

MUNICIPAL ORDER 19-2025

A MUNICIPAL ORDER OF THE CITY OF OWENSBORO, KENTUCKY, PRELIMINARILY APPROVING AN INDUSTRIAL REVENUE BOND FINANCING FOR MIZKAN AMERICA, INC., OR ANY AFFILIATE THEREOF OR ENTITY RELATED THERETO; AUTHORIZING INITIATION OF THE ACQUISITION, CONSTRUCTION, EQUIPPING, AND INSTALLATION OF A QUALIFYING PROJECT; AGREEING TO ISSUE INDUSTRIAL REVENUE BONDS AT THE APPROPRIATE TIME; AUTHORIZING THE EXECUTION AND DELIVERY OF A MEMORANDUM OF AGREEMENT AND A PAYMENT IN LIEU OF TAXES AGREEMENT IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND TAKING OTHER PRELIMINARY ACTIONS.

WHEREAS, the City of Owensboro, Kentucky ("**Issuer**") is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes ("**KRS**"), as amended (the "**Act**"), to (i) issue industrial revenue bonds, (ii) lend the proceeds of the bonds to a corporation or company to finance the costs of any "industrial building" (as defined in the Act), (iii) take title to such industrial building, and (iv) lease the industrial building to the corporation or company while the bonds are outstanding, and, by taking title to such industrial building, exempt the portion financed thereby from certain state and local ad valorem taxes while the bonds are outstanding, provided that such bonds are payable solely from the revenues derived from the industrial building and do not constitute an indebtedness of Issuer within the meaning of the Constitution and laws of the Commonwealth; and

WHEREAS, Mizkan America, Inc. is a Delaware corporation qualified to conduct business within the Commonwealth ("**Mizkan**"); and

WHEREAS, Mizkan owns land within Issuer's boundaries comprising approximately fifty-six (56) acres described on **Exhibit A** (the "**Project Site**") with existing real property improvements thereon (together with the Project Site, the "**Existing Facilities**"), and Mizkan, or any affiliated entity thereof or entity related thereto qualified to conduct business within the Commonwealth (collectively, the "**Company**"), plans to expand the Existing Facilities by locating and constructing on the Project Site a new approximately 200,000 square foot warehouse, approximately 160,000 square foot production building and a parking lot, consisting of the facilities and properties described on **Exhibit B** attached hereto (together with the Existing Facilities, collectively the "**Project**"); and

WHEREAS, it has been determined that Issuer may assist the Company by causing the acquisition, leasing, construction, equipping, and installation, or any combination thereof, of the Project of the Company, and by entering into, at the appropriate time a lease agreement with the Company (the "**Lease Agreement**"), pertaining to the Project, all pursuant to the Act, and in furtherance of the purposes of the Act and the ensuing public benefit to the residents of Issuer and its environs, such Lease Agreement to be upon terms and conditions as the Act may require and as Issuer may deem acceptable; and

WHEREAS, the Company has represented to Issuer that the acquisition, leasing, construction, equipping, and installation of the Project, to the extent acquired, constructed, equipped, and installed by the Company, will preserve existing jobs and result in new job opportunities within the environs of Issuer; and

WHEREAS, Issuer is authorized by the Act to issue its industrial revenue bonds and enter into leases for the public purpose of defraying the costs of acquiring, constructing, equipping, and installing, or any combination thereof, "industrial building" facilities, which term means all real and personal properties suitable for the Project, including land, buildings, fixtures, and equipment; discussions have occurred between representatives of the Company and Issuer regarding the issuance of industrial revenue bonds by Issuer to finance the Project; it is the intention of Issuer, and Issuer has agreed and hereby agrees with the

Company, to issue such industrial revenue bonds upon agreement and compliance by the Company with such reasonable conditions and obligations as Issuer may require and documents incident to such bond issue or issues and upon the agreement of the Company to pay the reasonable costs and expenses of Issuer related to or arising from such issuances from bond proceeds or other sources; and Issuer has authorized the Company to proceed with the initiation of the acquisition, leasing, construction, equipping, and installation of the Project as required for the successful completion thereof, subject to reimbursement of the costs of such acquisition, leasing, construction, equipping, and installation from the proceeds of the industrial revenue bonds, as and when issued; and

