IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
HOUSE SPIRITS DISTILLERY LLC,	Case No. 25-10660 (KBO)
Debtor.[1]	(Subchapter V)
	Re: D.I. 109 & 129

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, AND 507 (I) AUTHORIZING THE DEBTOR TO OBTAIN SECURED POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) MODIFYING THE AUTOMATIC STAY, AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above captioned debtor and debtor in possession (the "Debtor") in the above-captioned chapter 11 case (the "Chapter 11 Case" or "Case"), pursuant to sections 105(a), 361, 362, 363(c), 364, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1, 4001-1, 4001-2, and 9013-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") seeking, among other things, entry of a final order (this "Final DIP Order"):

i. authorizing the Debtor to obtain postpetition financing, consisting of senior, secured superpriority priming debtor-in-possession facility comprised of a new money term loan credit facility in an aggregate principal amount up to $1,550,000.00, to be drawn in tranches

[1] The last four digits of the Debtor's federal tax identification number are 2069. The Debtor's mailing address is 65 SE Washington Street, Portland, OR 97214.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

subject to the Budget (as defined below) (the "DIP Credit Facility") to be advanced and made available to the Debtor from the lenders (the "DIP Lenders") identified in Annex A to the DIP Term Sheet attached hereto as **Exhibit 1** (as amended, supplemented, or otherwise modified from time to time in accordance with the terms and conditions set forth herein or therein, the "DIP Term Sheet"), and the Budget (as defined below and together with the DIP Term Sheet, the DIP Order, and the DIP Financial Reports (as defined below), the "DIP Loan Documents") (i) to provide working capital and general corporate purposes and operations of the Debtor, (ii) to pay bankruptcy-related costs and expenses, (iii) if the Debtor elects the Equity Conversion Option, to make payments pursuant to an Approved Plan (as defined in the DIP Term Sheet), and (iv) any other purpose agreed upon in the DIP Loan Documents;

ii. authorizing the Debtor to execute and enter into the DIP Loan Documents and to perform all such other and further acts as may be required in connection with the DIP Loan Documents, including all obligations of the Borrower to the DIP Lenders under the DIP Credit Facility, including, without limitation, all principal and accrued interest, premiums (if any), costs, fees, and expenses or any other amounts due, or any exposure of each DIP Lender and its affiliates in respect of cash management incurred on behalf of the Borrower under the DIP Credit Facility (solely up to the amount borrowed, collectively, the "DIP Obligations"), and all instruments, security agreements, assignments, pledges, mortgages, reaffirmations, and other documents referred to therein or requested by the DIP Lenders to give effect to the terms thereof;

iii. authorizing the Debtor to use proceeds of the DIP Loan (the "DIP Proceeds") as permitted in the DIP Loan Documents and in accordance with this Final DIP Order;

iv. authorizing the Debtor to grant, and granting, superpriority administrative expense claims status pursuant to Bankruptcy Code § 364(c)(1) to the claims of the DIP Lenders in respect of the DIP Obligations;

v. granting liens on and security interests in the DIP Collateral (as defined below), subject only to the Carve-Out (as defined below) and Permitted Liens (as defined below), as follows: (a) pursuant to Bankruptcy Code §§ 364(c)(2) and (d), valid, perfected, enforceable, and non-avoidable first priority priming liens on and security interests in all now owned or hereafter acquired assets and property of the Debtor, and (b) pursuant to Bankruptcy Code § 364(c)(3), valid, perfected, enforceable, and non-avoidable second-priority or other junior liens on and security interests in all now owned or hereafter acquired assets and property of the Debtor that, as of the Petition Date, is subject to any of the Permitted Liens (as defined below), in each case on the terms set forth in the DIP Loan Documents;

vi. modifying the automatic stay pursuant to Bankruptcy Code § 362 to the extent necessary to implement and effectuate the terms and provisions of this Final DIP Order and the DIP Loan Documents;

vii. granting the Debtor such other and further relief as is just and equitable.

The Court having held an interim hearing on the Motion on May 22, 2025 (the "Interim Hearing"); and the Court having considered all objections, if any, to the Motion; and upon the record made (a) by the Motion and the exhibits attached thereto; (b) by the *Declaration of Thomas Mooney in Support of Debtor's Emergency Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507 (I) Authorizing the Debtor to Obtain Secured Priming Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Authorizing the Use of Cash Collateral, (IV) Modifying the Automatic Stay,*

(V) Scheduling a Final Hearing, and (VI) Granting Related Relief [D.I. 114], and (c) at the Interim Hearing and the Final Hearing (if any), and after due deliberation and consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND CONCLUDED THAT:[3]

A. On April 6, 2025 (the "Petition Date"), the Debtor filed a voluntary petition for relief with the Court under subchapter V of chapter 11 of the Bankruptcy Code. The Debtor is continuing to operate and maintain its business as debtor in possession pursuant to section 1184 of the Bankruptcy Code.

B. This Court has jurisdiction over the Chapter 11 Case and the Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this Chapter 11 Case and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The Court has authority to enter this Final DIP Order consistent with Article III of the United States Constitution.

C. Sufficient and adequate notice of the Motion and entry of this Final DIP Order has been given pursuant to sections 102(1) and 364(c)–(d) and Bankruptcy Rules 2002 and 4001(b)(2) to all entities entitled thereto such that no other or further notice of the Motion or of the entry of this Final DIP Order need be provided to any entity.

D. The Debtor hereby admits, stipulates, and agrees that an ongoing need exists for the Debtor to obtain the DIP Credit Facility and borrow the DIP Loan in order for the Debtor to confirm a chapter 11 plan (a "Plan") and maximize the value of its business and assets as debtor in possession under chapter 11 of the Bankruptcy Code through, among other things: the orderly

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. Pursuant to Bankruptcy Rule 7052, to the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. Statements made by the Court from the bench during the Final Hearing shall constitute additional conclusions of law and findings of fact, as appropriate.

continuation of the operation of their businesses; maintenance of business relationships with vendors, suppliers, and customers; paying payroll obligations; satisfaction of other working capital and operational needs; and accomplishing the other acts necessary to be in a position to confirm a Plan. The Debtor does not have sufficient available resources of working capital to operate its business in this Chapter 11 Case in the ordinary course without postpetition financing. The Debtor's ability to maintain business relationships with vendors, to pay employees, and otherwise to fund operations is essential to the Debtor's viability and preservation of the going-concern value of its business and successful reorganization.

E. The Debtor admits, stipulates and agrees as follows, for itself and its estate, that all proceeds of the DIP Collateral are cash collateral (as defined in section 363(a) of the Bankruptcy Code, the "Cash Collateral") of the DIP Lenders within the meaning of section 363(a) of the Bankruptcy Code, and subject to the terms of this Final DIP Order, including subject to the DIP Liens.

F. The Debtor is unable to obtain unsecured credit allowable under Bankruptcy Code § 503(b)(1) as an administrative expense, and the Debtor is unable to obtain the postpetition financing that it needs on terms more favorable than those provided in the DIP Term Sheet. Without limiting the foregoing, postpetition financing is not available to the Debtor without the Debtor granting to the DIP Lenders the DIP Liens and the Superpriority Claim (as defined below) provided under the DIP Term Sheet and this Final DIP Order.

