

The background of the entire image is a repeating pattern of whiskey bottles. Each bottle is rendered in a dark, textured, sketch-like style with fine lines and shading. The bottles are arranged in a staggered, overlapping grid across the entire frame. The central text is superimposed on this pattern.

BWBX

BROWN WATER
BOURBON
XCHANGE
2023



OUR MISSION

Located in the heart of bourbon country — Bardstown, Kentucky — Brown Water Bourbon Xchange (BWBX) is surrounded by the spirit's history. From the rackhouses lining the streets to the sweet smell of mash filling the air on a summer's day, it's easy to see what's important to us around here. Bourbon is our community's legacy, which is why our goal is to keep the industry booming by helping distilleries thrive. We facilitate transparent investments in spirits and broker sales of in-demand products to distilleries, all while maintaining the familial atmosphere that makes the bourbon industry so special. We are extremely proud to work in the industry of Kentucky's native spirit, and we're excited for you to learn more about our services.

SOURCING

Do you want to create your own line of spirits but not sure where to start? We can help! Let us know what age, mash bill, or specific type of spirit you want, and we'll do everything we can to get you what you're looking for. Regardless of how many barrels you'd need, we want to help you make your brand's dream spirit a reality!

BWBX has access to an expansive network of barrel inventories across the nation to find anything that you could possibly be looking for. Currently, new make bourbon is extremely hard to come by, which is why there's a large market for young barrels across the United States. From new make bourbon to bourbon that has been fully matured, we can find anything that your heart desires. But why stop at bourbon? We can get you various whiskies and other spirits as well!

If you would like us to source barrels for you, or have any specific asks, please contact our team so we can begin our search today!



FROM THE GRAIN TO THE GLASS

Whiskey's origins lies in rural areas across the nation. In the 1800s, farmers couldn't keep their grains from year to year, resulting in a large loss of profit. Farmers soon realized that the grains they typically lost could be distilled into spirits which they could sell. Thus began the production of spirits across the United States. Here at Brown Water Bourbon Xchange, we recognize that any great glass of whiskey starts with high-quality grains. This is why we ensure that the grains used in your investment are of the utmost quality. When it comes down to the fine details of the distillation process, the quality of the grain can make or break the spirit.

We are lucky enough to be located among the rolling hills of bluegrass in Central Kentucky. We see this as an advantage when it comes to the production of grains. We strive to promote the agricultural industry by partnering with distillers that use grains produced by Kentucky Proud producers across our great Commonwealth.

To us, these farmers are one of the keys to the spirits industry's success. We are proud of our state's agricultural heritage and love to see the journey all the way from the grains to the glass.



FAQ'S

Q: Can I store and take possession of my own barrel(s) of bourbon?

A: Yes! However, there are some extra steps involved with that. To take physical possession of a barreled spirit, you must obtain either a federal DSP number OR a wholesale license. In some cases, an investor might want to take some or all their barrels to create their own personal, custom label. If this is something that interests you at any point after your investment, we can assist you in making that happen.

Q: Can a group of friends and myself join together to perform a group buy?

A: Yes, you can! In some cases, it could be beneficial for investors to do a group buy. We do offer price breaks depending upon the quantity of barrels purchased. So, a larger investment as a group could lead to a discounted investment price. For groups of three or more investors, BWBX recommends forming a registered business entity with the proper legal agreements.

Q: Can I buy barrels at any time?

A: Almost always! We try to maintain an inventory of high quality barrels to offer as investments for our clients. The availability of these barrels is completely dependent on our current inventory and the supply of barrels on the open market.

**Please note, we do not (and will not) pre-sell or offer investments in barrels that we do not already own.*

Q: Why does BWBX recommend a three year maturation period?

A: Currently, the most desirable bourbon on the secondary market is between 2-4 years old. Because of its versatility, younger bourbon will appeal to a much larger customer base than say an eight year old barrel. The BWBX team has found that the three year mark is the "sweet spot" for our investors to receive the optimal Return on Investment (see page 5). Allowing you to re-invest your earnings multiple times in the same time it would take the barrel to mature.

Q: Could I lose money on my barrel investment?

