

BOND RESOLUTION

A RESOLUTION OF THE ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE AUTHORIZING, *INTER ALIA*, THE ISSUANCE OF NOT TO EXCEED \$18,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE TAXABLE CONVERTIBLE CAPITAL APPRECIATION REVENUE BONDS (DISTILLED SPIRITS, INC., PROJECT), SERIES 2021, AND RELATED MATTERS.

Dated: February 17, 2021

WHEREAS, the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “Issuer”) has been created pursuant to the provisions of The Industrial Development Act, Tennessee Code Annotated Sections 7-53-101 *et seq.*, as amended (the “Act”), and is now existing and operating as a public corporation under the Act; and

WHEREAS, the Issuer was created, among other purposes, for the benefit of the people of the State of Tennessee, to issue its bonds for the purpose of carrying out any of its powers, including to finance, acquire, own, lease, or dispose of properties, to the end that such corporations may be able to maintain and increase employment opportunities, increase the production of agricultural commodities, and increase the quantity of housing available in affected municipalities by promoting industry, trade, commerce, tourism and recreation, agriculture and housing construction by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises; and

WHEREAS, under the Act, the Issuer is authorized to issue bonds for the purpose of carrying out any of its powers, including entering into loan agreements with other with respect to financing one or more projects; and

WHEREAS, in accordance with the applicable provisions of the Act, the Issuer, in furtherance of the public purpose for which it was created, proposes to enter into a Loan Agreement (the “Loan Agreement”), to be dated as of February 26, 2021 (or such later date as may be approved by the Issuer), with Distilled Spirits, Inc., a Delaware corporation (the “Corporation”), under the terms of which the Issuer agrees to issue its “Taxable Convertible Capital Appreciation Revenue Bonds (Distilled Spirits, Inc., Project), Series 2021”, pursuant to the terms of a Indenture of Trust (the “Indenture”), to be dated as of February 26, 2021 (or such later date as may be approved by

the Issuer), to be entered into between the Issuer and Regions Bank, Nashville, Tennessee, as trustee (the “Trustee”); and

WHEREAS, in accordance with the applicable provisions of the Act and the Loan Agreement, the Issuer, in furtherance of the public purpose for which it was created, proposes to lend the proceeds of the Series 2021 Bonds to the Corporation in order to (a) finance all or a portion of the costs of developing, acquiring, constructing, furnishing, and equipping of a distillery (together, the “Project”), (b) fund a debt service reserve fund for the Series 2021 Bonds, and (c) pay the costs of issuing the Series 2021 Bonds, and the Corporation agrees to pay to the Issuer specified payments which will be fully sufficient to pay the principal of, and the redemption premium (if any) and the interest on, the Series 2021 Bonds hereinafter authorized as the same become due and to pay certain administrative expenses in connection with said Bonds; and

WHEREAS, to secure the Series 2021 Bonds, the Corporation will execute and deliver a Tennessee Leasehold Deed of Trust with Security Agreement and Assignment of Rents and Leases (and Fixture Filing) (the “Deed of Trust”), dated as of February 26, 2021, for the use and benefit of the Trustee; and

WHEREAS, it is proposed that in order to accomplish the sale of the Series 2021 Bonds the Issuer should enter into a Private Placement Agreement (the “Placement Agreement”) with Duncan-Williams, Inc., Memphis, Tennessee (the “Placement Agent”) and the Corporation, the terms of which provide for the sale of the Series 2021 Bonds; and

WHEREAS, it is also proposed that in order to facilitate the sale of the Series 2021 Bonds, the Issuer should approve the use and distribution of a Private Placement Memorandum in the form presented at this meeting (the “Private Placement Memorandum”); and

WHEREAS, it is also proposed that the Issuer should designate a “Trustee,” “Paying Agent,” and “Bond Registrar” to serve under the Indenture; and

WHEREAS, it is also proposed that the Issuer should take all such additional actions, make all such elections, authorize the filing of such Bonds, applications, reports and notices, and authorize such other actions and proceedings as shall be necessary in connection with the issuance of the Series 2021 Bonds; and

WHEREAS, there have been presented to the Issuer at this meeting proposed forms of the Loan Agreement, the Indenture, Placement Agreement, and the Private Placement Memorandum and the proposed forms of the Series 2021 Bonds as set forth in the Indenture; and

WHEREAS, it appears that each of the documents hereinabove referred to, which documents are now before the Issuer, is in appropriate form and is an appropriate document for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

Section 2. Findings. It is hereby ascertained, determined and declared that:

(a) the Project is a “Project” within the meaning of the Act and the issuance of the Series 2021 Bonds to fund the Project and provide additional cash reserves each is a lawful and valid public purpose in that it will further the public purpose intended to be served by the Act;