WHEREAS, based upon the Company's present estimate of the aggregate costs of the Project together with a reasonable allowance for contingencies and incidental costs, Issuer proposes to issue its industrial revenue bonds over a term of years in an aggregate principal amount of up to \$210,000,000, such bonds to have a term of ten (10) years (the "**Bonds**"), to pay the aggregate costs of the acquisition, construction, equipping and installation of the Project, including costs incident to the authorization, sale and issuance of the Bonds and other financing costs, with the understanding that such maximum aggregate amount may be increased by subsequent official action of Issuer, upon the Company's request; and the Bonds will be payable solely from payments to be made by the Company under the Lease Agreement and will not be payable from any funds or assets of Issuer whatsoever; and

WHEREAS, Issuer proposes to enter into, at the appropriate time, a Lease Agreement with the Company under which the Company will covenant and agree to pay amounts sufficient to provide for the payment of principal of and premium, if any, and interest on the Bonds, together with all trustee, paying agent, and/or servicing agent's fees in connection with the Bond, and any other related charges as the same come due and payable; and

WHEREAS, to evidence the preliminary agreement of Issuer and the Company with respect to these matters the parties propose to enter into a Memorandum of Agreement substantially in the form set out in **Exhibit C** attached hereto (the "**Memorandum of Agreement**") and a Payment in Lieu of Taxes Agreement substantially in the form set out in **Exhibit D** attached hereto (the "**PILOT Agreement**").

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

Section 1. It hereby is found, determined, and declared that the recitals set forth in the preambles to this Municipal Order, which are incorporated in this Section 1 by reference, are true and correct.

Section 2. It hereby is found, determined, and declared that (a) the amount of money necessary to be provided by Issuer through the issuance of the Bonds for the acquisition, construction, installation, and equipping of the Project will be an aggregate amount up to \$210,000,000, such Bonds to have a term of ten (10) years; (b) the Company has represented it intends to have sufficient financial resources to acquire, construct, equip, and install the Project and to place it in operation and to continue to operate, maintain, and insure the Project throughout the term of the Bonds, meeting when due the obligations of the Lease Agreement; and (c) sufficient safeguards shall be provided by the Lease Agreement and other documents for the Bonds to insure that all money provided by Issuer from the proceeds of the sale of the Bonds will be expended, by way of direct expenditure or reimbursement, solely and only for the purposes of the portion of the Project financed thereby.

Section 3. It hereby is found, determined, and declared that (a) the costs of acquiring, constructing, equipping, and installing the Project will be paid out of the proceeds of the Bonds, such proceeds to be supplemented by contributions of the Company as may be necessary to complete each portion of the Project financed pursuant to the Lease Agreement applicable thereto; (b) THE BONDS

SHALL NOT BE A GENERAL OBLIGATION OF ISSUER, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS, NOR AN INDEBTEDNESS OF ISSUER WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH; (c) NEITHER THE BONDS NOR THE INTEREST THEREON SHALL CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY WHATSOEVER OF ISSUER OR ANY CHARGE AGAINST ISSUER'S GENERAL CREDIT OR TAXING POWER; (d) THE BONDS AND THE PAYMENT OF INTEREST THEREON SHALL BE SECURED AND PAYABLE SOLELY BY A PLEDGE OF AMOUNTS TO BE PAID BY THE COMPANY OR OTHERWISE TO BE AVAILABLE UNDER EACH APPLICABLE LEASE AGREEMENT; (e) NO PART OF SAID COSTS WILL BE PAYABLE OUT OF ANY GENERAL FUNDS, ASSETS, PROPERTIES, OR OTHER CONTRIBUTIONS OF ISSUER; and (f) the Company shall pay the reasonable costs and expenses of Issuer related to the issuance of the Bonds when the Bonds are issued in an amount not to exceed \$1,500.

Section 4. Any or all of the acquisition, construction, equipping, and installation of the Project may be initiated and undertaken or caused to be initiated and undertaken by the Company forthwith, and the Company is authorized to formulate and develop plans and specifications for the Project and to enter into such contracts and undertakings as may be required for the acquisition, construction, installation, and equipping of the Project. Payments or reimbursements to or on behalf of the Company after the receipt of the proceeds of the sale of the Bonds by Issuer shall be made as set out in the Lease Agreement.

Section 5. The Project involves the manufacture of food products and constitutes an "industrial building" as provided in KRS 103.200(1)(a).

