

THE OFFER AND SALE OF THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS, AND SUCH SECURITIES ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND SUCH LAWS OR AN EXEMPTION FROM REGISTRATION THEREUNDER, SUCH SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED.

THE SECURITIES DESCRIBED HEREIN ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS, INCLUDING RESTRICTIONS ON TRANSFER AND CERTAIN OTHER AGREEMENTS SET FORTH IN (I) THE COMPANY’S CERTIFICATE OF INCORPORATION AND (II) THE STOCKHOLDERS AGREEMENT OF BROKEN SHED DISTILLERS, INC. AMONG THE COMPANY AND ITS STOCKHOLDERS, COPIES OF WHICH ARE ATTACHED AS EXHIBITS A AND B TO THIS SUBSCRIPTION AGREEMENT.

**SUBSCRIPTION AGREEMENT  
FOR THE PURCHASE OF SECURITIES  
OF BROKEN SHED DISTILLERIES, INC.**

This Subscription Agreement (this “Agreement” or “Subscription Agreement” ) pertains to the subscription by the undersigned (the “Subscriber” ) of 1.2924 shares (the “Purchased Securities”, with each share being a “Purchased Security”) of common stock, par value \$0.01 per share (the “Common Stock”), of **Broken Shed Distilleries, Inc.**, a Delaware corporation (the “Company”, “we”, “us” or “our”), at a purchase price of \$38,687.86 per Purchased Security.

The Subscriber understands that the offer and sale of the Purchased Securities is being made without registration of any of the Purchased Securities under the Securities Act of 1933, as amended (the “Securities Act”), or any securities law of any state of the United States or of any other jurisdiction, pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act, as well as those applicable state securities laws and regulations, and is being made only to “accredited investors” (as defined in Rule 501 promulgated under the Securities Act). The Subscriber understands that the reliance by the Company on such exemptions is predicated in part upon the truth and accuracy of the statements by the Subscriber.

**I - SUBSCRIPTION**

1. Subscription. Subject to the terms and conditions hereof, the Subscriber hereby irrevocably subscribes for the Purchased Securities for the aggregate purchase price of \$50,000 (the “Purchase Price”).

The specific rights, privileges, preferences and obligations of holders of the Purchased Securities, and the restrictions to which such holders and such Purchased Securities are subject, are set forth in the Certificate of Incorporation of Broken Shed Distillers, Inc. dated as of July 28, 2016 (as may be amended or restated and in effect from time to time, the “Certificate”), together with the Stockholders Agreement of the Company, dated as of July 29, 2016 (as amended, modified or restated and in effect from time to time, the “Stockholders Agreement”), among the Company and its stockholders.

It shall be a condition precedent to the purchase of any Purchased Securities pursuant to this Agreement that the Subscriber become a party to the Stockholders Agreement, evidenced by the execution and delivery by the Subscriber of the Joinder Agreement (defined below) appended to this Agreement.

2. Acceptance of Subscription and Issuance of Purchased Securities. It is understood and agreed that the Company shall have the sole right, at its complete discretion, to accept or reject this subscription, in whole or in part, for any reason and that the same shall be deemed to be accepted by the Company only when this Agreement is signed by a duly authorized officer of the Company and delivered to the Subscriber at the Closing as provided in **Section 3** hereof.

Notwithstanding anything in this Agreement to the contrary, the Company shall have no obligation to issue the Purchased Securities to any person who is a resident of a jurisdiction in which the issuance of Purchased Securities to such person would constitute a violation of the securities, “blue sky” or other similar laws of such jurisdiction (collectively referred to as the “State Securities Laws”).

3. The Closing. The closing of the purchase and sale of the Purchased Securities pursuant to this Agreement (the “Closing”) shall take place on the date that the Company is in receipt of this Subscription Agreement and the Joinder Agreement, each duly executed by Subscriber pursuant to the Subscription Instructions set forth below, and the Company delivers to the Subscriber the Company’s countersigned signature page to this Subscription Agreement and to the Joinder Agreement, the delivery of which shall act as the Company’s acceptance of this subscription by the Company.