(b) the payments to be received by the Issuer under the Loan Agreement are calculated to be fully sufficient to pay the principal of, and the redemption premium (if any) and the interest on, the Series 2021 Bonds as the same become due and to pay certain administrative expenses in connection with the Series 2021 Bonds; and

(c) the Series 2021 Bonds will constitute only limited obligations of the Issuer and will be payable solely from the amounts payable under the Loan Agreement and the amounts specifically pledged therefor under the Indenture and will not constitute a debt or a general obligation or a pledge of the faith and credit of the Issuer, the State of Tennessee, the City of Memphis, Tennessee or Shelby County, Tennessee, and will not directly, indirectly, or contingently obligate said State, said City or said County to levy or to pledge any form of taxation whatever for the payment thereof nor will the Issuer, nor said State, said City, or said County be obligated to expend any funds or monies derived from any source whatsoever in connection with the Project, nor pay any costs incurred in the issuance of the Series 2021 Bonds, including Issuer’s attorney fees.

Section 3. Authorization of Bonds. For the purpose of (i) financing the cost of acquiring, constructing, furnishing, and equipping the Project, (ii) funding the debt service reserve fund for the Series 2021 Bonds, and (iii) paying the costs of issuing the Series 2021 Bonds, the issuance of the Series 2021 Bonds is hereby authorized. The aggregate principal amount of the Series 2021 Bonds shall not exceed \$18,500,000. The Series 2021 Bonds shall be secured by the Trust Estate, as defined in and created under the Indenture. The Series 2021 Bonds shall be issued in such series, dated, mature, bear interest, be subject to redemption prior to maturity and be payable as set forth in the Indenture. The Series 2021 Bonds shall be issued as registered Bonds without coupons in various denominations with such rights of exchangeability and transfer of registration and shall be in the form and executed and authenticated in the manner provided in the Indenture. The Series 2021 Bonds shall bear interest at rates not exceeding 8% per annum and shall mature not more than 40 years from their date of issuance. There is hereby delegated to the Chairman or President the approval of the final terms of the Series 2021 Bonds, which shall be contained in the Indenture, and the execution of the Indenture by the Chairman or President and Secretary of the Issuer as hereby authorized shall be conclusive evidence of such approval. The term “Series 2021 Bonds” as used herein shall be deemed to mean and include the Series 2021 Bonds as initially issued and delivered and Bonds issued in exchange therefor or in exchange for Bonds previously issued.

Any Bonds hereafter issued in exchange or for transfer of registration for the Series 2021 Bonds initially issued and delivered pursuant to the Indenture shall be executed in accordance with the provisions of the Indenture and such execution by the Chairman or President and Secretary of the Issuer, whether present or future, is hereby authorized.

Section 4. Authorization of Loan Agreement. The execution, delivery and performance of the Loan Agreement between the Issuer and the Corporation are hereby authorized. The Loan Agreement shall be in substantially the form presented at this meeting, subject to such changes, insertions or omissions as may be approved by the Chairman or President of the Issuer and the execution of the Loan Agreement by the Chairman or President and Secretary of the Issuer as hereby authorized shall be conclusive evidence of any such approval.

Section 5. Authorization of Indenture. In order to secure the payment of the principal of, and the premium (if any) and the interest on, the Series 2021 Bonds herein authorized, the execution, delivery and performance of the Indenture between the Issuer and the Trustee are hereby authorized. The Indenture shall be in substantially the form presented at this meeting, subject to such changes, insertions or omissions as may be approved by the Chairman or President of the Issuer and the execution of the Indenture by the Chairman or President and Secretary of the Issuer as hereby authorized shall be conclusive evidence of any such approval. As security for the Series 2021 Bonds, the Chairman or President of the Issuer is hereby authorized to endorse the Note (as defined in the Loan Agreement) to the order of the Trustee.

Section 6. Authorization of Placement Agreement. The execution, delivery and performance of the Placement Agreement providing for the sale of the Series 2021 Bonds, among the Issuer, the Corporation, the Placement Agent, a form of which has been presented to the Issuer at this meeting and considered by its directors and which is on file and of record with the Secretary of the Issuer, be and the same are hereby authorized. Any Placement Agreement shall be in substantially the form presented at this meeting, subject to such changes, insertions or omissions as may be approved by the Chairman or President of the Issuer and the execution of the Placement Agreement by the Chairman or President of the Issuer as hereby authorized shall be conclusive evidence of any such approval.