A: With any investment, including this one, there is always a possibility of financial loss. An investment's past performance is no guarantee of future performance. The bourbon industry is quickly changing and unforeseen circumstances can arise, altering BWBX's projections of appreciation. We strongly encourage every investor to perform their due diligence in researching the market prior to their investment and determine their tolerance for risk.

Q: Can I use my barrels as collateral for a loan?

A: This is a discussion that will need to take place between you and your lender of choice. BWBX will not participate in any lien assignments.

Q: Are there any specific brand names of bourbon available?

A: Unfortunately, not. Almost all the bourbon that notable brands produce is already allocated to their product lines. The bourbon that we buy is distilled by the most reputable bulk spirits producers in the country. These distillers go through the process of distilling the spirit, barreling it, and selling it to wholesalers like BWBX. Once mature, we then sell it to an independent blender, bottler, or copacker that turns the mature spirit into their own product.

Q: How can I identify my barrels?

A: When a client invests in our barrels, they are investing in specific, individual barrels. We have a sophisticated inventory system that tracks each barrel's inventory number, the manufacturing date, warehouse location, type of barrel used, barrel char level, etc. Each investor will receive this information in a document called "Addendum A" when their investment is finalized. "Addendum A", along with the agreement in full, serves as the proof of ownership for the investor and legally ties their name to specific barrels in the BWBX inventory.

The background of the entire page is a repeating pattern of whiskey bottles, rendered in a light brown, sketch-like style. The bottles are scattered across the dark brown background, some upright and some tilted. The central text is contained within a white rounded rectangle.

BWBX

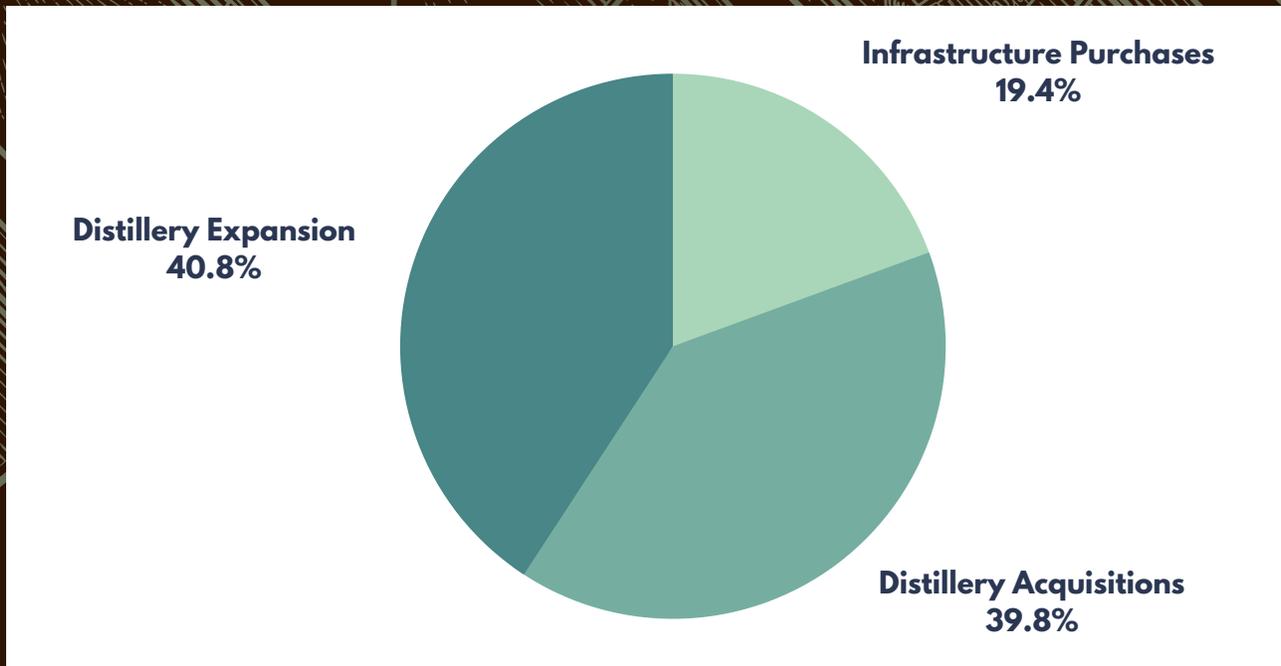
**BROWN WATER
BOURBON XCHANGE**

2022

ANNUAL

REPORT

Capital Investments in the Bourbon Industry in 2022



Total Invested: \$3,547,600,000

Investment Breakdown



\$1.23 B
Expansion



\$1.2 B
Acquisitions



\$585 M
Infrastructure

In 2022, roughly \$3.55 billion was invested in the bourbon industry, 80% of which was devoted to creating or acquiring production capacity. This magnitude of capital indicates rapid growth in the spirits industry, highlighting the importance of access to sourced spirits on the wholesale market.