G. The DIP Credit Facility has been negotiated in good faith and at arms-length among the Debtor and the DIP Lenders. Any credit extended and loans made to the Debtor pursuant to the DIP Term Sheet and this Final DIP Order shall be deemed to have been extended, issued, or

made, as the case may be, in good faith as required by, and within the meaning of, Bankruptcy Code § 364(e), and the DIP Lenders are entitled to the protections of Bankruptcy Code § 364(e).

H. The use of Cash Collateral and extension of credit under the DIP Credit Facility is fair and reasonable and reflects the Debtor's exercise of prudent business judgment consistent with its fiduciary duties. The DIP Lenders have provided fair, adequate, and sufficient consideration that constitutes reasonably equivalent value for the DIP Liens conveyed to, and the rights, protections, and benefits obtained by, the DIP Lenders under this Final DIP Order and under the DIP Loan Documents.

I. The DIP Lenders are willing to provide the DIP Credit Facility to the Debtor, but only upon the terms and conditions set forth in this Final DIP Order and the other DIP Loan Documents. Absent entry of this Final DIP Order, the DIP Lenders would not provide the DIP Credit Facility but for the terms and conditions set forth in this Final DIP Order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.

2. Any objections to the Motion or to entry of this Final DIP Order that have not been withdrawn or otherwise resolved are hereby OVERRULED.

3. The execution and delivery of the DIP Term Sheet and other DIP Loan Documents by the Debtor is authorized and approved. Further, the Debtor is expressly authorized and directed to (a) execute and deliver to the DIP Lenders any other document of any kind required to be executed and delivered in connection with the DIP Term Sheet and the other DIP Loan Documents; (b) take any action to carry out the intent and purpose of the DIP Term Sheet and other DIP Loan Documents, including all such actions to create, protect, and perfect the DIP Liens in favor of the DIP Lenders, and (c) comply with and perform all of the terms and conditions contained in the

DIP Term Sheet and other DIP Loan Documents. Upon entry of this Final DIP Order, the DIP Loan Documents shall constitute valid and binding obligations of the Debtor, enforceable against the Debtor and its estate and any successor trustee, in accordance with the terms thereof. No obligation, payment, transfer or grant of security under the DIP Loan Documents as approved under this Final DIP Order shall be stayed, restrained, voided, voidable, or recoverable under the Bankruptcy Code or applicable nonbankruptcy law, except to the extent this Final DIP Order expressly provides otherwise.

4. The Debtor is expressly authorized to borrow from the DIP Lenders, on a final basis, up to $1,550,000.00, on the terms and conditions set forth in the DIP Loan Documents and this Final DIP Order.

5. The DIP Obligations are subject to (i) a Commitment Fee equal to $50,000, which was earned on the Closing Date, but subject to entry of this Final Order, and capitalized and added to the unpaid principal amount of the DIP Loan, and (ii) interest at the annual rate of 16.00%, computed based on a 360-day year, which shall be capitalized and added to the unpaid principal amount of the DIP Loan on the last Business Day of each month ("Interest"). The fees and expenses relating to the DIP Credit Facility, including the Commitment Fee, are authorized and approved for payment without further order of the Court.

6. The Debtor is hereby authorized to use Cash Collateral and the DIP Proceeds in accordance with the budget approved by the DIP Lenders (the "Budget"). The Budget is attached as **Exhibit 2** hereto. Until the payment and satisfaction in full in cash of all DIP Obligations, the Debtor shall provide to the DIP Lenders, on or before 5:00 p.m. New York City time on Friday of every other week, starting on May 30, 2025 (the "Initial Reporting Date"), (A) an updated 13-week Budget, and (B) a variance report for the immediately preceding two-week period

comparing the actual receipts and disbursements of the Debtors, on a line-item basis, from the values set forth in the Budget (a "Budget Variance Report", and together with the Budget, the "DIP Financial Report"). The Budget shall be satisfactory to the DIP Lenders in their sole discretion, and each subsequent Budget shall, to the extent it deviates from or extends beyond the initial Budget, be satisfactory to the DIP Lenders in their sole discretion. The Debtor shall ensure that there shall be no unfavorable variance from the Budget of 20.0% or more (a "Prohibited Variance," and any variance that is not a Prohibited Variance, a "Permitted Variance") from either (a) the total receipts in the aggregate or (b) the total operating disbursements in the aggregate (excluding Professional Fees (defined below)), in each case, for every two-week period after the Initial Reporting Date (the "Variance Period"). For the avoidance of doubt, any delivery of a Budget or a Budget Variance Report due on any day that is not a business day shall instead be delivered on the next business day thereafter.

7. Upon an Event of Default (as defined in the DIP Term Sheet) and the Remedies Notice Period (as defined below), the DIP Lenders may declare the following without further order of or application to the Bankruptcy Court: (a) all DIP Obligations immediately due and payable (up to the amount borrowed); (b) all DIP Commitments immediately terminated; (c) termination of the DIP Credit Facility, without affecting the DIP Liens or the DIP Obligations; and (d) trigger of the Carve-Out and delivery to the Debtor and its counsel, the Office of the United States Trustee, and the Subchapter V Trustee of a Carve-Out Trigger Notice (as defined below).

8. Following an Event of Default and the Remedies Notice Period, the DIP Lenders are authorized to collect upon, convert to Cash Proceeds (as defined below), and enforce checks, drafts, instruments, and other forms of payment now or hereafter coming into its possession or under their control which constitute DIP Collateral or proceeds of DIP Collateral, subject to the

provisions hereof. As used herein, "Cash Proceeds" means Cash Collateral and other cash coming into the possession or control of the Debtor, including arising from the collection or other conversion to cash of the DIP Collateral, including cash from the sale of inventory and the collection of accounts receivable, tax refunds, deposits subject to setoff, and insurance proceeds.

9. Following an Event of Default and subject to the Carve-Out, the Debtor will not use or seek to use Cash Proceeds, unless the Debtor obtains an order of the Court approving such use and: (i) the DIP Lenders have consented to such order; or (ii) at the time of the entry of such an order, there are no DIP Obligations outstanding, and no obligation of the DIP Lenders to extend additional DIP Loan.

10. As security for the DIP Obligations, and as provided in the DIP Loan Documents and this Final DIP Order, the DIP Lenders, shall have (effective and continuing, without the necessity of the execution, filing, and/or recordation of mortgages, security agreements, control agreements, patent security agreements, trademarks security agreements, pledge agreements, financing statements, or otherwise) (a) pursuant to Bankruptcy Code §§ 364(c)(2), 364(c)(3), and 364(d)(1), valid, binding, fully perfected, enforceable, and non-avoidable first-priority priming liens on and security interests in all assets (whether tangible, intangible, personal, or mixed) of the Borrower, whether now owned or hereafter acquired and wherever located, before or after the Petition Date, including, without limitation, all cash, accounts, proceeds of leases, inventory, equipment, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks, and other general intangibles, and all products, offspring, profits, and proceeds thereof in the Chapter 11 Case (but excluding the Debtor's claims and causes of action arising under sections 544, 545, 547, and 548 of the Bankruptcy Code or the proceeds of such claims and causes of action) (collectively, the "DIP Collateral"); *provided,* that

the DIP Liens are senior and superior in priority to all other secured and unsecured creditors of the Debtor's estate, subject only to (i) the Carve-Out and (ii) existing liens that under applicable law, are senior to, and have not been subordinated to, the liens of the DIP Lenders under the DIP Loan Documents, but only to the extent that such liens are valid, perfected, enforceable, and non-avoidable liens as of the Petition Date or perfected following the Petition Date as permitted by section 546 of the Bankruptcy Code, (collectively, the "Permitted Liens").