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**SUBSCRIPTION INSTRUCTIONS:**

- (1) In order to subscribe for the Purchased Securities pursuant to this Agreement, the Subscriber must:
- a. **STOCKHOLDER DOCUMENTS:** Sign and date copies of the attached Joinder Agreement to Stockholders Agreement of Broken Shed Distilleries, Inc. in the form appended hereto as Appendix A (the “Joinder Agreement”).
  - b. **SUBSCRIPTION AND INVESTOR QUESTIONNAIRE:** Complete all requested information in Part II of this Agreement and complete, date and sign the signature page to this Agreement.
  - c. **DELIVERY:** Deliver such completed and signed documents to:

DiRusso + Brooks Law Group, LLC  
Address: 21 Locust Ave., Suite 2B  
New Canaan, CT 06840  
Telephone: 203-822-7500  
E-mail: ead@db-lawgroup.com  
Attention: Elizabeth A. DiRusso

- (2) Payment for the Purchased Securities subscribed for pursuant to this Agreement must be received by the Company from the Subscriber by cashier’s check, wire transfer of immediately available funds pursuant to the following wire transfer instructions, or other means approved by the Company at or prior to the Closing:

**Wire Transfer Instructions:**

Bank: Bank of America  
Address: 980 Post Road East  
Westport, CT 06880  
Phone:  
Account #: 385018716140  
Routing #: 026009593  
Account Name: Broken Shed Distilleries, Inc.

- (3) No subscription shall be valid or binding unless and until it has been accepted by the Company and the Company reserves the right, in its sole and absolute discretion, to reject any proposed subscription, in whole or in part.

## II - ELIGIBILITY REPRESENTATIONS OF THE SUBSCRIBER

The offer and sale of the Purchased Securities to the prospective Subscriber is not being registered under the Securities Act, but rather is being made by the Company pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act. The Purchased Securities will be sold only to persons or entities that meet the definition of “accredited investor” pursuant to Rule 501 promulgated under the Securities Act.

Certain information requested in this Agreement is needed in order to ensure that the foregoing exemptions from registration under the Securities Act are available. Specifically, the Company seeks to ensure compliance with various federal and state laws and regulations, and to confirm, by representations of the Subscriber, that the Subscriber meets the minimum net worth and/or income tests and other requirements so as to fall within the definition of an “accredited investor” under the Securities Act.

The Company shall use reasonable efforts to keep the information provided by the Subscriber in this Agreement confidential. However, by signing this Agreement, the Subscriber hereby acknowledges and agrees that the Company may present this Agreement and the information provided in it to such parties as it deems advisable if called upon to establish the availability under any applicable law of an exemption from registration of the Purchased Securities, or if the contents of this Agreement are relevant to any issue in any action, suit, or proceeding to which the Company or any of its officers or directors is a party or by which it or they may be bound.

***The Subscriber must complete section (1), (2), (3), (4) or (5) below of this Part II.***

The Subscriber hereby represents and warrants that:

**Accredited Investor Status:** *Initial all appropriate spaces on the following pages indicating the basis upon which the Subscriber qualifies as an accredited investor under the Securities Act.*

**(1) For Individual Subscribers:**

\_\_\_\_\_  
(Initial) (a) The Subscriber hereby certifies that he or she is an accredited investor because Subscriber has an individual net worth, or his/her spouse and she/he have a combined net worth,<sup>1</sup> in excess \$1,000,000.

\_\_\_\_\_  
(Initial) (b) The Subscriber hereby certifies that he/she is an accredited investor because Subscriber had (i) individual income (exclusive of any income attributable to his/her spouse) of more than \$200,000 in each of the past two calendar years and Subscriber has a reasonable expectation of reaching the same income level in the current calendar year and/or (ii) joint income with his/her spouse in excess of \$300,000 in each of the past two calendar years and Subscriber has a reasonable expectation of reaching the same income level in the current calendar year.<sup>2</sup>

<sup>1</sup> For purposes of this Agreement, the term “**net worth**” means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person’s primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home’s estimated fair market value as long as the mortgage was incurred more than 60 days before the Purchased Securities subscribed for pursuant to this Agreement are purchased, but includes (i) any mortgage amount in excess of the home’s fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of such Purchased Securities for the purpose of investing in the Purchased Securities.