Investments of Interest



Campari Acquires Wilderness Trail

In Q4 of 2022, the Campari Group announced that it had purchased a majority stake in Wilderness Trail. The agreement stated that Campari would acquire a 70% ownership stake in the distillery for \$420 million, with the included option to purchase the remaining 30% in 2031 for \$180 Million. Since Wilderness Trail produces a large amount of wholesale bourbon, it will be interesting to see how their available production capacity changes in the future.

Bardstown Bourbon Company Acquires Green River Distilling Co.

Early in 2022, Bardstown Bourbon Company purchased Green River Distilling Company for \$600 million. Bardstown Bourbon Company was already known as one of the largest craft distilleries in the world in terms of production capacity, and this acquisition solidified that. The prices of both Bardstown Bourbon Company and Green River bourbons on the wholesale market have been volatile since the acquisition was announced. The prices currently appear to be inflated compared to the average barrel.



Sazerac invests \$1.2 B in 2022

Sazerac, the parent company of Buffalo Trace, announced two separate expansions this year that were groundbreaking for the spirits industry. The first was a \$1.2 billion investment in the Buffalo Trace campus to completely renovate their facilities, and the second occurred in Laurel County, KY, where \$600 million was invested into infrastructure projects such as rackhouses.

MEET OUR TEAM



Gilbert Brown

Co-Owner and
Co-Founder



Bret Voelkel

Co-Owner and
Co-Founder



William Brown

Head of
Operations



Ben Bohannon

VP of Business
Development



Andy Voelkel

Head of
Marketing



Logan Bechanan

VP of Corporate
Development



Rick Zielke

Director of Sales

READY FOR ANOTHER ROUND?

We'll bring the drinks.

Connect with us here and get more information today:



Brown Water Bourbon Xchange



Brown Water Bourbon Xchange



@B.W.B.X

William Brown

**william@brownwaterbourbonxchange.com
(502) 264-3327**

Ben Bohannon

**ben@brownwaterbourbonxchange.com
(502) 257-2544**

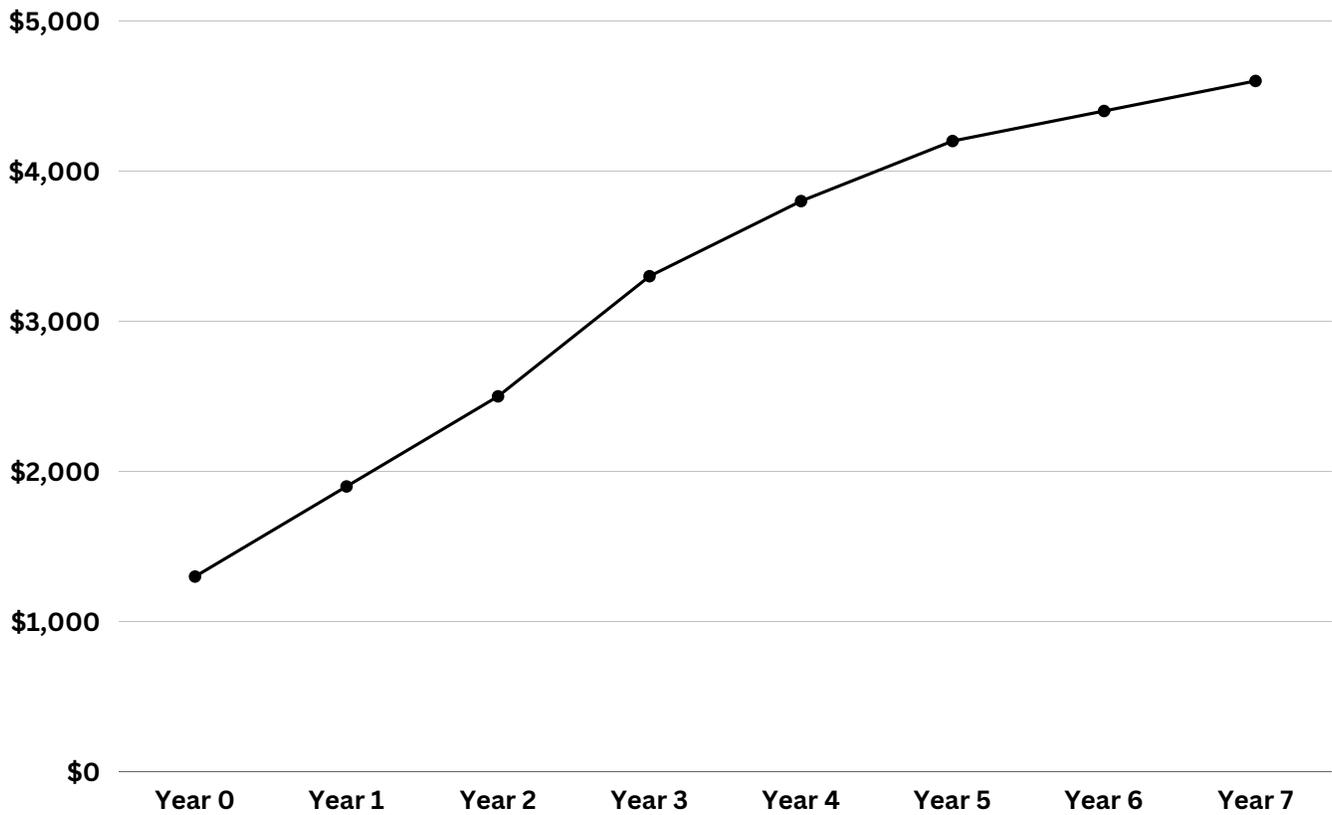
Logan Bechanan

**logan@brownwaterbourbonxchange.com
(859) 473-5553**

Rick Zielke

**rick@brownwaterbourbonxchange.com
(502) 827-0245**

Barrel Appreciation Projection



Based upon sales and 2021/2022 market analysis

By the Numbers

Year 1	\$1,900
Year 2	\$2,500
Year 3	\$3,300
Year 4	\$3,800
Year 5	\$4,200
Year 6	\$4,400

