than those set forth herein. Each Party is responsible for all violations by its employees, subcontractors, and agents. BBC acknowledges and agrees that Confidential Information may be shared with Fifth Third Bank and its representatives, and with any fiduciaries of Client's bankruptcy estate and their representatives, subject to their agreement to treat the Confidential Information in accordance with this Agreement and with any other party as required by applicable bankruptcy law, provided that such party is subject to confidentiality obligations consistent with this Agreement.

11.2. If disclosure of Confidential Information of the disclosing Party is required by the recipient Party by statute, government regulation or other legal authority, the recipient Party shall promptly inform the disclosing Party of such request or demand. The recipient Party shall cooperate with the disclosing Party, at the disclosing Party's expense, to obtain confidential status for the disclosure or otherwise limit such disclosure. No Party shall be restricted from complying with such statutes, government regulations or other legal authority.

12 Title, Insurance and Damages.

12.1. Coverage. BBC shall have and maintain in full force and effect adequate insurance of the following types and in the following minimum limits;

	Description	**Minimum Amounts**
(i)	Workers Compensation and Employers Liability	Statutory Minimum and $1 million, respectively
(ii)	Commercial General Liability	U.S. $10,000,000 combined single limit bodily injury/property damage
(iii)	All Risk Property Insurance including Business Interruption Insurance covering risk of loss of or damage to BBC's property and extra expenses caused by fire, flood, earthquake, theft, or other casualty. Such coverage shall provide a waiver of subrogation in favor of Client except in the event of gross negligence or willful misconduct.	Full replacement value of the Finished Distillate that is property of BBC

12.2. Change in Insurance. All insurance policies shall provide for at least thirty (30) calendar days prior written notice to Client in the event of cancellation, material change or lapse or expiration of the policy. Upon request, BBC shall furnish Client with a certificate of insurance evidencing the insurance required herein.

12.3. Barrel Inventory Insurance Option. At Client's election in this Agreement (see Exhibit B), BBC will provide property insurance for the Barrel Inventory until shipped to Client or at the direction of the Client and only until the end of the Term. The monthly insurance rate and insured value per unit of Barrel Inventory is set forth on Exhibit B.

12.4. Client Insurance. In the event Client does not elect to have BBC provide property insurance for the Barrel Inventory, as set forth in Section 12.3, Client shall bear the risk of loss or damage to Barrel Inventory. Client shall maintain insurance coverage sufficient to cover the value of Barrel Inventory and provide BBC proof of insurance illustrating the appropriate limit of coverage. The property insurance carrier must waive all rights of recovery against BBC, its officers, employees, and agents for loss of or damage to the property insured. Client will provide BBC with a certificate of insurance, naming Fifth Third Bank and BBC as additional insureds on its general liability policy. This policy shall be issued on a primary and noncontributory basis and contain a waiver of subrogation endorsement. Client will give BBC written notice of cancellation, termination, or lapse of such policy within thirty (30) days of such event.

13 Term. Subject to the early termination provisions set forth in this Agreement, the term of this Agreement shall commence on the Effective Date and, unless extended pursuant to the terms hereof, shall expire on the last day of the month that is twelve (12) full calendar months following the Effective Date (the "**Term**"). Notwithstanding the foregoing, subject to any applicable updated fee schedule, this Agreement and the Term may be extended by Client in its sole discretion for a period not to exceed twelve (12) months by providing at least thirty (30) days' prior written notice to BBC before the expiration date of the then-current Term.

13.1. Early Termination by Client. Client shall be entitled to terminate this Agreement on 30 calendar days' written notice at any time and for any reason. This Agreement shall terminate immediately without the need for notice from Client under the following circumstances:

(a) if a Bankruptcy Event has occurred with respect to BBC; or

(b) if BBC loses licenses or permits necessary to, and required for, performing under this Agreement.