<sup>2</sup> For purposes of this Agreement, the term “**individual income**” means adjusted gross income, as reported for federal income tax

\_\_\_\_\_  
(Initial) (c) The Subscriber hereby certifies that he/she is a director, executive officer or general partner of the Company, or a director, executive officer or general partner of a general partner of the Company. (For purposes of this Agreement, executive officer means the president; any vice president in charge of a principal business unit, division or function, such as sales, administration or finance; or any other person or persons who perform(s) similar policymaking functions for the Company).

**(2) For Corporations, Foundations, Endowments, Partnerships or Limited Liability Companies:**

\_\_\_\_\_  
(Initial) (a) The Subscriber hereby certifies that it is an accredited investor because it has total assets in excess of \$5,000,000 and was not formed for the specific purpose of acquiring the securities offered.

\_\_\_\_\_  
(Initial) (b) The Subscriber hereby certifies that it is an accredited investor because all of its equity owners are accredited investors. The Subscriber acknowledges and agrees that the Company has the right to request information regarding the basis on which such equity owners are accredited.

**(3) For Employee Benefit Plans:**

\_\_\_\_\_  
(Initial) (a) The Subscriber hereby certifies that it is an accredited investor because it is an employee benefit plan within the meaning of Title I under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the decision to invest in the Company was made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, insurance company or registered investment adviser. The name of such plan fiduciary is: \_\_\_\_\_.

\_\_\_\_\_  
(Initial) (b) The Subscriber hereby certifies that it is an accredited investor because it is an employee benefit plans within the meaning of ERISA and has total assets in excess of \$5,000,000.

\_\_\_\_\_  
(Initial) (c) The Subscriber hereby certifies that it is an accredited investor because it is a plan established and maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or such political subdivision for the benefit of its employees, and has total assets in excess of \$5,000,000.

**(4) For Individual Retirement Accounts and Keogh Plans:**

\_\_\_\_\_  
(Initial) The Subscriber hereby certifies that it is an accredited investor because it is a self-directed plan (*i.e.*: a tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to its account) in which the participant(s) acquiring the Purchased Securities are accredited investors

purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts but not including any amounts attributable to a spouse or to property owned by a spouse); (i) the amount of any tax-exempt interest income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), received, (ii) the amount of losses claimed as a limited partner in a limited partnership as reported on Schedule E of Form 1040, (iii) any deduction claimed for depletion under Section 611 et seq. of the Code, (iv) amounts contributed to an Individual Retirement Account (as defined in the Code) or Keogh retirement plan, (v) alimony paid, and (vi) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of Code.

because each such participant has a net worth (either individually or jointly with his or her spouse) of at least \$1,000,000, or has had an individual income of at least \$200,000 (or a joint income with spouse of at least \$300,000) in each of the last two years and has a reasonable expectation of reaching the same income level in the current year.

**(5) For Trusts:**

\_\_\_\_\_ The Subscriber hereby certifies that it is an accredited investor because it is a trust  
(Initial) with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the Purchased Securities, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act.

**III - GENERAL REPRESENTATIONS AND COVENANTS OF THE SUBSCRIBER**

**In connection with the purchase of the Purchased Securities pursuant to this Agreement, the Subscriber represents, warrants and covenants as follows:**

(a) **General.** The Subscriber (i) has all requisite power and authority (and in the case of an individual, the legal competence and capacity) to purchase the Purchased Securities, enter into this Agreement and to perform all the obligations required to be performed by the Subscriber under this Subscription Agreement, the Joinder Agreement and under the Stockholder Agreement, (ii) is a resident of the state set forth on the signature page hereto, (iii) is not acquiring the Purchased Securities as a nominee or agent or otherwise for any other person and (iv) will comply with all applicable laws and regulations in effect in any jurisdiction in which the Subscriber purchases or sells the Purchased Securities and obtain any consent, approval or permission required for such purchases or sales under the laws and regulations of any jurisdiction to which the Subscriber is subject or in which the Subscriber makes such purchases or sales, and the Company shall have no responsibility therefore. This Agreement constitutes a legal, valid and binding obligation of the Subscriber, enforceable in accordance with its terms, and such purchase will not contravene or constitute or result in a breach or default under, or conflict with, any law, rule, regulation or order, any investment guideline or restriction or any agreement or other undertaking applicable to the Subscriber (or in the case of a Subscriber that is not an individual, any provision of the Subscriber's certificate of incorporation, organizational documents, by-laws, indenture of trust, partnership agreement or operating agreement, as the case may be).

