

CONTRACT DISTILLING FEE SCHEDULE & SERVICE EXPLANATION

PRODUCTION OF CLIENT'S BRAND - WOODWORKS DISTILLING COMPANY:

FACILITY & PRODUCTION FEES

- FACILITY USE (INCLUDING DISTILLER SUPERVISION): \$1,200/DAY
- ADMINISTRATIVE & FACILITATION FEE: \$200/MONTH INCLUDES UP TO 4 HOURS OF CLERICAL SUPPORT (BILLING, CORRESPONDENCE, SCHEDULING, COMPLIANCE TRACKING). ADDITIONAL HOURS BILLED AT \$40/HOUR.
- RECIPE CORRECTION & PROCESS DEVELOPMENT (BY HEAD DISTILLER): \$160/HOUR
 - BILLED IN 15-MINUTE INCREMENTS
- FORMULA DEVELOPMENT (FOR TTB SUBMISSION): \$200/MINUTE

LOGISTICS & OPERATIONS

- DISTRIBUTION COORDINATION, RESEARCH, EXPORT CONSULTING, LOGISTICS: \$40/HOUR
- SHIPPING PREPARATION, PACKAGING, HANDLING (WWDC STAFF): \$40/HOUR
- HIRED LABOR (BOTTLING, LABELING, PACKING): \$20/HOUR PER WORKER
 → PAYABLE AT TIME OF USE
- PRODUCTION SUPPLIES (TAPE, SHRINK BANDS, TRAYS, CLOSURES, ETC.):
 PAYABLE AT TIME OF PURCHASE

STORAGE

- ON-SITE STORAGE (WWDC PRODUCTION FLOOR):
 - o \$50/PALLET/MONTH FOR UP TO 90 DAYS
 - \$100/PALLET/MONTH BEYOND 90 DAYS ("EXTENDED STORAGE")
 STORAGE TERM BEGINS AT THE END OF EACH PRODUCTION RUN
- OFF-SITE STORAGE (WWDC REMOTE UNIT): \$100/MONTH

SHIPPING & DISTRIBUTION

- PRODUCT DELIVERY:
 - In-Town: \$2.00/case
 - OUT-OF-TOWN: \$2.00/CASE + \$0.72/MILE
- DISTRIBUTION FEE:

5% OF FOB (FREIGHT ON BOARD) PRICE, ASSESSED AT THE TIME OF SHIPMENT TO DISTRIBUTOR

EXCISE TAX

• FEDERAL EXCISE TAX (FET): \$2.70 PER PROOF GALLON CALCULATED AT THE TIME OF BOTTLING

PROJECT INITIATION & PAYMENT TERMS

- Deposit: 50% of estimated total facility fees due upon execution of MOU/PROJECT ACCEPTANCE
- CLIENT RESPONSIBILITIES:
 - SUPPLY ALL RAW MATERIALS, SOURCED SPIRITS (IF APPLICABLE), PACKAGING AND BRANDING SUPPLIES
 - ARRANGE SHIPPING OF MATERIALS TO PRODUCTION SITE AT CLIENT'S EXPENSE
 - o Provide: BOTTLES, CLOSURES, LABELS, BOXES, SHIPPING LABELS, ETC.

INSURANCE REQUIREMENT

A VALID CERTIFICATE OF INSURANCE (COI) NAMING WWDC AS AN ADDITIONAL INSURED IS REQUIRED PRIOR TO PRODUCTION START.