11. This Final DIP Order shall be sufficient and conclusive evidence of the priority, perfection, and validity of the DIP Liens granted herein, effective as of the Petition Date, without any further action by the Debtor or the DIP Lenders and without the execution, filing, or recordation of any financing statements, security agreements, mortgages, certificates, or other agreements, documents or instruments. Notwithstanding the foregoing, the Debtor shall execute and deliver to the DIP Lenders such financing statements, mortgages, instruments, certificates, agreements, and other documents as the DIP Lenders may request from time to time to provide further evidence of the perfection of the DIP Liens, and any such documents filed by the DIP Lenders shall be deemed filed as of the Petition Date.

12. In accordance with Bankruptcy Code § 364(c)(1), to the extent the DIP Liens do not satisfy the DIP Obligations, the DIP Obligations shall constitute claims with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Bankruptcy Code §§ 105, 326, 328, 330, 331, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), or 726 (to the extent permitted by law), and/or 364(c)(1), and any other provision of the Bankruptcy Code (other than section 506(c) of the Bankruptcy Code), and shall at all times be senior to the rights of the Debtor, any chapter 11 trustee, any chapter 7 trustee, or any other creditor in the Chapter 11 Case (the "Superpriority

Claim"); *provided*, *however*, that the Superpriority Claim shall be subject to the Carve-Out. For the avoidance of doubt, the Superpriority Claim is not payable from credit card receipts or cash proceeds thereof that are not property of the Debtor's estate.

13. While any portion of the DIP Obligations remains unpaid or any of the DIP Loan Documents remains in effect, the Debtor shall not seek entry of any order approving or authorizing (under Bankruptcy Code §§ 105 or 364, or otherwise) (a) the granting of any lien or security interest in any of the DIP Collateral in favor of any party other than the DIP Lenders, other than Permitted Liens, or (b) the obtaining of credit or the incurring of indebtedness that is entitled to superpriority administrative status, in either case *pari passu* with or superior to that granted to the DIP Lenders pursuant to this Final DIP Order, unless, in connection with any transaction cited in clause (a) or (b) of this Paragraph 13, such request by the Debtor seeks to authorize and direct that the full amount of the DIP Obligations shall first be paid indefeasibly and in full from the proceeds of the DIP Collateral.

14. The DIP Lenders' liens, claims, and security interests in the DIP Collateral and its Superpriority Claim shall be subject only to the Permitted Liens and the right to payment of the following (the "Carve-Out"):

(a) to the extent allowed by the Bankruptcy Court (regardless of whether the order allowing such fees is entered before or after the Carve-Out Trigger Notice is received), an amount equal to the sum of all allowed and unpaid claims for unpaid fees and expenses incurred prior to the earlier of (a) the Maturity Date or (b) the delivery of a Carve-Out Trigger Notice (defined below) (the "Professional Fees") incurred by persons or firms ("Professional Persons") retained by the Debtor whose retention is approved by the Bankruptcy Court pursuant to sections 327 or 328 of

the Bankruptcy Code and the Subchapter V Trustee, subject to the terms of the Budget, the DIP Order, and any other interim or other compensation orders entered by the Bankruptcy Court which have not been paid by the Borrower prior to the Closing Date and are ultimately allowed by the Bankruptcy Court pursuant to sections 328, 330, 331, and 503 of the Bankruptcy Code or any order of the Bankruptcy Court;

(b) in the event of a conversion of the Case to a case under chapter 7 of the Bankruptcy Code, allowed fees and expenses incurred by a trustee and any professional retained by such trustee, in an aggregate amount not to exceed $20,000; *provided*, *however*, no portion of the Carve-Out shall be utilized for the payment of professional fees and disbursements incurred in connection with any challenge to (i) the amount, extent, priority, validity, perfection, or enforcement of the indebtedness of the Borrower owing to the DIP Lenders or any of their affiliates, or (ii) liens or security interests in the collateral securing such indebtedness, including challenges to the perfection, priority, or validity of the liens granted in favor of the DIP Lenders or any of its affiliates with respect thereto.

The Carve-Out and the DIP Loan (or the proceeds thereof) may not be used to investigate or challenge the validity, perfection, priority, extent, or enforceability of the DIP Credit Facility, or the liens or security interests securing the DIP Credit Facility. Any funding of the Carve-Out shall constitute advances under the DIP Credit Facility secured by the DIP Collateral and shall be otherwise entitled to the protections granted under the Interim DIP Order, this Final DIP Order, the Bankruptcy Code, and applicable law. The Carve-Out shall not reduce the amounts payable to the DIP Lenders under the DIP Credit Facility. All amounts owed to Debtor's Professionals under

the Carve-Out must be allowed by order of the Bankruptcy Court. Nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement, or compensation described in clause (b). For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by the DIP Lenders to the Debtor and its counsel, the Office of the United States Trustee, and the Subchapter V Trustee, which notice may be delivered following the occurrence and during the continuance of an Event of Default. Upon receipt of any Carve-Out Trigger Notice, any party in interest may seek an emergency hearing from the Court on any issue, including whether an Event of Default has occurred, within five (5) days of receipt of such notice (the "Remedies Notice Period"). The DIP Lenders are prohibited from exercising any remedies with respect to this Final DIP Order, the DIP Credit Facility, and the DIP Term Sheet during the Remedies Notice Period.

15. The DIP Credit Facility shall terminate and the DIP Loan and all other DIP Obligations shall mature and be due and owing, in full in cash unless otherwise agreed to by the DIP Lenders on the earliest of (i) the date that is 180 days following the Closing Date (as defined in the DIP Term Sheet), (ii) the acceleration of the DIP Loan upon the occurrence of an Event of Default, (iii) the date the Bankruptcy Court converts the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or (iv) the date the Bankruptcy Court dismisses the Chapter 11 Case (any such date, the "Maturity Date").:

16. The automatic stay imposed by Bankruptcy Code § 362(a) is hereby modified, to the extent necessary, to implement and effectuate the terms and conditions of this Final DIP Order.

17. The Debtor is authorized to perform all acts and execute and comply with the terms of such other documents, instruments, and agreements in addition to the DIP Loan Documents, as the DIP Lenders may reasonably require, as evidence of and for the protection of the DIP

Obligations, or which otherwise may be deemed reasonably necessary by the DIP Lenders to effectuate the terms and conditions of this Final DIP Order and the DIP Loan Documents. The Debtor and the DIP Lenders are hereby authorized to implement, in accordance with the terms of the DIP Loan Documents, any non-material modifications of the DIP Loan Documents without further order of this Court.

18. By executing the DIP Loan Documents or taking any actions pursuant to this Final DIP Order, the DIP Lenders shall not: (a) be deemed to be in control of the operations or liquidation of the Debtor; or (b) be deemed to be acting as a "responsible person" with respect to the operation, management, or liquidation of the Debtor.

19. The DIP Lenders shall not be required to file any proof of claim in the Chapter 11 Case for any claim under the DIP Loan Documents, or for any claim allowed herein.

20. The DIP Lenders' failure, at any time or times hereafter, to require strict performance by the Debtor (or by any trustee) of any provision of this Final DIP Order or the DIP Loan Documents, shall not waive, affect, or diminish any right of the DIP Lenders thereafter to demand strict compliance and performance therewith. No delay on the part of the DIP Lenders in the exercise of any right or remedy under this Final DIP Order, the DIP Loan Documents, the Bankruptcy Code, or applicable nonbankruptcy law shall preclude any other or further exercise of any right or remedy. The DIP Lenders shall not be deemed to have suspended or waived any of their rights or remedies under this Final DIP Order, the DIP Loan Documents, the Bankruptcy Code, or applicable nonbankruptcy law unless such suspension or waiver is in writing, signed by a duly authorized officer of such party, and directed to the Debtor.