(b) **Information Concerning the Company.**

(i) The Subscriber has received and read the following (collectively, the "Subscription Documents"): (1) a copy of the Certificate (attached as Exhibit A hereto), which sets forth, among other things, information with respect to the rights, privileges, preferences and obligations of the holders of the Company's securities, including the Purchased Securities; (2) copy of the Stockholders Agreement (attached as Exhibit B hereto); (3) Risk Factors (attached as Exhibit C hereto), which sets forth certain risk and other important factors regarding the Company, its business and an investment in the Purchased Securities; and (4) such other documents and material related to the Company as set forth on Exhibit D hereto, which have been made available to the Subscriber and which Subscriber acknowledges that it has read in full, subject to, and in compliance with, the legends set forth on Exhibit D hereto. The Subscriber has not been furnished any offering literature other than the Subscription Documents and has relied only on the information contained therein.

(ii) The Subscriber understands and accepts that the purchase of the Purchased Securities involves various risks, including the risks outlined in the Subscription Documents and in this

Agreement. The Subscriber represents that it is able to bear any loss associated with an investment in the Purchased Securities.

(iii) The Subscriber confirms that it is not relying on (and will not at any time rely upon) any communication (written or oral) of the Company or any of its employees, officers, directors, stockholders or affiliates, as investment advice or as a recommendation to purchase the Purchased Securities. It is understood that information and explanations related to the terms and conditions of the Purchased Securities provided in the Subscription Documents or otherwise by the Company or any of its employees, officers, directors, stockholders or affiliates shall not be considered investment advice or a recommendation to purchase the Purchased Securities, and that neither the Company nor any of its employees, officers, directors, stockholders or affiliates is acting or has acted as an advisor to the Subscriber in deciding to invest in the Purchased Securities. The Subscriber acknowledges that neither the Company nor any of its employees, officers, directors, stockholders or affiliates has made any representation regarding the proper characterization of the Purchased Securities for purposes of determining the Subscriber's authority to invest in the Purchased Securities.

(iv) The Subscriber confirms that neither the Company nor any of its employees, officers, directors, stockholders or affiliates has (1) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Purchased Securities or (2) made any representation to the Subscriber regarding the legality of an investment in the Purchased Securities under applicable legal investment or similar laws or regulations. In deciding to purchase the Purchased Securities, the Subscriber is not relying on the advice or recommendations of the Company or any of its employees, officers, directors, stockholders or affiliates and the Subscriber has made its own independent decision that the investment in the Purchased Securities is suitable and appropriate for the Subscriber.

(v) The Subscriber has had access to such information concerning the Company and the Purchased Securities as the Subscriber deems necessary or desirable to enable the Subscriber to make an informed investment decision concerning the purchase of the Purchased Securities and is familiar with the business, prospects, financial condition, and results of operations of the Company.

(vi) The Subscriber understands that, unless the Subscriber notifies the Company in writing to the contrary at or before the Closing, each of the Subscriber's representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by the Subscriber.

(vii) The Subscriber understands that no federal or state agency has passed upon the merits or risks of an investment in the Purchased Securities or made any finding or determination concerning the fairness or advisability of this investment.

(c) **Status of Subscriber.**

(i) The Subscriber has such knowledge, skill and experience in business, financial and investment matters that the Subscriber is capable of evaluating the merits and risks of an investment in the Purchased Securities. With the assistance of the Subscriber's own professional advisors, to the extent that the Subscriber has deemed appropriate, the Subscriber has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Purchased Securities and the consequences of this Agreement. The Subscriber has considered the suitability of the Purchased Securities as an investment in light of its own circumstances and financial condition and the Subscriber is able to bear the risks associated with an investment in the Purchased Securities and its authority to invest in the Purchased Securities.

(ii) The Subscriber agrees to furnish any additional information requested by the Company or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the purchase and sale of the Purchased Securities.

(d) **Restrictions on Transfer of Purchased Securities.**

(i) The Subscriber acknowledges that all equity interests in the Company (including the Purchased Securities) are subject to the provisions of the Certificate and the Stockholders Agreement and that its purchase of the Purchased Securities is subject to its execution of the Joinder Agreement. The Subscriber will not sell, assign, transfer or pledge any of the Purchased Securities, except as expressly permitted under the Certificate and the Stockholders Agreement, as applicable.