Section 6. The Company has requested, and Issuer hereby approves, the employment of Stoll Keenon Ogden PLLC as "Bond Counsel." Bond Counsel is authorized and directed to take any other legal action necessary or appropriate in connection with the issuance of the Bonds.

Section 7. The Company is authorized and directed to take any other legal action necessary and customary in order to satisfy any prerequisites to the issuance of the Bonds. Counsel for Issuer and Issuer's officers and officials are authorized and requested to assist the Company in any appropriate manner.

Section 8. The form of Memorandum of Agreement attached hereto as **Exhibit C** hereby is approved and the Mayor hereby is authorized to execute the Memorandum of Agreement substantially in the form of **Exhibit C** on Issuer's behalf.

Section 9. It hereby is acknowledged and agreed that the form of the PILOT Agreement attached hereto as **Exhibit D** describes the agreement reached between Issuer and the Company's representatives regarding the Company's obligations to make payments in lieu of taxes during the period in which Issuer holds title to the Project and the Bonds will be outstanding. The form of PILOT Agreement hereby is approved and the Mayor hereby is authorized to execute the PILOT Agreement substantially in the form of **Exhibit D** on Issuer's behalf.

Section 10. No funds of Issuer shall be expended for the costs of issuance of the Bonds or for the costs of the Project, except such as are derived from Bond proceeds.

Section 11. All resolutions, municipal orders, and other official actions of Issuer or parts thereof in conflict herewith are, to the extent of such conflict, hereby rescinded.

Section 12. This Municipal Order shall be in full force and effect from and after its adoption.

[Signature Page To Follow]

SIGNATURE PAGE TO MUNICIPAL ORDER

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this
19th day of August, 2025.

Thomas H. Watson
Mayor

ATTEST:

Beth Davis
City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the City of Owensboro, Kentucky (“**Issuer**”), and as such I further certify that the foregoing (with the attached **Exhibits A, B, C, and D**), is a true, correct, and complete copy of a Municipal Order duly adopted by Issuer at a meeting properly held on August 19, 2025, signed by the Mayor and now in full force and effect, all as appears from the official records of Issuer in my possession and under my control.

IN WITNESS WHEREOF, I have hereunder set my hand this August 19, 2025.

Beth Davis
City Clerk

**EXHIBIT A
TO MUNICIPAL ORDER**

Project Site Description

Approximately fifty-six (56) acres located at 1701 and 1901 Ragu Drive in the City of Owensboro, Kentucky, being tax parcel nos. 002-11-01-002-AO-000 and 002-11-01-002-00-000, respectively (and potentially additional adjacent properties or easements therein).

**EXHIBIT B
TO MUNICIPAL ORDER**

Project Description

The “Project” includes the Project Site, the existing real property improvements thereon, and all additional industrial building facilities to be financed by the Bonds and to be acquired, constructed, equipped, and installed by the Company, said additional industrial building facilities consisting of new real property improvements and personal property, including but not limited to the following:

- An approximately 200,000 square foot new warehouse;
- An approximately 160,000 square foot new production building;
- A new parking lot; and
- Fixtures, equipment, and other tangible personal property (excluding inventory).

**EXHIBIT C
TO MUNICIPAL ORDER**

Form of Memorandum of Agreement

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** is made effective as of August 19, 2025, by and between (i) the **CITY OF OWENSBORO, KENTUCKY**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (“**Issuer**”) and (ii) **MIZKAN AMERICA, INC.**, a Delaware corporation, on behalf of itself and any affiliated entity thereof or entity related thereto that may develop the Project as defined herein (the “**Company**”).

RECITALS

A. Issuer is authorized under Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the “**Act**”) to issue industrial revenue bonds to finance the costs of acquiring, constructing, equipping, and installing certain industrial projects and facilities within the meaning of the Act, in order to accomplish the public purposes of promoting economic development within Issuer’s environs.

B. Issuer has been advised by the Company that the Company desires to finance the acquisition, construction, installation, and equipping of an industrial project consisting of the facilities and properties described in **ATTACHMENT A** attached hereto (the “**Project**”).

C. The Company has requested that Issuer issue industrial revenue bonds pursuant to the Act over a period of years and in an aggregate principal amount not to exceed \$210,000,000 (the “**Bonds**”) for the purpose of financing the Project.

D. The parties hereto have found and determined that the financing of the Project will tend to accomplish the public purposes of the Act by causing economic development within Issuer’s environs.

