

**ABSINTHIA'S BOTTLED SPIRITS, LLC**  
**(THE "COMPANY")**  
**TERM SHEET**  
**OFFERING OF REVENUE-SHARE PROMISSORY NOTES**  
**UNDER REGULATION CROWDFUNDING**

The following is intended to be only a summary of some of the key terms of the offering. The summary is qualified in its entirety by the terms of agreements between the investor and the Company concerning the purchase of the revenue-share promissory notes in this offering (the "Notes").

The parties do not intend to be bound until they enter into definitive agreements regarding the subject matter of this term sheet.

The Company will issue the Notes in exchange for amounts invested by investors in the offering. The Notes will have the following principal provisions.

**Maturity:** Outstanding principal and accrued interest on each Note will be considered paid in full when the Company has paid the investor the Repayment Amount, defined as the original investment amount multiplied by 1.5.

**Payments:** Within 90 days following the end of each calendar year, Company shall make an annual payment to the investor until the Repayment Amount is paid in full.

The annual payment shall be the investor's "Pro Rata Share" (the ratio that results from dividing the amount of the investor's original investment by the total amount loaned under all of the Notes) of seven percent (7%) of the Company's "Gross Margin" (all of the Company's cash receipts less costs of goods, costs passed through to users, and refunds).

The Company's accountant shall calculate Gross Margin on a cash basis following the end of each fiscal year.

Payments for any partial year of investment will be prorated based on the number of days the investment was outstanding divided by 365.

Under no circumstances shall payments to investors exceed what is allowed under California law governing usury.

**Prepayment:** The Company may make complete or partial prepayments of the Notes at its discretion, provided that all partial prepayments are made pro rata among all of the investors based on the amount of their original investments.

If the Company wishes to pay off one or some (but not all) of the Notes, it may do so only for good cause. The term "good cause" means an instance in which the Company reasonably believes such prepayment is necessary or advisable to prevent a violation of any law, regulation, or other governmental rule or to prevent material harm to the effective operation of the Company.

**Security:** The Notes will be unsecured obligations of the Company.

**Subordination:** The Notes shall be subordinated to all indebtedness of the Company to banks, commercial finance lenders, insurance companies, leasing and equipment financing institutions, and/or other institutions regularly engaged in the business of lending money.

**Assignment:** The Notes may be assigned by either party so long as such assignment complies with all applicable laws and regulations.

**Amendment:** All of the Notes may be amended by the Company and investors holding a majority (by unpaid principal amount) of the Notes; provided that no amendment which would change the Repayment Amount, or the principal amount owing upon the Notes, may be effective without the consent of all of the investors. Any Note may be amended by mutual agreement of the Company and the investor holding such Note.

**Tied House Laws:** A potential investor may be prohibited by law from investing in this offering if the investor holds interests in or related to alcoholic beverage licenses or licensees, including loans or indebtedness. Investors are advised to consult with legal advisors regarding state and federal tied house laws as they relate to the Notes.