18 YEAR INVESTMENT SCHEDULE

Investment Cycle 1

Total

2023: Ten Barrels Purchased

\$18,000

2026: Ten Barrels Mature and Sell

\$34,000

Processing Fees

-\$800

Cyclical Dividends

\$800

Investment Cycle 1 Subtotal: \$32,400

Investment Cycle 2

Total

2026: Eighteen Barrels Purchased

\$32,400

2029: Eighteen Barrels Mature and Sell

\$61,200

Processing Fees

-\$1440

Cyclical Dividends

\$360

Investment Cycle 2 Subtotal: \$59,400

Investment Cycle 3

Total

2029: Thirty-Three Barrels Purchased

\$59,400

2032: Thirty-Three Barrels Mature and Sell

\$112,200

Processing Fees

-\$2,640

Cyclical Dividends

\$1,560

Investment Cycle 3 Subtotal: \$108,000

Investment Cycle 4**Total**

2032: Sixty Barrels Purchased

\$108,000

2035: Sixty Barrels Mature and Sell

\$204,000

Processing Fees

\$4,800

Cyclical Dividends

\$680

Investment Cycle 4 Subtotal: \$238,000

Investment Cycle 5**Total**

2026: One Hundred Ten Barrels Purchased

\$198,000

2029: One Hundred Ten Barrels Mature and Sell

\$374,000

Processing Fees

-\$8,800

Cyclical Dividends

\$1,600

Investment Cycle 5 Subtotal: \$363,600

Investment Cycle 6**Total**

2032: Two-Hundred Two Barrels Purchased

\$363,600

2035: Two-Hundred Two Barrels Mature and Sell

\$686,800

Processing Fees

-\$16,160

Investment Cycle 6 Subtotal: \$670,640

SUBTOTAL: \$670,640**TOTAL WITH PAID
DIVIDENDS: \$675,640**

SAMPLE

BROWN WATER BOURBON XCHANGE, LLC

SUBSCRIPTION AGREEMENT

**Brown Water Bourbon Xchange, LLC
442 E. Stephen Foster Ave.
Bardstown, KY 40004**

ACCEPTANCE IS REQUIRED ON ALL SUBSCRIPTIONS

Brown Water Bourbon Xchange, LLC
SUBSCRIPTION AGREEMENT

Brown Water Bourbon Xchange, LLC
442 E. Stephen Foster Ave.
Bardstown, KY 40004

PREFACE

Brown Water Bourbon Xchange, LLC (“BWBX”) is a company that buys and sell barrels of bourbon (the “*Bourbon Barrels*”). Pursuant to the terms and conditions of this Subscription Agreement (the “*Agreement*”), the Subscriber is purchasing rights to the proceeds of the specific Bourbon Barrel(s) (each a “*Barrel Interest*”) listed in **Addendum A** to this Agreement.

BEWARE, YOU MAY LOSE YOUR ENTIRE INVESTMENT IN THIS TRANSACTION. IN MAKING AN INVESTMENT DECISION, INVESTORS SHALL RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE INVESTMENTS, TO THE EXTENT THEY HAVE BEEN DEEMED SECURITIES, HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD, EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULES 147, 17 C.F.R. sec. 230.147(e) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHALL BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

(1) **SUBSCRIPTION FOR INTEREST IN _____ NUMBER OF BOURBON BARRELS**

I/We, the undersigned (*Subscriber*), do hereby confirm to **Brown Water Bourbon Xchange, LLC**, my purchase of _____ (#) Barrel Interest(s) at _____ DOLLARS (\$_____.____) United States Dollars for each Barrel Interest for a total of \$_____ United States Dollars, representing the exclusive rights to the proceeds from the future sale of the specific Bourbon Barrels listed in **Addendum A** to this Agreement.

(2) **TERMS AND CONDITIONS OF BARREL INTEREST(S)**

(a) The term of this Agreement is Thirty-Six (36) months from the date BWBX receives the Subscriber’s purchase money (the “Term”).

(b) At all times, BWBX shall retain all ownership rights in the Bourbon Barrels listed in Addendum A. BWBX will purchase, store, insure, and pay all costs associated with the storage of the Bourbon Barrels during the Term of this Agreement.

(c) The Subscriber’s purchase of the Barrel Interest(s) will include coverage of all costs associated with the storage, insurance, and other necessary expenses with respect to the Bourbon Barrels throughout the Term.

(d) At any time on or before to the end of the 36-month Term, the Subscriber may direct BWBX to sell all or part of the Bourbon Barrels listed in Addendum A, at or above a price determined in Subscriber’s discretion. BWBX shall be solely responsible for selling the Bourbon Barrels at or above the price determined by the Subscriber, including, without limitation, finding a buyer, handling services, and collecting proceeds from the sale. If the Subscriber elects to sell all or part of the Bourbon Barrels listed in Addendum A prior to the end of the 36-month Term, the Subscriber shall not receive a refund of the storage, insurance, or other costs associated with the storage of the Bourbon Barrels for the full 36-month Term.

(e) Upon the sale of the Bourbon Barrel(s), the Subscriber shall receive the proceeds of the sale, less all applicable fees set forth in **Addendum B** to this Agreement.

(f) If the Subscriber does not wish to sell all or part of the Bourbon Barrels listed in Addendum A at the end of the 36-month Term, the Subscriber agrees to enter into another agreement with BWBX relating to the storage of the Bourbon Barrels for an additional one (1) year period (an "Additional Term"). The Subscriber agrees that if he/she elects not to sell all of the Bourbon Barrels by the end of an Additional Term, he/she will continue to enter into contracts for Additional Terms until such time as the Subscriber elects to sell all of the Bourbon Barrels comprising his or her Barrel Interest(s).

(g) If the Subscriber elects not to sell the Bourbon Barrels listed in Addendum A at the end of the Term or any Additional Term but fails to enter into a new agreement with BWBX and remit payment for the storage costs of the Bourbon Barrels within thirty (30) days after the end of such Term or Additional Term, all unpaid storage costs shall accrue interest at a rate of eighteen percent (18%) per annum. If one hundred eighty (180) days have passed since the end of the Term or any Additional Term and BWBX has not received payment for the accruing and unpaid storage costs, BWBX shall have the right to sell the Bourbon Barrels at a price determined in its own discretion and remit all proceeds, less applicable fees and interest, to the Subscriber at the Subscriber's last known address.