E. Issuer proposes to issue the Bonds to finance the Project and desires to authorize the Company to proceed with the financing of the Project and be reimbursed from the proceeds of the Bonds for costs incurred related thereto before the issuance of the Bonds.

F. Issuer proposes to enter into, at the appropriate time and in accordance with the Act, a lease agreement with the Company (the “**Lease Agreement**”), pertaining to the Project, to be upon terms and conditions as the Act may require and Issuer may deem acceptable.

G. In order to obtain for the residents of Issuer the benefits listed above, which the Project would create and preserve, Issuer desires to encourage and induce the Company to proceed with the financing of the Project.

NOW, THEREFORE, in consideration of the premises and of the covenants and undertakings herein expressed, Issuer and the Company hereby agree as follows:

Section 1. It hereby is found, determined, and declared that the recitals set forth in the recitals above, which are incorporated in this Section 1 by reference, are true and correct.

Section 2. The Company may commence the acquisition, construction, equipping, and installation of the Project and may provide or cause to be provided, at its own expense, any necessary interim financing to permit such acquisition, construction, equipping, and installation to commence and continue.

Section 3. Issuer will issue and sell the Bonds pursuant to the terms of the Act in an aggregate principal amount not to exceed \$210,000,000. The Bonds shall be issued for a period of ten (10) years, shall be signed by the manual or facsimile signature of Issuer's Mayor and attested to by Issuer's City Clerk, and shall bear such title or designation, shall bear interest at such rate or rates, shall be in such denomination or denominations, shall be subject to such terms of redemption, shall be in registered form, shall be payable as to principal, redemption price, and interest at such place or places, and shall contain such other terms and conditions as may be fixed by or pursuant to Issuer's ordinance or resolution authorizing the sale and delivery thereof. The proceeds from the sale of the Bonds shall be used to finance the Project pursuant to the Act.

Section 4. Issuer will cooperate with the Company for the purpose of issuing and selling the Bonds on the best terms reasonably obtainable; and if arrangements therefor satisfactory to Issuer and the Company can be made, Issuer will adopt such resolutions and proceedings and authorize the execution and delivery of such instruments and the taking of such further actions as may be necessary or advisable for the authorization, issuance, and sale of the Bonds on a negotiated basis and the use of the proceeds thereof to finance the Project, all as shall be authorized by law and mutually satisfactory to Issuer and the Company. Issuer shall sell the Bonds only to the Company or any affiliated entity thereof.

Section 5. Upon the issuance of the Bonds, Issuer shall take title to the Project financed thereby and Issuer and the Company shall enter into a Lease Agreement pursuant to which the Company will covenant and agree to pay amounts sufficient to provide for the payment of principal of and interest for the Bonds, together with all trustee, paying agent, and serving agent's fees in connection with the Bonds, and any other related charges as the same come due and payable.

Section 6. As a condition to the issuance of the Bonds, Issuer and the Company shall have entered into a Payment in Lieu of Taxes Agreement, substantially in the form attached as **Exhibit D** to Issuer's Municipal Order of even date herewith approving and authorizing same, obligating the Company to make certain payments to Issuer, certain local taxing districts and to the school district.

Section 7. Contemporaneously with the sale of the Bonds, the Company (a) will enter into the Lease Agreement with Issuer, the terms of which shall obligate the Company to pay Issuer the amounts described in Section 5 hereof, as and when the same shall become due and payable, all provisions required by law and such other provisions as shall be mutually acceptable to Issuer and the Company, and (b) will take such further acts and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Section 8. Issuer will take or cause to be taken such other acts and adopt or cause to be adopted such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate pursuant thereto.

Section 9. As an inducement to Issuer to enter into this Memorandum of Agreement, the Company agrees that at the time the Bonds are issued it will reimburse Issuer for, or pay reasonable expenses, including fees and expenses of its counsel, which Issuer may incur at the Company's request, or as may be necessary, arising from the execution of the Memorandum of Agreement and the performance by Issuer of its obligations hereunder, but such expenses shall not exceed \$1,500 for the Bonds, which Issuer and the Company agree is reasonably sufficient to pay such costs and expenses.

Section 10. It is understood and agreed by and between Issuer and the Company that the provisions hereof are not intended to, and shall not be construed or interpreted to (a) obligate or authorize the expenditure of any funds of Issuer derived from any source whatsoever other than the proceeds from the issuance and sale of the Bonds as provided for herein; (b) be a general obligation of Issuer, a charge against its general credit or taxing powers, nor an indebtedness of Issuer within the meaning of the Constitution and the laws of the Commonwealth; or (c) create any personal liability of the present or future officers and officials of Issuer serving from time to time.