21. Any stay, modification, reversal, or vacation of this Final DIP Order shall not affect the validity and enforceability of any DIP Obligations of the Debtor to the DIP Lenders incurred

pursuant to this Final DIP Order or the validity, priority, or enforceability of any of the DIP Liens and the Superpriority Claim granted to the DIP Lenders under this Final DIP Order. Notwithstanding any such stay, modification, reversal, or vacation, all DIP Liens and the Superpriority Claim granted under this Final DIP Order, the DIP Loan made pursuant to this Final DIP Order, and all DIP Obligations incurred by the Debtor pursuant hereto and pursuant to the terms of the DIP Loan Documents prior to the effective date of any such stay, modification, reversal, or vacation shall be governed in all respects by the original provisions of this Final DIP Order, and the DIP Lenders shall be entitled to all the rights, privileges, and benefits, including, without limitation, the DIP Liens, and priorities granted herein with respect to all such DIP Obligations.

22. Nothing in the Motion, the DIP Term Sheet, the DIP Credit Facility, and/or this Final DIP Order shall (i) prime, (ii) limit, modify, or waive, or (iii) otherwise affect or release any rights, claims, liens, or interests, if any, of U.S. Specialty Insurance Company (the "Surety") and/or its bond obligees, in connection with, among other things: (a) any bond issued by the Surety, including Distilled Spirits Bond No. 100267967 (the "Bonds"); (b) any indemnity agreement entered into between the Surety and the Debtor, including the Indemnity Agreement dated January 30, 2020; (c) any subrogation, trust, recoupment, or setoff rights in connection with the Bonds; (d) any collateral agreement entered into between the Surety and the Debtor; and (e the lien of the Surety over the principal amount of approximately $210,000 in cash collateral provided to the Surety in connection with the Collateral Security Agreement entered into by the Debtor (the "Bond Collateral"). The Debtor shall not use the Bond Collateral as part of cash collateral absent further order of the Court.

23. The provisions of this Final DIP Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (a) confirming any plan of reorganization in the Chapter 11 Case (and, to the extent not satisfied in full, the DIP Obligations shall not be discharged by the entry of any such order, notwithstanding Bankruptcy Code § 1141(d)); (b) converting the Chapter 11 Case to a chapter 7 case; (c) appointing a chapter 11 trustee, or (d) dismissing the Chapter 11 Case. The terms and provisions of this Final DIP Order as well as the Superpriority Claim and DIP Liens granted pursuant to this Final DIP Order and the DIP Loan Documents shall continue in full force and effect notwithstanding the entry of such order, and such Superpriority Claim, DIP Liens, and any adequate protection liens shall maintain their priority as provided by this Final DIP Order until all of the DIP Obligations are paid indefeasibly and in full, subject to the Carve-Out.

24. The provisions of this Final DIP Order shall be binding upon and inure to the benefit of the DIP Lenders, the Debtor, and their respective successors and assigns, including any trustee appointed or elected in the Case, whether under chapter 11 or chapter 7.

25. If there is any inconsistency between the terms of the DIP Loan Documents or the Interim DIP Order and the provisions of this Final DIP Order, the provisions of this Final DIP Order shall control to the extent of such inconsistency.

26. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final DIP Order shall be valid, take full effect, and be enforceable immediately upon entry hereof; there shall be no stay of execution or effectiveness of this Final DIP Order; and any stay of the effectiveness of this Final DIP Order that might otherwise apply is hereby waived for cause shown.

27. The Court has and will retain jurisdiction to enforce this Final DIP Order according to its terms.

Dated: June 3rd, 2025
Wilmington, Delaware

KAREN B. OWENS
CHIEF JUDGE

Exhibit 1

DIP Term Sheet

HOUSE SPIRITS DISTILLERY LLC

SUPERPRIORITY SECURED
DEBTOR-IN-POSSESSION CREDIT FACILITY TERM SHEET

Dated as of May 20, 2025

Summary of Terms and Conditions

This Summary of Terms and Conditions (including all schedules, annexes, and exhibits hereto, this "DIP Term Sheet," and together with the DIP Order and the DIP Financial Reports (each as defined below), the "DIP Loan Documents") outlines certain terms of a superpriority secured debtor-in-possession term loan credit facility to be provided by the DIP Lenders (as defined below) to the Debtor (as defined below) (each, a "Party" and together, the "Parties") in connection with the Debtor's bankruptcy case commenced under chapter 11, subchapter V, of title 11 of the United States Code, §§ 101–1532 (as amended, the "Bankruptcy Code") styled *In re House Spirits Distillery LLC*, Case No. 25-10660 (KBO) (the "Chapter 11 Case") pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), subject to the conditions herein and as set forth more fully below.

This DIP Term Sheet is not an offer for the purchase, sale, or subscription or invitation of any offer to buy or sell or to subscribe for any securities. The terms and conditions set forth in this DIP Term Sheet do not constitute or create an agreement, obligation, or commitment of any kind by or on behalf of any party, unless and until executed by each of the undersigned parties hereto.

Purpose:	The DIP Credit Facility (as defined below) will be provided to the Debtor for the purpose of funding, among other things, postpetition working capital and operational expenses, administrative expenses and other bankruptcy costs, and, if the Debtor elects the Equity Conversion Option, payments pursuant to an Approved Plan, in each case from the Closing Date through the Maturity Date (as defined below), pursuant to applicable provisions of the Bankruptcy Code, in each case, in accordance with the DIP Loan Documents and subject to Bankruptcy Court approval.
Borrower:	House Spirits Distillery LLC (the "Debtor" or the "Borrower"), as debtor and debtor in possession under the Bankruptcy Code.
DIP Lenders:	The DIP Lenders identified on Annex A hereto.
Closing Date:	The date of the satisfaction or waiver by the DIP Lenders of each of the "Conditions to Initial DIP Draw" set forth below (the "Closing Date").
Facility Type and Amount:	A secured superpriority priming debtor-in-possession facility comprised of a new money term loan credit facility in an aggregate principal amount up to $1,550,000, to be drawn in tranches subject to the Budget (as defined below) (the "DIP Credit Facility"; the DIP Lenders' commitment under the DIP Credit Facility, the "DIP Commitment"; the loan provided thereunder the "DIP Loan"; the DIP Lenders' claim under the DIP Credit Facility, up to the amount borrowed, the "DIP Claim"; and proceeds received by the Borrower from the DIP Loan, the "DIP Proceeds").