(ii) The Subscriber is acquiring the Purchased Securities solely for the Subscriber's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Purchased Securities. The Subscriber understands that the Purchased Securities have not been registered under the Securities Act or any State Securities Laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Subscriber and of the other representations made by the Subscriber in this Agreement. The Subscriber understands that the Company is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(iii) The Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "**Commission**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the Subscriber understands that the Company has no obligation or current intention to register any of the Purchased Securities, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that under the Commission's rules, the Subscriber may dispose of the Purchased Securities principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. Consequently, the Subscriber understands that the Subscriber must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(iv) The Subscriber agrees: (1) that the Subscriber will not sell, assign, pledge, give, transfer or otherwise dispose of the Purchased Securities or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of the Purchased Securities under the Securities Act and all applicable State Securities Laws, or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable State Securities Laws; (2) that the certificates or instruments, as applicable, representing the Purchased Securities will bear a legend making reference to the foregoing restrictions; and (3) that the Company and its affiliates shall not be required to give effect to any purported transfer of such Purchased Securities except upon compliance with the foregoing restrictions.

(v) The Subscriber acknowledges that neither the Company nor any other person offered to sell the Purchased Securities to it by means of any form of general solicitation or advertising, including but not limited to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or (2) any seminar or meeting whose attendees were invited by any general solicitation or general advertising.

(e) **Investment Company Status.** The Subscriber understands that (i) the Company will not register as an investment company under the Investment Company Act of 1940 (the "Investment Company



Act”) and (ii) for purposes of the provisions of Section 3(c)(1) thereof, the Company does not propose to make a public offering of its securities within the United States. The Subscriber hereby certifies that:

(i) if it is purchasing 10% or more of the equity interests of the Company outstanding at any time, it is not an investment company or a company which is not excluded from the definition of an investment company (as defined in the Investment Company Act) solely by reason of Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act;

(ii) if it is an entity, it was not formed for the purpose of investing in the Company nor did or will the shareholders, members, partners or grantor, as the case may be, of the Subscriber entity contribute additional capital for the purpose of purchasing the Purchased Securities;

(iii) if it is an entity, its shareholders, members, partners or beneficiaries, as the case may be, are not permitted to opt in or out of particular investments made by the Subscriber, and each such person participates in all investments made by the Subscriber pro rata in accordance with its interest in the Subscriber; and

(iv) it is not aware of any circumstances, other than those that may be disclosed in this Agreement, that would require the Company to treat it as more than “one person” for purposes of Section 3(c)(1) of the Investment Company Act.

(f) **No “Bad Actor” Disqualification Events.** If the Subscriber is a Covered Person (as defined below), neither: (a) the Subscriber; (b) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which the Subscriber invests, or managing members; nor (c) any beneficial owner of the Company’s voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Subscriber is subject to any Disqualification Event (as defined below), except for Disqualification Events covered by Rule 506(d)(2) or 506(d)(3) under the Securities Act and disclosed reasonably in advance of the Closing in writing in reasonable detail to the Company. For purposes hereof (i) “Disqualification Events” means any “bad actor” disqualification events described in Rule 506(d)(1)(i) through (viii) under the Securities Act; and (ii) “Covered Persons” means those persons specified in the first paragraph of Rule 506(d)(1) under the Securities Act, including the Company and, to the extent applicable to the Company: (A) any predecessor of the Company; (B) any affiliated issuer of the Company; (C) any director, executive officer, other officer participating in the offering of the Purchased Securities, or general partner or managing member of the Company; (D) any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power; (E) any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Purchased Securities; and (F) any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Purchased Securities (a “Solicitor”), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of the Purchased Securities of any Solicitor or general partner or managing member of any Solicitor.

