

BOND INFORMATION SHEET

WOODFORD COUNTY, KENTUCKY INDUSTRIAL REVENUE BONDS (CASTLE & KEY DISTILLERY EXPANSION PROJECT)

Peristyle, LLC dba Castle & Key Distillery and its related companies (collectively, “C&K”) request that the Fiscal Court of Woodford County, Kentucky (the “County”) issue a revenue bond (the “Bond”) in a maximum revolving principal amount not to exceed \$90,000,000 as an economic development incentive to induce the continuation and proposed acquisition, construction, equipping and installation of future improvements to the Project (as defined below). The Bond would abate property taxes on the Project during its term and would be revolving solely as to manufacturing equipment. The Bond would not impact the County’s (or other local) property tax revenues from C&K’s barrels, distillate and other inventories or the County’s occupational license tax revenues from the Company and its employees. The Bond would not be a general obligation of the County, would not be supported by the County’s credit or taxing power, and would not affect the County’s credit or constitutional borrowing capacity.

1. Project Company: C&K.
2. Project Description: The C&K distillery and related properties and planned improvements of approximately \$61,250,000 described in Exhibit A.

The Project will not include barrels, distillate, finished goods and other inventories which will continue to be subject to state and local distilled spirits and other property taxes.
3. Term/Maturity: 40 years.
4. Principal Amount: Up to \$90,000,000 (revolving draw Bonds).
5. School PILOTs: School District Hold Harmless PILOT. School PILOT calculated the annual school property tax reduced by the additional state funds the School District receives under the state school funding formula (SEEK etc.) because the Project is not on the District’s property tax roll as calculated at the time of issuance (the District is held harmless even if the state school funding law changes).
6. Industrial Revenue Bonds:
 - (i) Not general obligations of the County;
 - (ii) Not backed by a pledge of the County’s credit or taxing power; and
 - (iii) Not an indebtedness of the County within the meaning of the KY Constitution and do not reduce or impact the County’s constitutional borrowing capacity.
7. Structure: Title to the Project would be transferred to the County and leased back to C&K for the term of the Bond pursuant to KRS 103.200 to 103.285 (the “IRB Act”). The existing

leases of the land and facilities located at 120 U.S. 60 Bypass and 1022 Greenheck Drive would be assigned to the County on a nonrecourse basis and the land and facilities shall be subleased to C&K for the term of the Bond pursuant to KRS 65.940 through 65.956 (the Governmental Leasing Act) and the IRB Act.

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EXHIBIT A

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

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

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