13.2. Early Termination by BBC. BBC may seek (subject to Client's rights) Bankruptcy Court permission to terminate this Agreement, upon not less than regular notice, under the following circumstances:

(a) if Client shall default in the performance of any of its material obligations under this Agreement, or breach any of its warranties set forth in this Agreement and such default or breach shall continue for a period of ten (10) calendar days after BBC has given written notice to Client specifying such default or breach and requiring it to be remedied; provided, however, that any failure by Client to timely pay storage fees or any other amounts due under this Agreement for time periods after the Petition Date shall constitute a material default, and the cure period for any such payment default shall not exceed five (5) calendar days after written notice.

(b) Payment Terms and Security Post-Petition.

(i) Payment Frequency. Notwithstanding any other provision of this Agreement, from and after the Petition Date, all storage fees and any other amounts due to BBC arising after the Petition Date shall be invoiced on a monthly basis and remain due and payable pursuant to the net fifteen (15) day payment terms established in Section 7.4 of this Agreement. Client's failure to remit payment within such fifteen (15) day period shall constitute a material payment default under Section 13.2(a) and the five (5) calendar day cure period shall apply.

(ii) Administrative Expense Priority. All storage fees incurred and any other amounts due to BBC from the Client that first accrue from and after the Petition Date shall be entitled to administrative expense claim priority, subject to approval of the Bankruptcy Court, and BBC reserves the right to file an administrative expense claim with the Bankruptcy Court seeking allowance and payment of such amounts.

(iii) Warehouseman's Lien. BBC's warehouseman's lien on all Products and Barrel Inventory in BBC's possession, to the extent valid and enforceable under applicable law, shall constitute security for all amounts due and owing to BBC under this Agreement. For the avoidance of doubt, and without otherwise limiting, modifying or expanding the Bailee Agreement, the Parties acknowledge that the rights of Fifth Third Bank under the Bailee Agreement shall continue to apply equally with respect to the storage of such Barrel Inventory under this Agreement. Nothing herein shall be deemed to otherwise limit, modify or expand the terms of the Bailee Agreement, and the rights of Fifth Third Bank with respect to such Barrel Inventory shall be governed solely by the Bailee Agreement and applicable orders of the Bankruptcy Court. Such lien rights shall not be waived, subordinated, or otherwise impaired by any provision of this Agreement. BBC agrees to be bound only by cash collateral orders entered by the Bankruptcy Court expressly applicable to it and entered in accordance with applicable law.

13.3. Payment Verification. Consistent with Section 7.4 of this Agreement, all post-petition payments by Client must be made only to a BBC bank account verified directly with the contact named in Section 14 via both email and phone confirmation. BBC and its Affiliates shall not be liable for any losses arising from payments made to accounts that were not verified using such procedure, except as may be agreed by BBC in writing in advance.

13.4. Consequences on Termination. In the event this Agreement expires or is terminated in accordance with this Section 13, (i) each of the Parties shall promptly return all

Confidential Information received from the other Party in connection with this Agreement, (ii) each Party shall honor all credits and make any accrued and unpaid payment to the other Party as required pursuant to the terms of this Agreement, and no rights already accrued hereunder shall be affected. Any amounts due to either Party by the other hereunder upon such termination shall remain due and owing and shall survive termination of this Agreement; provided, however, that the Outstanding Balance shall be treated in accordance with applicable bankruptcy law, and (iii) BBC may assert a warehouseman's lien on all products in BBC's possession for all amounts due from Client subject solely to the terms of the Bailee Agreement and applicable law.

13.5. Effect of Termination. Upon expiration or termination of this Agreement, the following terms shall govern the disposition of Client's remaining Barrel Inventory and all related obligations:

(a) Holdover Period. Unless otherwise requested for a shorter duration by Client, for a period of six (6) months following the expiration or termination of this Agreement (the "**Holdover Period**"), BBC shall continue to store and manage Client's remaining Barrel Inventory (the "**Holdover Inventory**") at the fee rates in effect as of the date of termination or expiration. Client's use of the Holdover Period does not constitute a renewal or extension of the Agreement, and no such renewal or extension shall be implied.