(g) **Employee Benefit Plan Status.** If the Subscriber is an employee benefit plan (a “Plan”), the fiduciary executing this Agreement on behalf of the Plan (the “Fiduciary”) represents and warrants to the Company as follows:

(i) The Plan’s commitment to purchase Purchased Securities does not, in the aggregate, constitute more than 10% of the fair market value of the Plan’s assets;

(ii) The Fiduciary has considered the following with respect to the Plan’s investment in the Purchased Securities and has determined that, in view of such considerations, the purchase of the Purchased Securities is consistent with the Fiduciary’s responsibilities under ERISA. Such factors include, but are not limited to:

- (1) the role such investment or investment course of action plays in that portion of the Plan's portfolio that the Fiduciary manages;
  - (2) whether the investment or investment course of action is reasonably designed as part of that portion of the portfolio managed by the Fiduciary to further the purposes of the Plan, taking into account both the risk of loss and the opportunity for gain that could result therefrom;
  - (3) the composition of that portion of the portfolio that the Fiduciary manages with regard to diversification;
  - (4) the liquidity and current rate of return of that portion of the portfolio managed by the Fiduciary relative to the anticipated cash flow requirements of the Plan;
  - (5) the projected return of that portion of the portfolio managed by the Fiduciary relative to the funding objectives of the Plan;
  - (6) an investment in the Company is permissible under the documents governing the Plan and the Fiduciary; and
  - (7) the risks associated with an investment in the Company and the fact that the Subscriber will not have a right to redeem the Purchased Securities before the end of the term of the Company.
- (iii) The Fiduciary is:
- (1) responsible for the decision to invest in the Company;
  - (2) qualified to make such investment decision; and
  - (3) independent of the Company and its affiliates.

(h) The Subscriber understands that DiRusso + Brooks Law Group, LLC is acting as counsel to the Company. The Subscriber also understands that, in connection with the purchase and sale of the Purchased Securities and subsequent advice to the Company, DiRusso + Brooks Law Group, LLC will not be representing the Subscriber or any other stockholder of the Company and no independent counsel has been retained by the Company to represent said Subscriber or other stockholders.

#### **IV - GENERAL REPRESENTATIONS OF THE COMPANY**

**In connection with the issuance and sale of the Purchased Securities, as of the Closing the Company represents and warrants that:**

(a) **General.** The Company is duly formed and validly existing under the laws of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets; and has secured any other authorizations, approvals, permits and orders required by law for the conduct by the Company of its business as it is currently being conducted.

(b) **Purchased Securities.** The Purchased Securities have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Subscription Agreement, will be validly issued and fully paid.

(c) **No “Bad Actor” Disqualification.** The Company has exercised reasonable care, in accordance with Securities and Exchange Commission final rules and guidance, to determine whether any Covered Person is subject to any Disqualification Events. To the Company’s knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act required to be complied with by the Company in connection with the issuance and sale of the Purchased Securities.

## V - GENERAL

(a) **Obligations Irrevocable.** The obligations of the Subscriber hereunder shall be irrevocable.

(b) **Finder’s Fee; Expenses.** Each party represents that it neither is nor will be obligated for any finder’s fee, brokerage fees, or commission in connection with this transaction. The Company and Subscriber shall bear their own expenses and legal fees incurred on their behalf with respect to this Subscription Agreement and the transactions contemplated hereby.

(c) **Waiver, Amendment.** Neither this Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

(d) **Assignability.** Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the Subscriber without the prior written consent of the other party.

(e) **Waiver of Jury Trial.** THE SUBSCRIBER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(f) **Governing Law; Submission to Jurisdiction.** This Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Delaware (without regard to principles of conflicts of laws which might apply the laws of any other jurisdiction). The Subscriber hereby consents to the jurisdiction of the United States District Court of Delaware or any State court located in Delaware, and irrevocably agrees that all actions or proceedings relating to this Agreement may be litigated in such courts (and the appropriate appellate courts therefrom). The Subscriber hereby accepts for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. The Subscriber hereto further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the party at the address specified in this Agreement, such service to become effective 15 days after such mailing. Nothing herein shall in any way be deemed to limit the ability of any party hereto to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over or to bring actions, suits or proceedings against any of the other parties hereto in such other jurisdictions, and in such manner, as may be permitted by applicable law. With respect to any suit, action or proceeding relating to any offers, purchases or sales of the Purchased Securities by the Subscriber (“**Proceedings**”), the Subscriber irrevocably submits to the jurisdiction of the federal or state courts located in New York County, which submission shall be exclusive unless none of such courts has lawful jurisdiction over such Proceedings.