Section 11. It is further understood and agreed by and between Issuer and the Company that sufficient safeguards shall be provided by the Lease Agreement and other documents for the Bonds (a) to ensure that all money provided by Issuer from the proceeds of the sale of the Bonds will be expended, by way of direct expenditure or reimbursement, solely and only for the purposes of the Project financed thereby.

Section 12. It further is understood by Issuer and the Company that Issuer's (a) issuance of the Bonds, (b) lending the proceeds of the Bonds to the Company to finance the costs of the Project, (c) taking title to the Project, and (d) leasing of the Project to the Company while the Bonds are outstanding, will exempt the Project financed thereby from certain state and local ad valorem taxes while the Bonds are outstanding.

Section 13. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement therein contained against Issuer, any past, present, or future officer, member, employee, or agent of Issuer, or the Commonwealth of Kentucky or any agency or political subdivision thereof, as such, either directly or through Issuer or the Commonwealth of Kentucky or any agency or political subdivision thereof, under any rule of law or equity, statute, or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, member, employee, or agent as such shall be expressly waived and released as a condition of and consideration for the execution and delivery of this Memorandum of Agreement and the issuance of the Bonds.

Section 14. This Memorandum of 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).

[Signature Page To Follow]

SIGNATURE PAGE TO MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Agreement on the date first above written.

CITY OF OWENSBORO, KENTUCKY

By: _____
Thomas H. Watson
Mayor

Attest:

Beth Davis
City Clerk

MIZKAN AMERICA, INC.,
a Delaware corporation
(on behalf of itself and any affiliated or related
entity thereof that may develop the Project)

By: _____

Its: Chief Executive Officer

**ATTACHMENT A
TO MEMORANDUM OF AGREEMENT**

Project Site and Project Description

The “Project Site” is comprised of approximately fifty-six (56) acres located at 1701 and 1901 Ragu Drive in the City of Owensboro, Kentucky, being tax parcel nos. 002-11-01-002-AO-000 and 002-11-01-002-00-000, respectively (and potentially additional adjacent properties or easements therein). The “Project” includes the Project Site, the existing real property improvements thereon, and all additional industrial building facilities to be financed by the Bonds and to be acquired, constructed, equipped, and installed by the Company, said additional industrial building facilities consisting of new real property improvements and personal property, including but not limited to the following:

- An approximately 200,000 square foot new warehouse;
- An approximately 160,000 square foot new production building;
- A new parking lot; and
- Fixtures, equipment, and other tangible personal property (excluding inventory).

**EXHIBIT D
TO MUNICIPAL ORDER**

Form of Payment In Lieu of Taxes Agreement

PAYMENT IN LIEU OF TAXES AGREEMENT

This **PAYMENT IN LIEU OF TAXES AGREEMENT** is made effective as of August 19, 2025, by and between (i) the **CITY OF OWENSBORO, KENTUCKY**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (the “*City*”) and (ii) **MIZKAN AMERICA, INC.**, a Delaware corporation, on behalf of itself and any affiliated entity thereof or entity related thereto that may develop the Project (as defined herein) (the “*Company*”).

RECITALS

A. The Company currently owns land comprised of approximately fifty-six (56) acres located at 1701 and 1901 Ragu Drive in the City of Owensboro, Kentucky, being tax parcel nos. 002-11-01-002-AO-000 and 002-11-01-002-00-000, respectively (the “*Project Site*”) with existing real property improvements thereon consisting of two warehouses of approximately 226,000 square feet and 385,000 square feet located at 1901 and 1701 Ragu Drive in the City of Owensboro, Kentucky (together with the Project Site, the “*Existing Facilities*”).

B. The Company currently is acquiring, constructing, equipping, and installing an industrial project consisting of Existing Facilities and an expansion thereto being the facilities and properties described in **ATTACHMENT A** attached hereto (the “*Project*”).

C. The Project represents new investment and is expected to generate economic development within the City.

D. On the date hereof, the City adopted a municipal order (the “*Municipal Order*”), providing for, among other things, the issuance of industrial revenue bonds in an aggregate principal amount of up to \$210,000,000 (the “*Bonds*”) for the benefit of the Company, pursuant to Sections 103.200 through 103.285 of the Kentucky Revised Statutes (“*KRS*”), inclusive (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.