(b) Post-Holdover Storage; BBC's Discretion. Following the Holdover Period, unless otherwise requested for a shorter duration by Client, BBC shall continue to store and manage Client's remaining Barrel Inventory subject to the following escalated fee structure: For the period following expiration of the Holdover Period, Client shall pay a monthly storage rate equal to two times (2x) the fee rate in effect at the time of termination or expiration. BBC reserves the right, at its sole and absolute discretion, to adjust any post-Holdover storage fees to BBC's then-current prevailing rates at any time, upon written notice to Client.

(c) BBC's Right to Require Removal After Holdover Period. BBC shall not require Client to remove the Products, including any Holdover Inventory, from BBC's premises prior to the date that is twelve (12) months following the expiration or termination of this Agreement (the "**Outside Removal Date**"). Client acknowledges and agrees that the Outside Removal Date constitutes a reasonable limitation on the duration of BBC's storage obligations. Notwithstanding anything to the contrary herein, (i) upon the occurrence of the Outside Removal Date at any time when the Bankruptcy Case is pending, BBC shall have the right, exercisable in its sole and absolute discretion, to seek authority from the Bankruptcy Court to require Client to remove all or any portion of the Products (including Holdover Inventory) from BBC's premises upon thirty (30) calendar days' prior written notice to Client (the "**Removal Notice**"), and (ii) upon the occurrence of the Outside Removal Date at any time when the Bankruptcy Case is no longer pending, BBC shall have the right, exercisable in its sole and absolute discretion, to require Client to remove all or any portion of the Products (including Holdover Inventory) from BBC's premises upon thirty (30) calendar days' prior written notice to Client.

If Client fails to remove the identified Holdover Inventory within thirty (30) calendar days of the Removal Notice and the Bankruptcy Case is no longer pending, BBC shall have the right, without further notice and without liability to Client, to exercise any and all remedies available to it under applicable law, including without limitation enforcement of BBC's warehouseman's lien as set forth in subsection (e) below, or disposition of the Holdover Inventory in accordance with applicable law.

(d) Condition to Withdrawal; Unpaid Amounts. Client shall remit all unpaid amounts due and owing to BBC under this Agreement for time periods after the Petition Date prior to withdrawing any Holdover Inventory from BBC's premises. BBC shall have the right to refuse release of any Holdover Inventory until all outstanding amounts for time periods after the Petition Date have been paid in full.

(e) Warehouseman's Lien. BBC shall at all times have the right to assert a warehouseman's lien on all Holdover Inventory and any other Products or property of Client in BBC's possession, as security for all amounts due and owing from Client to BBC for warehousing services provided that any such warehouseman's lien is subject to the Bailee Agreement and applicable law. BBC's lien rights shall survive the expiration or termination of this Agreement and shall remain in full force and effect until all outstanding amounts have been paid and satisfied in full.

(f) Obligation to Remove Holdover Inventory. Subject to subsection (c) above, and except as otherwise expressly set forth in this Section 13.5, all Holdover Inventory must be removed from BBC's premises by Client no later than the expiration of the Holdover Period. Client shall be solely responsible for all costs, expenses, and liabilities associated with the removal and transportation of the Holdover Inventory.

13.6. Force Majeure In the event performance by BBC of its duties or obligations hereunder is interrupted or interfered with by reason of any cause beyond its reasonable control including, but not limited to, fire, storm, flood, earthquake, explosion, war, rebellion, insurrection, pandemic (except for COVID-19), quarantine, act of God, boycott, embargo, shortage or unavailability of supplies, riot, or governmental law, regulation or edict (each, a "**Force Majeure Event**"), BBC shall not be deemed to be in default of this Agreement by reason of its non-performance due to such Force Majeure Event, but shall give notice to Client of the Force Majeure Event, subject to the remaining portions of Section 14. In such event, BBC shall use reasonable best efforts to correct the interruption or interference caused by the Force Majeure Event. If any such Force Majeure Event continues uninterrupted for a period in excess of forty-five (45) days from the date of occurrence of such Force Majeure Event or any services or obligations required to be performed hereunder are interrupted or interfered with for a period in excess of forty-five (45) days, BBC, at its option, may thereafter terminate this Agreement by giving written notice thereof to Client.