Availability:	On or before one (1) business day following the Closing Date, the DIP Lenders shall remit the first tranche of the DIP Proceeds to the Debtor in the amount of $500,000, subject to satisfaction of the conditions to the initial draw set forth herein. Subsequent draws under the DIP Facility shall be (a) in amounts no less than $200,000, (b) made on no less than five (5) business days' notice to the DIP Lenders, and (c) subject to satisfaction of the conditions to subsequent draws set forth herein, including the entry of the Final DIP Order.
Permitted Uses:	The DIP Loan will be used for (i) working capital and general corporate purposes and operations of the Debtor, (ii) bankruptcy-related costs and expenses, (iii) if the Debtor elects the Equity Conversion Option, payments pursuant to an Approved Plan, and (iv) any other purpose agreed upon in the DIP Loan Documents.
Budget, Projections, and Reporting:	The Borrower agrees that until the payment and satisfaction in full in cash of all DIP Obligations (as defined below, solely up to the amount borrowed), the Debtor shall deliver to the DIP Lenders on a weekly basis, no later than 5:00 p.m. New York City time on Friday of every other week, and commencing on May 30, 2025 (the "Initial Reporting Date"), (A) an updated 13-week budget (the "Budget"), and (B) a variance report for the immediately preceding two-week period comparing the actual receipts and disbursements of the Debtors, on a line-item basis, from the values set forth in the Budget (a "Budget Variance Report", and together with the Budget, the "DIP Financial Report"). The initial Budget shall be satisfactory to the DIP Lenders in their sole discretion, and each subsequent Budget shall, to the extent it deviates from or extends beyond the initial Budget, be satisfactory to the DIP Lenders in their sole discretion. The Debtor shall ensure that there shall be no unfavorable variance from the Budget of 20.0% or more (a "Prohibited Variance," and any variance that is not a Prohibited Variance, a "Permitted Variance") from either (a) the total receipts in the aggregate or (b) the total operating disbursements in the aggregate (excluding Professional Fees (defined below)), in each case, for every two-week period after the Initial Reporting Date (the "Variance Period"). For the avoidance of doubt, any delivery of a Budget or a Budget Variance Report due on any day that is not a business day shall instead be delivered on the next business day thereafter.
Priority:	All obligations of the Borrower to the DIP Lenders under the DIP Credit Facility, including, without limitation, all principal and accrued interest, premiums (if any), costs, fees, and expenses or any other amounts due, or any exposure of each DIP Lender and its affiliates in respect of cash management incurred on behalf of the Borrower under the DIP Credit Facility (solely up to the amount borrowed, collectively, the "DIP Obligations"), shall be secured by the following liens and security interests (the "DIP Liens"):

	(i) subject only to existing liens that under applicable law, are senior to, and have not been subordinated to, the liens of the DIP Lenders under the DIP Loan Documents, but only to the extent that such liens are valid, perfected, enforceable, and non-avoidable liens as of the Petition Date or perfected following the Petition Date as permitted by section 546 of the Bankruptcy Code (collectively, the "Permitted Liens") and to the Carve-Out (as defined below), pursuant to section 364(d)(1) of the Bankruptcy Code, a first-priority perfected senior priming lien on, and security interest in, substantially all the Debtor's assets, wherever located, that may be subject to a validly perfected security interest in existence on the Petition Date, which shall be primed by, and made subject and subordinate to, the perfected first priority senior priming liens and security interests to be granted to the DIP Lenders, which senior priming liens and security interests in favor, and for the benefit, of the DIP Lenders; (ii) pursuant to section 364(c)(2) of the Bankruptcy Code, a first-priority perfected lien on, and security interest in, all present and after-acquired property of the Debtor, wherever located, not subject to a lien or security interest on the date of commencement of the Chapter 11 Case; and (iii) pursuant to section 364(c)(3) of the Bankruptcy Code, a junior perfected lien on, and security interest in, all present and after-acquired property of the Debtor, wherever located, that is subject to an existing perfected lien (collectively, the "Permitted Liens"); *provided* that the DIP Liens shall be senior to and shall prime all liens other than Permitted Liens. The property referred to in the preceding clauses (i), (ii), and (iii) is collectively referred to as the "DIP Collateral" and shall include, without limitation, all assets (whether tangible, intangible, personal, or mixed) of the Borrower, whether now owned or hereafter acquired and wherever located, before or after the Petition Date, including, without limitation, all accounts, proceeds of leases, inventory, equipment, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks, and other general intangibles, and all products, offspring, profits, and proceeds thereof. For the avoidance of doubt the DIP Collateral shall not include the Debtor's claims and causes of action arising under sections 544, 545, 547, and 548 of the Bankruptcy Code or the proceeds of such claims and causes of action. The DIP Liens shall be effective and perfected as of the entry of an order, in form and substance satisfactory to the DIP Lenders in their sole discretion, authorizing the Debtor to enter into the DIP Credit Facility on an interim basis (the "Interim DIP Order") and without necessity of the execution, filing, or recording of control agreements, financing statements, or other agreements. However, the DIP Lenders may, in their discretion,

	require the execution, filing, or recording of any or all of the documents described in the preceding sentence. Notwithstanding the foregoing, the DIP Collateral shall not include (and the DIP Liens shall not extend to) assets scheduled and held by the Debtor in trust (but only for so long as such assets are held in trust).
Superpriority DIP Claims:	The DIP Claim shall be entitled to the benefits of section 364(c)(1) of the Bankruptcy Code, having superpriority over any and all administrative expenses of the kind that are specified in sections 503(b) and 507(b) of the Bankruptcy Code, subject only to the Carve-Out. The DIP Claim will, at all times during the period that the DIP Loan remain outstanding, remain, in right of payment, senior in priority to all other claims or administrative expenses, subject to the Carve-Out.
Carve-Out:	The "Carve-Out" is an amount equal to the sum of all allowed and unpaid claims for unpaid fees and expenses incurred prior to the earlier of (a) the Maturity Date or (b) the delivery of a Carve-Out Trigger Notice (defined below) (the "Professional Fees") incurred by persons or firms ("Professional Persons") retained by the Debtor whose retention is approved by the Bankruptcy Court pursuant to sections 327 or 328 of the Bankruptcy Code and the Subchapter V Trustee, subject to the terms of the Budget, the Interim DIP Order, the order in form and substance satisfactory to the DIP Lenders in their sole discretion, authorizing the Debtor to enter into the DIP Credit Facility on a final basis (as may be amended, supplemented, or modified from time to time solely in accordance with this DIP Term Sheet, the "Final DIP Order and together with the Interim DIP Order, the "DIP Order"), and any other interim or other compensation orders entered by the Bankruptcy Court which have not been paid by the Borrower prior to the Closing Date and are ultimately allowed by the Bankruptcy Court pursuant to sections 328, 330, 331, and 503 of the Bankruptcy Code or any order of the Bankruptcy Court. Notwithstanding anything to the contrary in this DIP Term Sheet, the DIP Lenders shall not be required to make any DIP Loans in excess of the DIP Commitment to fund the Carve-Out.
Interest Rate:	A per annum rate equal to 16.00%, computed based on a 360-day year, which shall be capitalized and added to the unpaid principal amount of the DIP Loans on the last Business Day of each month.
Commitment Fee:	$50,000, which shall be earned on the Closing Date and capitalized and added to the unpaid principal amount of the DIP Loans.
Maturity Date:	All DIP Obligations will be due and payable in full in cash unless otherwise agreed to by the DIP Lenders on the earliest of (i) the date that is 180 days following the Closing Date, (ii) the acceleration of the DIP Loan upon the occurrence of an Event of Default, (iii) the date the Bankruptcy Court converts the Chapter 11 Case to a case under chapter 7