(h) The Subscriber's purchase of the Barrel Interest(s)

(3) REPRESENTATIONS AND UNDERSTANDINGS OF SUBSCRIBER:

(a) I fully understand that that BWBX will handle all sales of the Bourbon Barrels and that a five percent (5%) processing fee, among other costs and fees set forth in Addendum B, will be charged for the services associated with the selling of, and the collection of the proceeds of, the Bourbon Barrels.

(b) I understand that there is no guarantee that BWBX will be able to locate an immediate buyer of the Bourbon Barrels I designate to sell and that it may take longer to locate a buyer than I anticipate. I further understand that a reduction in the minimum selling price designated by me may be necessary to sell the Bourbon Barrel(s).

(c) I have received a copy of the Executive Summary for BWBX and have relied solely upon investigations made by me (or my purchaser representative) in making my decision to purchase the Barrel Interest(s).

(d) I represent and warrant to BWBX that I am purchasing the Barrel Interest(s) for my own account, without any view to public redistribution. I further represent and warrant that I am a person who is able to bear the economic risk of purchasing the Barrel Interest(s).

(e) I fully understand that the Barrel Interest(s) I am acquiring have not been registered under The Securities Act of 1933, as amended, nor under any state securities laws, because they are sold and issued in reliance upon exemptions which are available only if I, and all other selected subscribers participating in the purchases of the Barrel Interest(s), acquire their respective Barrel Interest(s) for investment purposes only and without a view to public redistribution. I acknowledge that I am familiar with the phrase "acquired for investment and not with a view to redistribution," and the special meanings given to such terms and various releases and interpretations of regulatory agencies governing the offer and sale of securities.

(f) I further represent and acknowledge my understanding that the Barrel Interest(s) which I am acquiring must be held by me until registered under the Act, or a prior opinion of counsel, satisfactory to counsel for BWBX, is submitted which states that an exemption from such registration requirements and transferability restrictions is available. I understand and confirm hereby that neither BWBX nor any other person assumes any responsibility or obligation to register the Barrel Interest(s) purchased by me, if such is necessary, to permit a subsequent resale or transfer thereof.

(g) I represent that there are no legal restrictions applicable to me which would preclude my purchase of the subject Barrel Interest(s) for investment, as set forth herein, and I acknowledge that I purchased the Barrel Interest(s) for my own account, not as a trustee or nominee for any other person or persons, and that the funds invested are my own.

(h) In connection with the decision to purchase the Barrel Interest(s), as confirmed hereby, I acknowledge and confirm that I have carefully reviewed, investigated, and evaluated such matters and

considerations as I considered material with respect to BWBX and the nature of my purchase of the Barrel Interest(s). I acknowledge that the representatives of BWBX have made available to me the unrestricted opportunity to obtain any additional information necessary to verify the accuracy of the information furnished to me, or obtained by me, in connection with my purchase of the Barrel Interest(s). I also confirm that I have either consulted or have had the opportunity to consult with my legal counsel and/or my personal advisors with respect to the purchase of the Barrel Interest(s), and have otherwise conducted such investigations as I deem feasible and necessary to satisfy myself as to all material aspects concerning BWBX and the Barrel Interest(s), including tax and legal matters, and that I now desire to confirm such purchase without any guarantee of subsequent value. I further represent and warrant that counsel for BWBX has not provided legal advice to me, made any representations to me, or engaged in any promotional activities relating to the Barrel Interest(s).

(i) I specifically acknowledge that I understand that BWBX's proposed business is speculative in nature and carries with it many risks that even a combination of experience, information, and careful evaluation cannot always overcome, and my purchase is subject to a risk of loss. I also represent that the Members of BWBX have made full material disclosure to me as it pertains to these risks. I further understand that I and/or my legal heirs shall at all times remain as the owner of the Barrel Interest(s) and responsible party for making this purchase, and that any requested transfer of ownership must first be approved in writing by a Member of BWBX.