14 Notices. Except as expressly provided otherwise in this Agreement, any notice, request, claim or other communication required to be given pursuant to this Agreement shall be in writing and shall be either: (i) delivered by email to the Party to be notified provided the receiving Party provides email confirmation of receipt to notifying Party, (ii) sent by

registered or certified United States Mail, first-class postage prepaid, return receipt requested, to the Party to be notified at such Party's address specified below, or (iii) delivered by an overnight delivery courier service, for next day delivery, to the Party to be notified at such Party's address specified below:

If to BBC, to:
The Bardstown Bourbon Company, LLC
Attn: CFO
1500 Parkway Drive
Bardstown, KY 40004
msikorski@loftedspirits.com

With a copy to:
Lofted Spirits
Attention: Legal
730 W Main Street, Ste# 500
Louisville, KY 40202
shortt@loftedspirits.com

If to **Client**, to:

Kathryn A. Coleman, Esq.
Christopher Gartman, Esq.
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
katie.coleman@hugheshubbard.com
chris.gartman@hugheshubbard.com

And

Claudia Z. Springer
Novo Advisors
1310 Meetinghouse Road, PO Box 448
Gwynedd, PA 19436
cspringer@novo-advisors.com

15 Miscellaneous.

15.1. Trustee's Authority. The Trustee represents and warrants that she has full authority, as the duly appointed Chapter 11 Trustee of Client's bankruptcy estate, to execute, deliver, and perform this Agreement on behalf of Client. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement shall not be effective unless and until it is approved by the Bankruptcy Court, and the Trustee shall promptly seek such approval following execution of this Agreement. The Trustee's signature to this Agreement shall serve as the Trustee's agreement that Exhibit C (Outstanding Balance) accurately reflects all pre-petition arrearages, post-termination fees, and other amounts due and owing to BBC as of the Effective Date. The Parties further acknowledge and agree that the Trustee's actions, obligations, or performance under this Agreement are only made in her capacity and function as Trustee and shall in no circumstance be construed as actions, obligations, or performance on her own and personal behalf.

15.2. Section Headings. Section headings used in this Agreement are for convenience of reference and shall not define or limit any of the terms or provisions of this Agreement.

15.3. Waivers, Modifications, Amendments. Any provision of this Agreement and Exhibits thereto may be amended or waived only if such amendment or waiver is in writing and signed by both Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege conferred by this Agreement, by law or equity. The rights and remedies herein provided shall be cumulative and in addition to other or further remedies provided by law or equity.

15.4. Assignment. Neither Party may, directly or indirectly, assign or subcontract, or attempt to assign or subcontract, any of its rights or obligations hereunder, in whole or in part, by operation of law or otherwise, except with the prior written consent of the respective other Party whose consent shall not unreasonably be withheld; provided that (a) BBC has the right to assign this Agreement to any of its Affiliates and (b) Client has the right to assign this Agreement to (i) Fifth Third Bank upon written notice to BBC, so long as Fifth Third Bank agrees in writing to assume and be bound by all applicable terms, conditions and obligations of this Agreement; and (ii) any successor party authorized and approved by order of the Bankruptcy Court, so long as such party agrees in writing to assume and be bound by all applicable terms, conditions and obligations of this Agreement. Any attempted assignment or delegation not in compliance with the foregoing shall be null and void and of no effect.