(g) **Section and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

(i) **Notices.** All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) upon delivery to the recipient in person or by a nationally recognized courier, or (b) upon receipt of an electronic transmission or facsimile transmission by the recipient. Such notices, requests and consents shall be given to the following addresses (or such other address as either party shall have specified by notice in writing to the other):

If to the Company:	Elizabeth A. DiRusso DiRusso + Brooks Law Group, LLC 21 Locust Ave, Suite 2B New Canaan, CT 06840 203-822-7500 ead@db-lawgroup.com
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If to the Subscriber:	As set forth on the signature page hereto under “resident address (if individual Subscriber) or principal place of business (if Subscriber is other than an individual)” or under Notice address if different
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(j) **Binding Effect.** The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

(k) **Survival.** All representations, warranties and covenants contained in this Agreement shall survive (i) the acceptance of the subscription by the Company, (ii) changes in the transactions, documents and instruments described in the Subscription Documents which are not material or which are to the benefit of the Subscriber and (iii) the death or disability of the Subscriber.

(l) **Notification of Changes.** The Subscriber hereby covenants and agrees to notify the Company upon the occurrence of any event prior to the closing of the purchase of the Purchased Securities pursuant to this Agreement which would cause any representation, warranty, or covenant of the Subscriber contained in this Agreement to be false or incorrect.

(m) **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(n) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which taken together shall constitute one agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Subscriber has executed this Agreement as of \_\_\_\_\_.

**For individual Subscribers:**

**For Subscribers other than individuals:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Subscriber

William Greenberg  
Subscriber

By: \_\_\_\_\_

\_\_\_\_\_  
Social Security or Tax ID Number

**For all Subscribers:**

Residence address (if individual Subscriber) or principal place of business (if Subscriber is other than an individual):

Notice address if different:

Two Fifth Avenue, #16A  
New York, NY 10011

City, State, Zip Code

Attn:

Telephone No.:

Telephone No.: ( ) \_\_\_\_\_

Email: wgreenberg1@me.com

Fax No.: ( ) \_\_\_\_\_

Email:

**Number of Purchased Securities Subscribed for:** 1.2924 shares of Common Stock.

**Aggregate Purchase Price: US\$ 50,000**

\*\*\*\*\*

**For Company use only. Do not write below this point on this page.**

The subscription is hereby accepted in the amount set forth above, as of \_\_\_\_\_.

**BROKEN SHED DISTILLERIES, INC.**

By: \_\_\_\_\_

Name: JONATHAN BAILEY

Its: CHIEF EXECUTIVE OFFICER

**APPENDIX A**

**Joinder Agreement – Stockholders Agreement**

**JOINDER TO STOCKHOLDERS’ AGREEMENT**

This Joinder Agreement (this “**Joinder Agreement**”) is made as of the date written below by the undersigned (the “**Joining Party**”) in accordance with the Stockholders’ Agreement dated as of July 29, 2016, (the “**Stockholders Agreement**”) among Samuel A. Brown, Jonathan Bailey, and the other parties listed on the signature pages thereof, as the same may be amended from time to time. Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Stockholders’ Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to the Stockholders’ Agreement as of the date hereof and shall have all of the rights and obligations of a “Stockholder” thereunder as if it had executed the Stockholders’ Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Stockholders’ Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: \_\_\_\_\_

\_\_\_\_\_  
**William Greenberg**

**EXHIBIT A**

**CERTIFICATE OF INCORPORATION**

17807189.1

[Broken Shed Distilleries, Inc. Subscription Agreement (Common Stock)]

**EXHIBIT B**

**STOCKHOLDERS AGREEMENT**

17807189.1

[Broken Shed Distilleries, Inc. Subscription Agreement (Common Stock)]



**EXHIBIT C**  
**RISK FACTORS**

17807189.1

## **EXHIBIT D**

### **COMPANY DISCLOSURES**

**DOCUMENTS ATTACHED TO THIS EXHIBIT D AND THE INFORMATION CONTAINED THEREIN ARE CONFIDENTIAL AND PROPRIETARY AND ARE BEING PROVIDED TO THE SUBSCRIBER IN CONFIDENCE ON THE UNDERSTANDING THAT THE SUBSCRIBER WILL OBSERVE AND COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT TO WHICH THIS EXHIBIT D FORMS A PART, INCLUDING WITHOUT LIMITATION THIS PARAGRAPH AND THE PARAGRAPHS BELOW. NEITHER THE DOCUMENTS ATTACHED TO THIS EXHIBIT D NOR THE INFORMATION CONTAINED THEREIN MAY BE REPRODUCED, PROVIDED OR OTHERWISE DISCLOSED, WITHOUT THE WRITTEN AUTHORIZATION OF THE COMPANY. BY ACCEPTANCE OF THE DOCUMENTS ATTACHED TO THIS EXHIBIT D, THE SUBSCRIBER AGREES TO THE FOREGOING AND THE PARAGRAPHS BELOW.**