(j) I specifically acknowledge that I understand that the statements and information in the Executive Summary are forward-looking statements that are based on BWBX's current views and assumptions and involve a number of risks that could cause the actual results to differ materially. These statements include any risk factors and other forward looking financial and other projections. Wherever forward-looking statements occur in the Executive Summary or this Agreement, I understand that such statements are estimates reflecting the best judgment of the management of BWBX and are not based on historical financial information from BWBX's operations. I further understand that BWBX has no obligation to revise or update any forward-looking statements.

(k) I understand that no federal or state agency has made any finding or determination as to the fairness of this investment, nor any recommendation or endorsement of the Barrel Interest(s). I further understand that this investment includes the risk of state and/or federal agencies imposing sanctions, fines, or other restrictions on BWBX which could result in a material adversarial affect to the company's operations. I have been provided the opportunity to review the Executive Summary, as well as ask questions and request information regarding any and all pertinent legal matters involving the Barrel Interest(s). I acknowledge that BWBX has made every effort to fully disclose and explain any and all material information.

(l) I understand and acknowledge that my requested purchase of the Barrel Interest(s) may be accepted or rejected by the BWBX. If it is rejected, the original Subscription Agreement and the complete investment will be returned to the Subscriber within ten (10) business days. If it is accepted, a copy showing acceptance by BWBX will promptly be returned to the Subscriber.

(m) I represent and acknowledge that the amount of the Barrel Interest(s) which I am purchasing is from funds which I have available for speculative investments and will not interfere in any respect with my long range investment plans, immediate family or personal obligations, and other commitments. I am of sound mind and make these financial decisions at my own discretion. I am an accredited investor as defined by the United States Securities and Exchange Commission ("SEC") and as confirmed and set forth in the Accredited Investor Authorization Form submitted to BWBX in connection with my purchase of the Barrel Interest(s). I further represent that all of the information contained in the enclosed Accredited Investor Authorization Form was supplied by me and that it is true and correct. I also agree, if requested BWBX, to provide supporting documentation regarding my income, assets and overall financial position that verifies my status as an accredited investor.

(n) IF I AM NOT AN ACCREDITED INVESTOR, BWBX reserves the right to reject my requested purchase of the Barrel Interest(s). If BWBX accepts my request purchase of the Barrel Interest(s), I represent and warrant that I am purchasing the Barrel Interest(s) from funds which I have available for speculative investments and such purchase will not interfere in any respect with my long range investment plans, immediate family or personal obligations, and other commitments. I further represent and warrant that I have received all

material facts with respect to my decision to purchase the Barrel Interest(s). If BWBX rejects my requested purchase of the Barrel Interest(s), I WILL IMMEDIATELY RETURN ALL BWBX MATERIALS TO BWBX.

(o) I understand and agree that this Agreement shall be deemed to have been made and accepted in Bardstown, Kentucky, and that the venue and jurisdiction for all matters, including legal matters, relating to any dispute arising hereunder shall be in a state or federal court of competent jurisdiction and venue located in the Commonwealth of Kentucky. I have been provided the opportunity to ask questions, request information and, to the fullest extent permitted by law, agree to indemnify and hold harmless BWBX, its Members, and its respective officers, directors, employees, attorneys, and representatives from any claims of liability arising from this Agreement and my purchase of the Barrel Interest(s).

(p) This Subscription Agreement constitutes the full and entire agreement and understanding of the parties to this Subscription Agreement with respect to the subjects hereof and thereof, supersede all previous discussions and agreements, if any, of the parties hereto with respect to the subject matter of this Subscription Agreement and the Accredited Investor Authorization Form (including, but not limited to, all matters set forth in the Executive Summary), and no party shall be liable for or bound in any other manner by any representations, warranties, covenants or agreements except as specifically set forth therein.

(q) This Subscription Agreement shall inure to the benefit of and be binding upon each of the parties hereto, and each of his or her heirs and legal representatives. This Subscription Agreement may be executed in one or more counterparts (including by facsimile or other electronic delivery), all of which together shall constitute one instrument. Notwithstanding the place where this Subscription Agreement may be executed by any of the parties hereto, the parties expressly agree that this Subscription Agreement may be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

(r) With the foregoing understanding and acknowledgments, I hereby affirm the purchase of my Barrel Interest(s).