15.5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to its principles of conflicts of law. The Parties irrevocably submit to the exclusive jurisdiction of the Bankruptcy Court for any dispute arising out of or relating to this Agreement during the pendency of the Bankruptcy Case, and state and federal courts located within the Commonwealth of Kentucky following the closure of the Bankruptcy Case, and waive any objection based on venue or forum non conveniens.

15.6. Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid and unenforceable, (i) a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any jurisdiction.

15.7. Entire Agreement. This Agreement (including all Exhibits hereto) contains the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

15.8. Binding Effect. This Agreement shall be binding upon the Parties hereto and their respective successors and permitted assigns, if any, and except as provided herein, shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns, if any.

15.9. Relationship of Parties. Nothing contained in this Agreement shall be deemed to constitute either Party as the agent or representative of the other Party, or both Parties as joint ventures, or partners for any purpose. Neither Party shall be responsible for the acts or omissions of the other, and neither Party will have authority to speak for, represent or obligate the other Party in any way without prior written authority from the other Party.

15.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

15.11. Survival. Those sections that, either by their express terms, or by their terms would reasonably be expected to, survive this Agreement, shall survive the expiration or termination hereof. By way of clarification and without limitation, the following sections shall survive any expiration or termination of this Agreement: Covenants, Confidentiality, Effect of Termination, Dispute Resolution, and Miscellaneous.

Signature Page to Follow

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered on behalf of the Parties as of the Effective Date.

Kentucky Owl, LLC

DocuSigned by:
By: Claudia Springer
0C929369295A402...

Name: Claudia Z. Springer

Title: Solely in her capacity as Chapter 11 Trustee of Kentucky Owl, LLC

Date: May 20, 2026

The Bardstown Bourbon Company, LLC

Signed by:
By: Mike Sikorski
665EA389AADA418...

Name: Michael Sikorski

Title: Chief Financial Officer

Date: May 20, 2026

Exhibit A – Barrel Inventory

Any list of Client Barrel Inventory contained in BBC's ERP system and certified as complete by BBC shall be deemed Exhibit A as of the system date of the list.

Exhibit B - Service Fees

Barrel Aging Service Fees

Service	Unit Fee	Unit of Measure
Barrel put away/ retrieval in all other instances	$9.25	Per barrel
***Standard Barrel Storage Rate:** **Barrel's first 4 years of storage with BBC** **Barrel's 5th year of storage with BBC** **Barrel's 6th and 7th years of storage with BBC** **Barrel's 8th year and beyond storage with BBC**	 $2.50 $3.00 $3.50 $4.00	Per barrel per month
Tote Storage Rate	$58.20 $6.30	Per liquid containing tote per month Per empty tote per month
Re-barreling from tanker or Dump	$22.50	Per barrel (excludes cost of new barrel)
Specialty re-barreling	$45.00	Per barrel (excludes cost of new barrel)
Empty barrel handling	$2.00	Per barrel
Palletize Barrels Labor	$8.00	Per barrel
4-Barrel Pallets for Shipping	$40.00	Per pallet
6-Barrel Pallets for Shipping	$100.00	Per pallet
Physical inventory	$0.125	Per barrel (min $100)
Record and reporting on barrel sales	$0.115	Per barrel (min $100)
Change in barrel ownership (payable by transferor)	$0.115	Per barrel (min $100)
Barrel Pull Sample	$13.75	Per barrel
Consulting	$315.00	Per hour

*Barrel storage rates shall apply to each barrel's total cumulative time stored at BBC or any of its Affiliates and shall not reset upon the effectiveness of this Agreement.

Year 1 = first 12 months
Year 2 = 13 - 24 months
Year 3 = 25 - 36 months
Year 4 = 37 - 48 months
Year 5 = 49 - 60 months
Year 6 = 61-72 months
Year 7 = 73 -84 months
Year 8 = 85 months and beyond

Barrel Inventory Insurance Election

To indicate your insurance preference, please check the box:

For barrels stored in Bardstown

☒ I **DECLINE** to have BBC provide property insurance for our Barrel Inventory. I agree to provide BBC the required insurance documentation as specified in Section 12 "Title, Insurance, and Damages" (b).