	of the Bankruptcy Code, or (v) the date the Bankruptcy Court dismisses the Chapter 11 Case (any such date, the "Maturity Date"). All principal of, and accrued interest on, the DIP Loan and all other amounts owing to the DIP Lenders under the DIP Credit Facility shall be payable on the Maturity Date.
Voluntary Prepayments:	Voluntary prepayments of the DIP Loan shall be permitted at any time, without premium or penalty.
Representations and Warranties:	The Borrower shall ensure that each of the following representations and warranties is true and correct as of the Closing Date: (i) *Collateral Title*. The Debtor has the corporate power to transfer each item of the collateral upon which it has granted a DIP Lien pursuant to the DIP Loan Documents, free of all liens whatsoever, except for Permitted Liens, DIP Liens, and validly perfected security interests in favor of a third party in existence on the Petition Date. (ii) *Due Organization*. The Debtor is a limited liability company duly organized, legally existing, and in good standing under the laws of its jurisdiction of incorporation or organization. (iii) *Compliance with Applicable Laws*. By entering into the DIP Loan Documents, the Debtor is not in violation of any law, rule, or regulation or in default with respect to any judgment, writ, injunction, or decree of any governmental authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect. (iv) *Conflict*. Subject to the approval of the Bankruptcy Court, the DIP Loan Documents do not (a) violate any provisions of the Debtor's organizational documents, or any material law, regulation, order, injunction, judgment, decree, or writ to which the Debtor is subject or (b) other than the commencement of the Chapter 11 Case and as a reasonable consequence of the commencement of the Chapter 11 Case, conflict with or result in the material breach or termination of, constitute a default under, or accelerate or permit the acceleration of any performance required by, any material lease, agreement, or other contract to which the Debtor is a party or by which the Debtor or any of its property is bound which is not subject to the automatic stay. (v) *Material Adverse Effect*. Other than the commencement of the Chapter 11 Case and as a reasonable consequence of the commencement of the Chapter 11 Case, no event that has had

	or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing since the Petition Date. (vi) *Information Correct*. No information, report, financial statement, exhibit, or schedule furnished by or on behalf of the Debtor to the DIP Lenders in connection with the negotiation of any DIP Loan Documents contains, when furnished, any material misstatement of fact or omitted or omits, when furnished, to state any material fact necessary to make the statements, in the light of circumstances under which they were, are, or will be made, not misleading (it being recognized by the DIP Lenders that (a) projections and pro forma financial information, are based upon good-faith estimates and assumptions believed by the Debtor to be reasonable at the time made, and (b) projections and estimates as to future events are not to be viewed as facts and that the actual results during the period or periods covered by any such projections and estimates may differ materially from projected or estimated results).
Conditions to Initial DIP Draw:	The obligation of the DIP Lenders to fund the initial tranche of the DIP Loan on the Closing Date will be subject to satisfaction, or waiver by the DIP Lenders in their sole discretion, of the following conditions precedent: (i) *Agreement*. The DIP Lenders shall have received a counterpart of (i) this Agreement duly executed and delivered by a duly authorized officer of the Debtor and (ii) each other DIP Loan Document duly executed and delivered by a duly authorized officer of the Debtor. (ii) *DIP Financing Order*. The DIP Lenders shall have received a copy of the Interim DIP Order entered by the Bankruptcy Court, and the Interim DIP Order shall be in full force and effect and shall not have been reversed, modified, amended, supplemented, stayed, vacated or subject to stay. (iii) *Initial Budget*. The DIP Lenders shall have received the initial Budget. (iv) *Collateral Filings*. Each document (including any UCC financing statement) required by the DIP Loan Documents or reasonably requested by the DIP Lenders to be filed, registered, or recorded in order to create in favor of the DIP Lenders, a perfected Lien on the DIP Collateral described therein, prior and superior in right to any other person (as defined in the Bankruptcy Code) (other than with respect to Permitted Liens), shall be in proper form for filing, registration, or recordation.

	(v) *Representation and Warranties*. Each of the representations and warranties made in or pursuant to the DIP Loan Documents shall be true and correct in all material respects on and as of the Closing Date; *provided*, *that* to the extent stated to relate to a specific earlier date, in which case, such representations and warranties shall be true and correct in all material respects as of such earlier date; *provided*, *further*, *that* any representation and warranty that is qualified as to "materiality," "Material Adverse Effect", or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates. (vi) *No Default or Event of Default*. No Default or Event of Default shall have occurred and be continuing on the Closing Date or will occur immediately after giving effect to the Initial Draw. (vii) *Notice of Borrowing*. The DIP Lenders shall have received a timely Notice of Borrowing. (viii) *Good Standing Certificate of Debtor*. The DIP Lenders shall have received a good standing certificate, dated as of a recent date for the Debtor from its jurisdiction of organization. (ix) *Lien Searches*. The DIP Lenders shall have received customary lien searches in the United States reasonably requested by them.
Conditions to Subsequent DIP Draws:	(x) *Notice of Borrowing*. The DIP Lenders shall have received a timely Notice of Borrowing. (xi) *Representation and Warranties*. Each of the representations and warranties made in or pursuant to the DIP Loan Documents shall be true and correct in all material respects on and as of the Closing Date; *provided*, *that* to the extent stated to relate to a specific earlier date, in which case, such representations and warranties shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect", or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates. (xii) *No Default or Event of Default*. No Default or Event of Default shall have occurred and be continuing on such Borrowing Date or will occur immediately after giving effect to such DIP Loan.

	(xiii) *Final DIP Order*. The Final DIP Order shall have been entered by the Bankruptcy Court and be in full force and effect, and shall not have been vacated, stayed, reversed, modified, or amended. (xiv) *DIP Financial Reports*. The DIP Lenders shall have timely received all DIP Financial Reports and no Prohibited Variances shall have occurred.
Covenants:	The Debtor shall: (i) timely deliver, or cause to be timely delivered, to the DIP Lenders the DIP Financial Reports, all in accordance with the provisions set forth above; (ii) deliver to DIP Lenders any and all financial and other data, documents, and information requested by DIP Lenders and provide access to any and all such other data, documents, and information (including, without limitation, historical data, documents, and information) and to personnel (including, without limitation, through in-person, telephonic, or videoconference meetings), all as may be requested by the DIP Lenders; (iii) (A) upon the request of DIP Lenders, during normal business hours, and on reasonable prior notice (provided no prior notice is required if an Event of Default has occurred and is continuing), make the Debtor's inventory, equipment, other DIP Collateral, and books and records concerning the DIP Collateral (including software used in the business) available to DIP Lenders for inspection at the place where it is located, and shall make its log and maintenance records pertaining to the inventory and equipment available to DIP Lenders for inspection, and (B) take all reasonable action necessary to correctly and completely maintain such books, records, logs, and maintenance records; (iv) upon request of the DIP Lenders, obtain additional insured and loss payee endorsements, as applicable, to the Borrower's insurance policies with respect to the DIP Collateral that name the DIP Lenders as additional insureds and loss payees, as applicable, in form and substance reasonably acceptable to the DIP Lenders; (v) comply with the provisions of the DIP Loan Documents; and

	(vi) take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper, or advisable under applicable law, and to execute and deliver such documents and other papers, as may be required or reasonably requested by the DIP Lenders to carry out the provisions of the DIP Loan Documents. The Debtor shall not, without the prior written consent of the DIP Lenders, do, cause to be done, or agree to do or cause to be done, any of the following: (i) create, incur, assume, or suffer to exist any indebtedness, except indebtedness expressly contemplated by this DIP Term Sheet; or (ii) create, incur, assume or suffer to exist any lien upon any of its property, assets, income, or profits, whether now owned or hereafter acquired, except Permitted Liens.
Events of Default:	"Events of Default" shall include the following and any other defaults specified as such in the DIP Order: (i) failure by the Debtor to be in compliance in all respects with any provision of the DIP Loan Documents (including the DIP Financial Reports); (ii) reversal, modification, amendment, stay, or vacation of the DIP Order, as entered by the Bankruptcy Court, without the prior written consent of the DIP Lenders; (iii) the appointment in the Chapter 11 Case of a responsible officer with enlarged powers relating to the operation of the business of the Debtor (powers beyond those set forth in sections 1106(a)(3) and (a)(4) of the Bankruptcy Code); (iv) the filing of a motion by the Debtor seeking dismissal of the Chapter 11 Case or the conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (v) the granting of relief from the automatic stay by the Bankruptcy Court as to any material assets of the Debtor to any other creditor or party in interest in the Chapter 11 Case;