(s) THE SUBSCRIBER UNDERSTANDS THAT THE INFORMATION PROVIDED BELOW AND HEREIN WILL BE RELIED UPON BY BWBX FOR THE PURPOSE OF DETERMINING THE ELIGIBILITY OF THE SUBSCRIBER TO PURCHASE THE BARREL INTEREST(S).

* * * * *

The undersigned hereby subscribed to _____ (#) Barrel Interest(s) at \$ _____ United States Dollars (USD) per Barrel Interest, for the specific Bourbon Barrels listed in Addendum A hereto, and I have enclosed with this subscription agreement my check for the total subscription amount of \$ _____.

_____ X **SAMPLE**
DATE SUBSCRIBER SIGNATURE

_____ X _____
DATE JOINT OWNER SIGNATURE (if any)

ACCEPTED BY: _____

By: _____
Member

DATE

SAMPLE

ACCREDITED INVESTOR ELIGIBILITY QUESTIONNAIRE Brown Water Bourbon Exchange, LLC

Verification of status as an "Accredited Investor" under Regulation D

PLEASE CHECK ONE OR MORE STATEMENTS, AS APPLICABLE, BELOW

1. The undersigned is a natural person and meets one of the following qualifications for being an "accredited investor":
- i. Has net worth individually or jointly with his or her spouse that exceeds U.S. \$1,000,000, excluding the value of the investor's primary residence, at the time of purchase of the Interest; OR
 - ii. Had income individually in excess of U.S. \$200,000 in each of the past two years and reasonably expects to have such income in excess of U.S. \$200,000 in the current year; OR
 - iii. Had income jointly with his or her spouse in excess of U.S. \$300,000 in each of the past two years and reasonably expects to have such income in excess of U.S. \$300,000 in the current year.

"Income" is defined, for the purpose of clause (ii) above, as individual annual adjusted gross income reported or to be reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, and for the purpose of clause (iii) above, as joint annual adjusted gross income reported or to be reported for federal income tax purposes, in each case increased by the following amounts (but, in the case of clause (ii) above, not by any such amounts attributable to a spouse or to property owned by a spouse): (a) the amount of any tax-exempt interest income received; (b) the amount of losses claimed as a limited partner in a limited partnership; (c) any deduction claimed for depletion; (d) amounts contributed to an IRA or Keogh retirement plan; (e) alimony paid; and (f) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

2. The undersigned has total assets in excess of U.S. \$5,000,000, AND was not formed for the specific purpose of acquiring an interest in the Partnership, AND is any of the following: • a corporation (or company);
- a partnership (or limited liability company organized in a U.S. state);
 - a trust whose purchase is directed by a sophisticated person; OR
 - an organization described in Section 501 (c)(3) of the U.S. Internal Revenue Code of 1986, as amended.
3. The undersigned is any of the following: • a bank, or any savings and loan association or other institution acting in its individual or fiduciary capacity;
- a registered broker dealer;
 - an investment company or a business development company under the U.S. Investment Company Act of 1940;
 - a private business development company under the U.S. Investment Advisers Act of 1940;
 - a Small Business Investment Company licensed by the U.S. Small Business Administration;

- an employee benefit plan whose investment decision is being made by a plan fiduciary, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan whose total assets are in excess of U.S. \$5,000,000, or a
- self-directed employee benefit plan whose investment decisions are made solely by persons who are "accredited investors";
- a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, which plan has total assets in excess of U.S. \$5,000,000; OR
- a trust, not formed for the specific purpose of acquiring an Interest in the Partnership, with total assets in excess of U.S. \$5,000,000 AND whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the Interest.

4. The undersigned is an entity as to which all the equity owners are accredited investors. If one or more of such equity owners are natural persons, please refer to Section 1 above, for the qualification of a natural person as an "accredited investor".

If only statement (4) has been checked, please contact the Company. Each equity owner will be required to fill out a separate Eligibility Questionnaire.

The undersigned represents and warrants that it is an "accredited investor" within the meaning of Regulation D under the United States Securities Act of 1933 as amended and has checked the applicable statements above pursuant to which the undersigned so qualifies.

INVESTOR (INDIVIDUAL):

Signature

Name: _____

OR

INVESTOR (ENTITY):

Entity Name

By: _____

Name: _____

Title: _____