☐ I elect to have BBC provide property insurance for the Barrel Inventory. Each Barrel will have an insured value of $1000 per Barrel. The Barrel Inventory will be insured at a rate of $0.56 US per barrel per month.

☐ I elect to have BBC provide property insurance for the Barrel Inventory. Barrels will appreciate in insured value per the schedule below. Rates are based on the appreciated value.[2]

Beginning November 15, 2024								
Barrel Age	**0-1 yr**	**1-2 yrs**	**2-3 yrs**	**3-4 yrs**	**4-5 yrs**	**5-6 yrs**	**6-10 yrs**	**10 +**
Insured Value	$1,000	$1,200	$1,500	$2,300	$3,100	$3,600	$4,000	$4,500
Rate	$0.56	$0.67	$0.84	$1.29	$1.74	$2.02	$2.24	$2.52

For barrels stored in Owensboro / Hartford / Lewisport

☒ I **DECLINE** to have BBC provide property insurance for our Barrel Inventory. I agree to provide BBC the required insurance documentation as specified in Section 12 "Title, Insurance, and Damages"

[2]NTD: Under continuing review by the Trustee.

☐ I elect to have BBC provide property insurance for the Barrel Inventory. Each Barrel will have an insured value of $1,000 per Barrel. The Barrel Inventory will be insured at a rate of $0.88 US per barrel per month.

☐ I elect to have BBC provide property insurance for the Barrel Inventory. Barrels will appreciate in insured value per the schedule below. Rates are based on the appreciated value.

Beginning January 15, 2025								
Barrel Age	**0-1 yr**	**1-2 yrs**	**2-3 yrs**	**3-4 yrs**	**4-5 yrs**	**5-6 yrs**	**6-10 yrs**	**10 +**
Insured Value	$1,000	$1,200	$1,500	$2,300	$3,100	$3,600	$4,000	$4,500
Rate	$0.88	$1.06	$1.32	$2.02	$2.73	$3.17	$3.52	$3.96

Exhibit C – Outstanding Balance

The Parties acknowledge and agree that, as of the Petition Date and continuing through the Effective Date, Client owes BBC the following amounts, constituting the Outstanding Balance as defined in the Agreement. Except as expressly noted below with respect to certain amounts subject solely to final calculation or reconciliation, all obligations set forth herein are pre-petition amounts due and owing as of the Effective Date.

Category	Description	Amount
Prepetition Arrearage	Amounts due and unpaid under the prior Supply and Aging Services Agreement as of the Petition Date	$6,382,364.07
Prepetition Overhead and Other Charges	Overhead and other charges incurred prior to the Petition Date, accrued pursuant to the Agreement and/or prior agreements	To be determined pursuant to the agreed fee schedules and calculation methodologies under the Supply Agreement and this Agreement, subject only to reconciliation or audit as permitted hereby.
Total Outstanding Balance	Aggregate of the foregoing amounts, subject only to final calculation of Pre-Petition Overhead and other charges as provided herein	$6,390,760.08, plus the Prepetition Overhead and other charges to be determined pursuant to the Supply Agreement and this Agreement

Trustee Acknowledgment

By executing the Agreement, the Trustee acknowledges and agrees that this Exhibit C accurately reflects the categories and nature of all pre-petition arrearages, post-termination (pre-petition) fees, overhead, and other amounts due and owing to BBC as of the Effective Date, subject only to final calculation as expressly noted herein.