	(vi) any event or circumstance occurs that could reasonably be expected to have a Material Adverse Effect;[1] or (vii) any provision in this DIP Term Sheet shall cease to be binding on or enforceable against the parties hereto. An Event of Default may be waived by the DIP Lenders in their sole discretion.
Registered Form	The DIP Lenders shall each deliver to the Borrower an IRS Form W-8 and a U.S. Tax Compliance Certificate (substantially in the form attached as Annex B). The Borrower shall maintain a book-entry register for the recordation of the names and addresses of the DIP Lenders, and the DIP Commitment of, and principal and interest amounts owing to, each DIP Lender pursuant to the terms hereof from time to time (the "Register"). A transfer of any DIP Loan or DIP Obligation by a DIP Lender shall be effective only if the transfer is recorded in the Register. The Borrower and the DIP Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a DIP Lender hereunder for all purposes of this DIP Term Sheet. The Register shall be available for inspection by the Borrower and the DIP Lenders at any reasonable time and from time to time upon reasonable prior notice. The foregoing provisions with respect to the Register shall be construed so that the obligations of the Borrower under this DIP Term Sheet are maintained at all times in "registered form" within the meaning of Sections 163(f), 871(h) and 881(c) of the Internal Revenue Code of 1986, as amended (the "Code"). The Borrower shall withhold from interest on the DIP Loans paid or credited to a DIP Lender any amounts as required under the Code; provided, however, the Borrower acknowledges that it is the intention of the DIP Lenders that interest on the DIP Loans paid or credited to a DIP Lender that is not a United States person under Section 7701(a)(30) of the Code is intended to be exempt from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code, provided that such DIP Lender delivers a statement to the Borrower that the beneficial owner of the DIP Loan is not a United States person.
Remedies Upon Default:	Upon the occurrence and during the continuance of any Event of Default, subject to five (5) business days' notice to the Debtor (the "Remedies Notice Period") and an opportunity to seek an expedited hearing before the Bankruptcy Court, the DIP Lenders declare the following without further order of or application to the Bankruptcy Court:

[1] "Material Adverse Effect" means, excluding results from the filing and administration of the Chapter 11 Case, a material adverse effect on (a) the business, operations, properties, prospects, assets, or condition (financial or otherwise) of the Debtor, (b) the ability of the Debtor to perform the DIP Obligations in accordance with the terms of the DIP Loan Documents or the DIP Lenders' ability to enforce any of its rights and remedies with respect to the DIP Obligations in accordance with the terms of the DIP Loan Documents, or (c) the DIP Collateral or DIP Lenders' DIP Liens on the DIP Collateral or the priority of such DIP Liens.

	(i) All DIP Obligations immediately due and payable (up to the amount borrowed); (ii) All DIP Commitments immediately terminated; (iii) Termination of the DIP Credit Facility, without affecting the DIP Liens or the DIP Obligations; and (iv) Trigger of the Carve-Out and delivery to the Debtor of a notice thereof (a "Carve-Out Trigger Notice"). Further, the DIP Lenders shall be entitled to exercise all rights and remedies under the DIP Term Sheet and the DIP Orders entered by the Bankruptcy Court.
Approved Plan	The Debtor shall propose a Chapter 11 Plan reasonably acceptable to the DIP Lenders that, in any event, either (a) repays the DIP Obligations in full in cash or (b) so long as no Event of Default has occurred and is continuing, (1) provides the DIP Lenders the portion of equity of the reorganized Debtor based on the estimated enterprise value of the Debtor at the time of confirmation of an Approved Plan in satisfaction of any DIP Obligations (up to the amount borrowed) not repaid in cash and (2) satisfies all other claims against the Debtor in a manner satisfactory to the DIP Lenders using cash on hand and proceeds of the DIP Loans (the "Equity Conversion Option"). If the Debtor elects the Equity Conversion Option, the DIP Lenders may, in their sole discretion, cause the Debtor to assume any executory contract or unexpired lease pursuant to the Plan.
Governing Law and Jurisdiction:	The laws of the State of Delaware (except as governed by the Bankruptcy Code) shall govern this DIP Term Sheet and each DIP Loan Document, except with respect to conflicts of laws. The DIP Loan Documents will provide that the Borrower and the DIP Lenders shall submit to the exclusive jurisdiction of the Bankruptcy Court for purposes of resolving any and all disputes as may arise under the DIP Loan Documents and shall further waive any right to trial by jury.

[Signature Pages to Follow]

IN WITNESS HEREOF, the parties hereto have caused this DIP Term Sheet to be executed as of the date set forth above.

BORROWER:

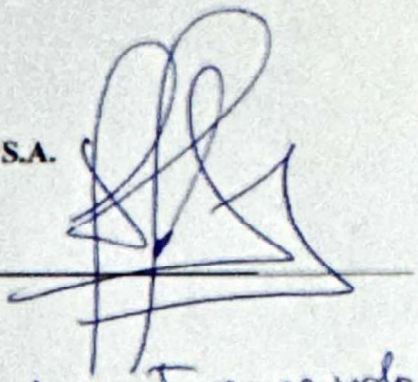
HOUSE SPIRITS DISTILLERY LLC

By: _____
Name: Thomas Mooney
Title: Chief Executive Officer

DIP LENDER:

THEMISCYRA S.A.

By: _____
Name:
Title:



Luis Fernando Laal
President

DIP LENDER:

ENDURANCE INVEST CORP.

By: _____
Name: JORGE LEAL
Title: LEGAL REP

MARIA ISABEL LEAL

By: _____

Name: Maria Isabel Leal

Title:

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DIP LENDER:

TRILLO SAN CARLOS S.A.

By: _____
Name: JORGE LEAL
Title: LEGAL REP

ANNEX A – LIST OF DIP LENDERS

Themiscyra S.A. - $500,000

Endurance Invest Corp. - $400,000

Maria Isabel Leal - $400,000

Trillo San Carlos S.A.- $250,000

ANNEX B – TAX CERTIFICATE

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Reference is hereby made to the Superpriority Secured Debtor-In-Possession Credit Facility Term Sheet dated as of May 20, 2025 (as amended, supplemented or otherwise modified from time to time, the "DIP Term Sheet"), among House Spirits Distillery LLC (the "Debtor" or the "Borrower"), and the DIP Lenders (as defined in the DIP Term Sheet).

The undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in the DIP Loan in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.
The undersigned has furnished the participating DIP Lenders and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the participating DIP Lenders and the Borrower in writing, and (2) the undersigned shall have at all times furnished the participating DIP Lenders and the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the DIP Term Sheet and used herein shall have the meanings given to them in the DIP Term Sheet.