Section 7. Approval of Private Placement Memorandum. The use and distribution of the Private Placement Memorandum with respect to the publicly offered Series 2021 Bonds be and the same are hereby approved, said Private Placement Memorandum to be in substantially the form presented at this meeting. The use and distribution of the Private Placement Memorandum is hereby approved and the Chairman or President of the Issuer is hereby authorized to approve the final Private Placement Memorandum on behalf of the Issuer.

Section 8. Approval of Certain Documents of the Corporation. The Note and the Deed of Trust, in substantially the forms presented to this meeting, are hereby approved, subject to such changes, insertions, or omissions as may be approved by the Issuer prior to the execution and delivery thereof, which approval shall be evidenced by the execution of the Indenture by the Chairman or President of the Issuer

Section 9. Designation of Trustee, Paying Agent and Bond Registrar. Regions Bank,, a Nashville, Tennessee, is hereby designated Trustee under the Indenture and Paying Agent and Bond Registrar for the Series 2021 Bonds.

Section 10. Execution of Bonds. The Series 2021 Bonds shall be executed in the manner provided in the Indenture and the same shall be delivered to the Trustee for proper authentication and delivery to the purchaser or purchasers thereof with instructions to that effect as provided in

the Indenture. Anything herein or in the Indenture to the contrary notwithstanding, the President or other member of the Issuer designated by the Chairman of the Issuer is hereby authorized to execute the Series 2021 Bonds in the event of the absence or incapacity of the Chairman or the President of the Issuer, and any other member of the Issuer designated by the Secretary is hereby authorized to attest the Series 2021 Bonds in the absence or incapacity of the Secretary of the Issuer.

Section 11. Information Reporting Pursuant to Section 149(e) of the Code. Any officer of the Issuer is hereby authorized to sign and file or cause to be filed a completed Internal Revenue Service Form 8038, "Information Return for Private Activity Bond Issues," as required by Section 149(e) of the Code.

Section 12. Tennessee Report on Debt Obligation. Any officer of the Issuer is hereby authorized to execute Form CT-2053 Tennessee Report of Debt Obligation and to file the same with the Tennessee Office of State and Local Finance.

Section 13. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Loan Agreement, the Indenture or the Placement Agreement shall be deemed to be a stipulation, obligation or agreement of any officer, director, agent or employee of the Issuer in his individual capacity, and no such officer, director, agent or employee shall be personally liable on the Series 2021 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 14. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary or desirable in connection with the issuance of the Series 2021 Bonds and the execution and delivery of the Indenture, the Loan Agreement, the Deed of Trust, and the Placement Agreement and to document compliance with the Code.

The Chairman or President and Secretary of the Issuer are hereby authorized and directed to prepare and furnish to the purchaser or purchasers, when the Series 2021 Bonds are issued, certified copies of all the proceedings and records of the Issuer relating to the Series 2021 Bonds, and such other affidavits as may be required to show the facts relating to the legality and marketability of the Series 2021 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, bonds and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

Section 15. Actions Approved and Confirmed. All acts and doings of the officers of the Issuer which are in conformity with the purposes and intents of this Bond Resolution and in the furtherance of the issuance of the Series 2021 Bonds and the execution, delivery and performance of the Indenture, the Loan Agreement, the Deed of Trust, and the Placement Agreement shall be, and the same hereby are, in all respects approved and confirmed.

Section 16. Severability of Invalid Provisions. If any one or more of the Loan Agreement or Indenture or provisions herein or therein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Series 2021 Bonds authorized hereunder.

Section 17. Repealing Clause. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 18. Effective Date. This Bond Resolution shall take effect immediately upon its adoption.

ADOPTED this 26th day of February, 2021.

**ECONOMIC DEVELOPMENT
GROWTH ENGINE INDUSTRIAL
DEVELOPMENT BOARD OF THE
CITY OF MEMPHIS AND COUNTY OF
SHELBY, TENNESSEE**

(CORPORATE SEAL)

ATTEST:

Chairman

Secretary

SECRETARY’S CERTIFICATE

The undersigned Secretary of the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “Issuer”), **DOES HEREBY CERTIFY** that the foregoing pages of typewritten matter pertaining to the not to exceed \$18,500,000 in aggregate principal amount of Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee, Taxable Convertible Capital Appreciation Revenue Bonds (Distilled Spirits, Inc., Project), Series 2021, constitute a true and correct copy of the Bond Resolution unanimously adopted on February 17, 2021, by the directors of the Issuer in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said Bond Resolution appears of record in the Minute Book of the Issuer which is in the undersigned’s custody and control.

WITNESS my hand and the official seal of the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee, this February 17, 2021.

Secretary, Economic Development Growth
Engine Industrial Development Board of the
City of Memphis and County of Shelby,
Tennessee

(CORPORATE SEAL)