EXHIBIT B

(Springer Declaration)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re	§	Chapter 11
Kentucky Owl, LLC,[1]	§	Case No.: 24-80147-swe11
Debtor.	§	

DECLARATION OF CLAUDIA Z. SPRINGER IN SUPPORT OF KENTUCKY OWL TRUSTEE'S EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE TRUSTEE TO ENTER INTO AND PERFORM UNDER BARREL AGING SERVICES AGREEMENT

I, Claudia Z. Springer, under penalty of perjury, declare as follows:

1. I am the duly appointed chapter 11 trustee (the "Kentucky Owl Trustee") for Kentucky Owl, LLC (the "Debtor").

2. I submit this declaration (the "Declaration") in support of the *Emergency Motion for Entry of an Order Authorizing the Trustee to Enter into and Perform Under Barrel Aging Services Agreement* (the "Motion").[2]

3. Unless otherwise stated in the Declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto. Certain of the

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[1] The Debtor in this Chapter 11 Case, along with the last four digits of its federal identification number, is Kentucky Owl, LLC (3826). The Debtor's address is Kentucky Owl, LLC, Attn: Claudia Z. Springer, Chapter 11 Trustee, c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606.

[2] Capitalized terms used but not otherwise defined herein have the respective meanings ascribed to them in the Motion.

disclosures set forth herein relate to matters not within my personal knowledge but rather within the knowledge of my retained professionals and are based on information provided to me by them.

4. I believe that entry into the Agreement and Bardstown's continuing storage of the Barrel Inventory is in the best interest of the Debtor, its estate, its creditors, and other stakeholders. I believe that warehousing the Barrel Inventory with Bardstown will aid the marketing and sale process of the Barrel Inventory and will serve to ultimately maximize the value of the Barrel Inventory.

5. The Barrel Inventory has been warehoused with Bardstown since at least 2021. I believe Bardstown is well-qualified and capable of continuing to warehouse the Barrel Inventory.

6. My professionals and I negotiated the Agreement in good faith and at arms' length with Bardstown and its professionals. Based on those negotiations and my understanding of the market for barrel storage, I believe that the Agreement's pricing and other terms are reasonable, particularly given that costs of packaging and shipping the Barrel Inventory to one or more other warehouses absent the Agreement.

7. I believe that my determination to enter into the Agreement is a sound exercise of my business judgment, and it would be appropriate for the Court to grant the relief requested in the Motion.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 28, 2026

/s/ Claudia Z. Springer
Claudia Z. Springer, Chapter 11 Trustee

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re	§	Chapter 11
Kentucky Owl, LLC,[1]	§	Case No.: 24-80147-swe11
Debtor.	§	

ORDER AUTHORIZING THE TRUSTEE TO ENTER INTO AND PERFORM UNDER BARREL AGING SERVICES AGREEMENT

[1] The Debtor in this Chapter 11 Case, along with the last four digits of its federal identification number, is Kentucky Owl, LLC (3826). The Debtor's address is Kentucky Owl, LLC, Attn: Claudia Z. Springer, Chapter 11 Trustee, c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606.

Upon the emergency motion, dated May 28, 2026, (the "Motion"),[2] of Claudia Z. Springer (the "Kentucky Owl Trustee"), as chapter 11 trustee of Kentucky Owl, LLC (the "Debtor"), for an order pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq* (the "Bankruptcy Code"), and Rule 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order authorizing and approving the Barrel Aging Services Agreement (the "Agreement") between the Kentucky Owl Trustee and The Bardstown Bourbon Company, LLC ("Bardstown"), dated May 20, 2026, annexed to the Motion as **Exhibit A** (the "Agreement"), and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.

2. The Kentucky Owl Trustee is authorized to enter into the Agreement and to perform all obligations set forth therein.

2. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

3. The Agreement, and the transactions contemplated therein, represent a valid exercise of the Kentucky Owl Trustee's business judgment and are hereby approved in their entirety.

4. The Kentucky Owl Trustee is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Agreement.

5. The Kentucky Owl Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

6. Notwithstanding the applicability of Bankruptcy Rule 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

END OF ORDER

Order submitted by:

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