E. As set forth in the Municipal Order, the City has found and determined that the Project constitutes an “industrial building” within the meaning of KRS 103.200(1)(a).

F. KRS 103.285 provides that all properties, both real and personal, which a city 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 City.

G. 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.

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

I. As a condition to the issuance of the Bonds, the City has required that the Company enter into this Agreement whereby the Company agrees to make payments in lieu of taxes as provided herein.

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. Leased Project Exempt From Taxation. It is understood, acknowledged, and agreed by the parties that pursuant to KRS 103.285, the Project is exempt from ad valorem taxation by the City 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 City and any balance remains outstanding on the Bonds. It is further understood, acknowledged, and agreed by the parties that:

(i) upon issuance of the Bonds the Company's leasehold interest is exempt from local ad valorem taxation pursuant to KRS 132.200(5); and

(ii) the recording of the Lease Agreement with the County Clerk of Daviess County, Kentucky shall constitute the listing of the taxable leasehold interest in the real property improvements created thereby pursuant to KRS 132.220.

The Company agrees annually to list any taxable leasehold interest in 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 personal property tax return.

Section 3. Agreement to Make PILOT Payments.

A. In consideration of the City's agreement to issue the Bonds, and take all other actions authorized by the Municipal Order, the Company hereby agrees, so long as the City owns the Project, that in each calendar year during the term of this Agreement, commencing on January 1 following the issuance the Bonds and with respect to each January 1 thereafter (each January 1 following issuance of the Bonds and during the term of this Agreement an "**Assessment Date**"), the Company shall make annual payments to the City and other local taxing districts impacted by the Bonds (the Local Districts, as defined below) and the School District (as defined below) computed as indicated below for each of the up to ten (10) Assessment Dates during the remaining term of said Bonds (each a "**PILOT Payment**" and together, the "**PILOT Payments**").

B. The "Reduced Districts" shall mean and include: (i) the City; (ii) Daviess County, Kentucky; (iii) the Daviess County Extension Service; (iv) the Daviess County Health Department Taxing

District; and (v) the Daviess County Library District. The “School District” shall mean the Daviess County School District (together with the Reduced Districts, each a “**Local District**” and collectively, the “**Local Districts**”).

Section 4. Calculation Of PILOT Payments. The Amount of any PILOT Payment to any Local District for any Assessment Date after issuance of the Bonds and on which any amount remains outstanding on the Bonds shall be determined as follows:

A. Calculation Of Local District PILOT Payments. The amount of any PILOT Payment to any Local District for any Assessment Date after issuance of the Bonds shall be equal to (i) the Base Payment (defined below) plus (ii) the Abated Property Tax (defined below).

(1) The “**Base Payment**” for any Assessment Date for any Local District equals the product of (i) the Base Value (as hereinafter defined) multiplied by (ii) the ad valorem tax rate levied by the Local District with respect to real property taxable as of such Assessment Date.

(2) The “**Abated Property Tax**” for any Assessment Date for any Local District equals the product of (i) the Expansion Value (as hereinafter defined) of the Project or portion thereof financed by the Bonds and owned by the City as of the Assessment Date which would be subject to local property taxes if owned by a tax-paying entity absent application of KRS 103.285, multiplied by both (ii) (x) the ad valorem tax rate levied by the Local District with respect to property taxable as of such Assessment Date and (y) the PILOT Percentage (defined below) for that Local District.

(3) If, for any Assessment Date for which the foregoing calculation is made, the Local District has levied different property tax rates on different classes of property subject to local property taxes, the foregoing calculation shall be made separately for each such class of property that is included within the Project financed by the Bonds.

B. PILOT Percentage. The “**PILOT Percentage**” for each Local District shall be the following percentages with respect to the following Assessment Dates during the term of the Bonds:

Assessment Date after Issuance of the Bonds	PILOT Percentage	
	Reduced Districts	School District
1 st through 10th	25%	100%

C. Determination Of Base Value and Expansion Value Of Project Real Property. The fair cash value of the real property portion of the Project shall be as determined by the Daviess County Property Valuation Administrator (“**PVA**”) for each Assessment Date and shall consist of the Base Value and the Expansion Value. The “**Base Value**” is equal to \$17,371,400 (being the PVA’s most recent assessed value for Tax Parcel Nos. 002-11-01-002-00-000 and 002-11-01-002-A0-000). The “**Expansion Value**” of the real property portion of the Project for any Assessment Date shall be the difference between the fair cash value of the real property portion of the Project determined by the PVA and the Base Value. The Expansion Value shall not be less than zero.