**INFORMATION CONTAINED IN THE DOCUMENTS ATTACHED TO THIS EXHIBIT D ARE AS OF THE DATE OF THE AGREEMENT TO WHICH THIS EXHIBIT D FORMS A PART UNLESS STATED OTHERWISE THEREIN, AND THE DELIVERY OF SUCH DOCUMENTS AT ANY TIME SHALL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO SUCH DATE. CERTAIN INFORMATION ATTACHED TO THIS EXHIBIT D, INCLUDING WITHOUT LIMITATION CONCERNING CONSUMER AND ECONOMIC TRENDS AND PERFORMANCE, IS BASED ON OR DERIVED FROM INFORMATION PROVIDED BY INDEPENDENT THIRD PARTY SOURCES. THE COMPANY CANNOT GUARANTEE THE ACCURACY OF SUCH INFORMATION, AND HAS NOT INDEPENDENTLY VERIFIED THE ASSUMPTIONS ON WHICH SUCH INFORMATION IS BASED. THE COMPANY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE DOCUMENTS ATTACHED TO THIS EXHIBIT D OR THE INFORMATION CONTAINED THEREIN. TO THE EXTENT THE ATTACHED MATERIALS CONTAIN SUMMARIES OF OTHER DOCUMENTS, SUCH SUMMARIES DO NOT INCLUDE ALL PROVISIONS OF SUCH DOCUMENTS AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH ARE INCLUDED IN THE SUBSCRIPTION PACKAGE.**

**NEITHER THE DOCUMENTS ATTACHED TO THIS EXHIBIT D NOR THE INFORMATION CONTAINED THEREIN IS INTENDED TO CONSTITUTE LEGAL, TAX, OR ACCOUNTING ADVICE OR INVESTMENT RECOMMENDATIONS.**

**INFORMATION CONTAINED IN THESE MATERIALS ADDRESSING GOALS, OBJECTIVES AND DEVELOPMENTS WHICH THE COMPANY EXPECTS OR ANTICIPATES MAY OCCUR IN THE FUTURE, INCLUDING SUCH THINGS AS BUSINESS STRATEGY, EXPANSION AND GROWTH OF OPERATIONS, FUTURE CAPITAL EXPENDITURES, AND OTHER SUCH MATTERS ARE FORWARD-LOOKING STATEMENTS AND ARE IDENTIFIED BY THE USE OF “MAY”, “WILL”, “EXPECT”, “ANTICIPATE”, “ESTIMATE”, “PROJECT”, “INTEND”, “TARGET”, “PLAN” AND SIMILAR EXPRESSIONS. SUCH STATEMENTS ARE BASED ON ASSUMPTIONS AND ANALYSES MADE BY MANAGEMENT IN LIGHT OF THEIR PERCEPTION OF HISTORICAL TRENDS, CURRENT CONDITIONS AND EXPECTED FUTURE DEVELOPMENTS, AS WELL AS OTHER FACTORS BELIEVED APPROPRIATE IN**

17807189.1

**THE CIRCUMSTANCES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS AS A RESULT OF VARIOUS RISK AND UNCERTAINTIES, INCLUDING, AMONG OTHER THINGS: LACK OF MEANINGFUL OPERATING HISTORY AND PROFITABILITY, UNCERTAINTY OF MARKET ACCEPTANCE AND/OR SUCCESSFUL IMPLEMENTATION OF THE BUSINESS PLAN, MARKET PENETRATION, USE OF THIRD-PARTY SERVICES, COMPETITION, AS WELL AS GENERAL ECONOMIC AND BUSINESS CONDITIONS. THE SUBSCRIBER IS CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE STATEMENTS.**