[NAME OF PARTICIPANT]
By:_____
Name:
Title:
Date: _____ __, 20[ ]

Exhibit 2

Westward Whiskey
Cashflow by Week

	FORECAST 12-May	FORECAST 19-May	FORECAST 26-May	FORECAST 2-Jun	FORECAST 9-Jun	FORECAST 16-Jun	FORECAST 23-Jun	FORECAST 30-Jun	FORECAST 7-Jul	FORECAST 14-Jul	FORECAST 21-Jul	FORECAST 28-Jul	FORECAST 4-Aug	FORECAST 11-Aug
Direct to Consumer (DTC) Revenue Received	$ 20,000	$ 18,000	$ 18,000	$ 144,000	$ 20,000	$ 20,000	$ 20,000	$ 24,608	$ 24,608	$ 24,608	$ 24,608	$ 24,608	$ 24,608	$ 24,609
OLCC Fees on DTC	(4,500)	(4,500)	(4,500)	(4,500)	(21,563)	(21,563)	(15,500)	(15,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Wholesale		16,000		16,000		16,000		16,000		16,000		16,000		16,000
Interest Income & Other														
DIP Loan			$ 500,000		$ 200,000		$ 200,000		$ 200,000		$ 200,000		$ 200,000	
Total Cash Received	**$ 15,500**	**$ 29,500**	**$ 513,500**	**$ 155,500**	**$ 198,438**	**$ 14,438**	**$ 204,500**	**$ 25,108**	**$ 220,108**	**$ 36,108**	**$ 220,108**	**$ 36,108**	**$ 220,108**	**$ 36,109**
Employee Payroll + Payroll Taxes		107,570		107,570		107,570		107,570		107,570		107,570		
Retirement Contributions		*11,088*				*11,088*				*11,088*				*11,088*
Health Insurance		23,340				23,340				23,340				23,340
HSA & FSA	635	635	635	635	635	635	635	635	635	635	635	635	635	635
Contractors		5,000	59,000		6,000		59,000		6,000			59,000		6,000
Total Payroll & Contractors	**$ 635**	**$ 147,633**	**$ 59,635**	**$ 108,205**	**$ 6,635**	**$ 142,633**	**$ 59,635**	**$ 108,205**	**$ 6,635**	**$ 142,633**	**$ 635**	**$ 167,205**	**$ 635**	**$ 41,063**
Travel Costs	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**	**$ 4,769**
Advertising & Promotion	**$ -**	**$ -**	**$ 5,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ 5,000**	**$ 5,000**	**$ -**	**$ -**	**$ 5,000**	**$ 5,000**	**$ -**
OTHER OPERATING EXPENSES														
Postage & Shipping	1,267	1,267	10,505	10,172	10,172	10,172	10,172	1,267	1,267	1,267	1,267	1,267	1,267	1,267
Supplies (DTC events, Janitor, water, PPE)	2,400	2,400	6,337	2,400	2,400	2,400	6,337	2,400	2,400	2,400	2,400	6,337	2,400	2,400
Fees - Markets, SED, Events	404	404	404	404	404	404	404	404	404	404	404	404	404	404
Parking & Mileage	192	192	192	192	192	192	192	192	192	192	192	192	192	192
Whiskey Club Marketing	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313
DTC Airport Rent	13,825					13,825				8,000				
DTC Utilities			1,150					1,150				1,150		
Telephone			1,082					1,082				1,082		
Dues, Subscriptions & Fees			6,000	5,000				6,000	5,000			6,000	5,000	
StkThruPut Insurance	-	-	5,432	-	-	-	-	5,432	-	-	-	5,432		
Prop & Casualty Insurance		-		-	-	-	-		-	-	-			
Workers Comp	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000		
ParkStreet Fees	-	-	2,300	-	-	-	-	2,300	-	-	-	2,300		
Payroll service Fees	-	-	3,300	-	-	-	-	3,300	-	-	-	3,300		
Legal Fees	-			9,000	-	-	-	-	9,000	-	-	-	-	
Bank Fees				320				320				320		
Bankruptcy Counsel - Pashman			113,246			80,000					80,000			
Bankruptcy Support - EPIQ	50,000					50,000								
Subchapter V Trustee Fees			10,000			5,000				5,000				5,000
Other -cushion														
Total Other Operating Expenses	**$ 69,401**	**$ 5,576**	**$ 162,261**	**$ 28,801**	**$ 14,481**	**$ 163,306**	**$ 18,418**	**$ 26,160**	**$ 19,576**	**$ 18,576**	**$ 85,576**	**$ 30,097**	**$ 10,576**	**$ 10,576**
OTHER PRODUCT SUPPY & CM														
Purchase of Packaging	-	10,500	-	120,689	30,000	5,000	10,000	5,000	-	5,000	-	5,000	-	5,000
Facilities Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Barrell Storage	-	-	29,426	-	-	-	-	30,000	-	-	-	30,000	-	
Distillery Rent	-	-	27,697	-	-	-	-	27,697	-	-	-	27,697	-	
Dry Goods storage	7,000	-	22,000	-	-	-	-	15,000	-	-	-	15,000	-	
Storage (AWC…)	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Production Utilities	900		1,800	2,000	900		1,800	2,000			1,800	5,000		
Property Tax	27,174	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment (Rent, repairs & maintenance)	-	-	-	1,000	1,000	-	-	1,000	1,000	-	-	1,000	1,000	1,667
Logistics (Shipping, storage, other)	-	-	2,500	2,500	-	-	-	2,500	2,500	-	-	2,500	2,500	
Temporary Labor for Packaging	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
TTB Excise Tax														
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product Supply & CM Total	**38,974**	**14,400**	**87,323**	**130,089**	**35,800**	**8,900**	**15,700**	**87,097**	**7,400**	**8,900**	**5,700**	**90,097**	**7,400**	**10,567**
Total Disbursements	**$ 113,779**	**$ 172,378**	**$ 318,988**	**$ 276,864**	**$ 61,685**	**$ 319,608**	**$ 98,522**	**$ 231,231**	**$ 43,380**	**$ 174,878**	**$ 96,680**	**$ 297,168**	**$ 28,380**	**$ 66,975**
TOTAL NET CASH FLOW	**$ (98,279)**	**$ (142,878)**	**$ 194,512**	**$ (121,364)**	**$ 136,753**	**$ (305,171)**	**$ 105,978**	**$ (206,123)**	**$ 176,728**	**$ (138,770)**	**$ 123,428**	**$ (261,060)**	**$ 191,728**	**$ (30,866)**
Beginning Cash Available	$ 567,739	$ 469,460	$ 326,582	$ 521,094	$ 399,730	$ 536,483	$ 231,312	$ 337,290	$ 131,166	$ 307,894	$ 169,123	$ 292,551	$ 31,491	$ 223,219
Projected Ending Cash Available	**$ 469,460**	**$ 326,582**	**$ 521,094**	**$ 399,730**	**$ 536,483**	**$ 231,312**	**$ 337,290**	**$ 131,166**	**$ 307,894**	**$ 169,123**	**$ 292,551**	**$ 31,491**	**$ 223,219**	**$ 192,353**
Adjustment to Bank Balance														
Adjusted Ending Cash Available	**$ 469,460**	**$ 326,582**	**$ 521,094**	**$ 399,730**	**$ 536,483**	**$ 231,312**	**$ 337,290**	**$ 131,166**	**$ 307,894**	**$ 169,123**	**$ 292,551**	**$ 31,491**	**$ 223,219**	**$ 192,353**

* Available Cash is net of Secured Cash Account and Purchase Card balance

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