D. Determination Of Expansion Value of Property Tangible Personal Property. The “**Expansion Value**” of the tangible personal property portion of the Project shall be its fair cash value as determined annually 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 5. Valuation Appeal Rights. Each Local District and the Company shall have the right at its sole expense and in its own name and without any expense to any other party, to seek and prosecute in good faith an adjustment, by administrative appeal or litigation or otherwise, of any tax assessment made by the PVA on the real property portion of the Project, and if any adjustment is finally determined, the PILOT Payments shall be calculated based upon the assessment finally determined from such adjustment. Should the Company elect to pursue a tax assessment appeal (as opposed to litigation), the City, as owner, will timely execute a power of attorney or any other document necessary to provide the Company standing to appeal the PVA's tax assessment. If for any reason the Project, or any part thereof, is legally placed on the *ad valorem* tax rolls, the obligation of the Company to make the PILOT Payments shall terminate with respect to that property on and after January 1 of the following calendar year, and the owner of that property shall thereafter pay *ad valorem* taxes on that property as required of a tax-paying entity.

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 Daviess County property taxes for such calendar year, except that the Company shall deliver each Local District's portion of the PILOT Payment directly to the Local District at the address provided in Section 8 below, instead of the regular tax collector, 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 Daviess County property taxes is issued in accordance with KRS 134.015; provided, however, if the Company pays a PILOT Payment to a Local District on or before any discount date established pursuant to KRS 134.015 for the Local District's property taxes, the Company may reduce the PILOT Payment by the corresponding discount percentage.

Section 7. Termination. Notwithstanding any other provision herein and with the exception of Sections 1 and 2 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 held by the City or (b) the first date that no Bonds issued by the City remain issued and outstanding.

Section 8. Notices. 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 the City:

Mayor
City Hall
101 East 4th Street
Owensboro, Kentucky 42303

With a copy to:

Mark Pfeifer
City Attorney
P.O. Box 10003
Owensboro, Kentucky 42302-9003

To Daviess County:

County Judge/Executive
Daviess County Courthouse
212 St. Ann Street, Room 202
Owensboro, Kentucky 42303

To the Daviess County
Extension Service:

Daviess County Extension Office
4800Z New Hartford Road
Owensboro, Kentucky 42303

To the Davies County Health
Department Taxing District:

Daviess County Public Health Taxing District
1600 Breckinridge Street
Owensboro, Kentucky 42303

To the Daviess County
Library District:

Daviess County Public Library
2020 Frederica Street
Owensboro, Kentucky 42301

To the Daviess County
School District

Superintendent
Daviess County Public Schools
1622 Southeastern Parkway
Owensboro, Kentucky 42303

To the Company:

Elliot I. Molk
Vice President of Corporate Development, General
Counsel
Mizkan America, Inc.
1661 Feehanville Drive
Mount Prospect, Illinois 60056

With a copy to:

Timothy J. Eifler
Stoll Keenon Ogden PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202

The City 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.

Section 9. Comprehensive Example. A comprehensive example is attached as **ATTACHMENT B** and hereby incorporated herein by reference and shall be used for purposes of construing the application of this Agreement.

Section 10. 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 11. Binding Effect; No Third-Party Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon the City, the Company, and their respective successors and assigns. The City 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 the City, the Company, and their respective successors and assigns and shall not be enforceable by any other person or entity.

Section 12. Execution In Counterparts. This Agreement may be signed by each party upon a separate copy or separate signature page, and any combination of separate copies signed by all parties or including signature pages so signed will constitute a single counterpart of this Agreement. 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. It will not be necessary, in proving this Agreement in any proceeding, to produce or account for more than one counterpart of this Agreement. This Agreement will become effective when one or more counterparts have been signed by each party, and delivered to the other parties, respectively. 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 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 14. Captions. 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]

SIGNATURE PAGE TO PAYMENT IN LIEU OF TAXES AGREEMENT

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

CITY OF OWENSBORO, KENTUCKY

By: _____
Thomas H. Watson
Mayor

Attest:

Beth Davis
City Clerk

MIZKAN AMERICA, INC.,
a Delaware corporation
(on behalf of itself and any affiliated or related
entity thereof that may develop the Project)

By: _____

Its: Chief Executive Officer

**ATTACHMENT A
TO PAYMENT IN LIEU OF TAXES AGREEMENT**

Project Site and Project Description

The “Project” includes the land and all additional industrial building facilities to be financed by the Bonds and to be acquired, constructed, equipped, and installed by the Company, consisting of the Project Site, new real property improvements at the Project Site, and personal property, including but not limited to the following:

- Approximately fifty-six (56) acres of land, more or less, and potentially additional adjacent properties or easements therein (the Project Site);
- The existing improvements on the Project Site consisting of two warehouses of approximately 226,000 square feet and 385,000 square feet located at 1901 and 1701 Ragu Drive in the City of Owensboro, Kentucky;
- An approximately 200,000 square foot new warehouse;
- An approximately 160,000 square foot new production building;
- A new parking lot; and
- Fixtures, equipment, and other tangible personal property (excluding inventory).

ATTACHMENT B

For clarification, assume the Bonds are issued October 1, 2026. The first Assessment Date under the Bonds January 1, 2027 (the “Example Date”). Assume the Local Districts levy the following ad valorem tax rates as of the Example Date:

<u>Local District</u>	<u>Real Property</u>	<u>Tangible Personal Property</u>
City	\$0.00261	\$0.002825
County	\$0.00129	\$0.001380
Extension Serv.	\$0.00009	\$0.000092
Health Dept.	\$0.00040	\$0.000400
Library District	\$0.00057	\$0.000620
School District	\$0.00710	\$0.007150

On the Example Date, the fair cash value of the Project owned by the City as determined by the PVA (for real property) and as determined using the original cost, age and applicable trending tables in the Form 62A500 for 2026 (for tangible personal property) is as follows:

<u>Property</u>	<u>Class</u>	<u>FCV</u>
Schedule A (Equipment)	TPP	\$300,000
Schedule B (Manufacturing Equipment)	TPP	\$110,000,000
1701 and 1901 Ragu Drive (Tax Parcel Nos. 002-11-01-002-AO-000 and 002-11-01-002-00-000)	RP	\$42,371,400

The Schedule B assets are manufacturing equipment and would not subject to local property taxes if owned by a tax-paying entity absent application of KRS 103.285. (See KRS 132.200(2)).

The **Base Value** is \$17,371,400.

The **Expansion Value** is \$25,000,000 (being \$42,371,400 less the Base Value).

The PILOT Payments to the Governmental Parties would be calculated as follows:

		Reduced Districts					
		City	County	Exten. Serv.	Health Dept.	Library Dist.	School Dist.
A	Expansion Value - RP	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$25,000,000
B	RP Tax Rate	0.002610	0.00129	0.00009	0.00040	0.00057	0.00710
A*B = C		\$ 65,250	\$ 32,250	\$ 2,250	\$ 10,000	\$ 14,250	\$ 177,500
D	Expansion Value - TPP	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
E	TPP Tax Rate	0.002825	0.001380	0.000092	0.000400	0.000620	0.007150
D*E = F		\$ 848	\$ 414	\$ 28	\$ 120	\$ 186	\$ 2,145
C+F= G	Expansion Tax	\$ 66,098	\$ 32,664	\$ 2,278	\$ 10,120	\$ 14,436	\$ 179,645
H	PILOT %	25%	25%	25%	25%	25%	100%
G*H = I	Abated Property Tax	\$ 16,524	\$ 8,166	\$ 569	\$ 2,530	\$ 3,609	\$ 179,645
J	Base Value - RP	\$ 17,371,400	\$ 17,371,400	\$ 17,371,400	\$ 17,371,400	\$ 17,371,400	\$17,371,400
K	RP Tax Rate	0.002610	0.00129	0.00009	0.00040	0.00057	0.00710
J*K = L	Base Payment	\$ 45,339.35	\$ 22,409.11	\$ 1,563.43	\$ 6,948.56	\$ 9,901.70	\$123,336.94
I+L =	PILOT Payment:	\$ 61,863.73	\$ 30,575.11	\$ 2,132.83	\$ 9,478.56	\$ 13,510.70	\$302,981.94

If the Company paid these PILOT Payments within the discount period, the Company would be entitled to reduce the payments by 2%.