

Flower City Bourbon Barrel Investment Group Agreement

Group Name: Flower City Barrel Investment Group (the "Group") **Effective Date:** [Dec 1st, 2025] Admin of this group is Mike Trippany, mtrippany1227@gmail.com, 585-802-6923

1. Purpose and Investment Structure

1.1 Purpose: The sole purpose of the Group is to collectively purchase newly-filled, name-brand American Whiskey (Bourbon) barrels (the "Assets") from licensed brokers or distilleries for the purpose of long-term aging and eventual resale or bottling.

1.2 Capitalization: The Group shall raise **Thirty Thousand United States Dollars (\$30,000.00)** (the "Investment Capital"). This capital will be divided into **sixty (60)** individual investment shares (the "Shares").

1.3 Share Value: Each Share shall have an initial purchase price of **Five Hundred United States Dollars (\$500.00)**. The funds raised will be exclusively used for the purchase of the Assets, associated taxes, and broker fees.

1.4 Term of Investment: This is a long-term investment. The Assets will be held in storage and aging for an estimated period of **five (5) to seven (7) years**, or longer, as determined by the Group's voting process.

1.5 Future Capital Raises: The Group may, by a **majority vote** of the current Shareholders (as defined in Section 5.3), authorize the issuance and sale of **additional Shares** ("New Shares") to raise further Investment Capital. Any New Shares issued will represent a proportionate interest in the Group's total Assets at the time of issuance and shall be subject to all terms and conditions of this Agreement, including the maximum voting limit defined in Section 5.2. All existing members will have first right of refusal to purchase additional shares of the new funding round.

2. Asset Management and Ownership

2.1 Asset Acquisition: The Investment Capital will be used to purchase Bourbon barrels from a licensed, reputable broker or directly from a distillery (the "Broker/Custodian").

2.2 Storage and Maintenance: The Assets (barrels) will be stored and maintained by the Broker/Custodian in a bonded warehouse until they are sold or bottled. All associated storage and insurance costs will be factored into the initial Investment Capital or will be paid from the eventual sale proceeds.

2.3 Shareholder Asset Status: Each Share represents an equal, proportionate ownership interest in the total Assets of the Group. The Shares themselves are recognized as personal assets of the Shareholder.

3. Share Transferability and Administration

3.1 Share Liquidity: A Shareholder may, at their discretion, **sell or transfer** their Shares to any third party at any time, subject to the terms of this Agreement. This is the sole mechanism for a Shareholder to cash out prior to the Asset Sale described in Section 4.

3.2 No Refunds: Once funds are contributed for the purchase of Shares, the investment is final. **The Group shall not issue any refunds of the original Share purchase price.**

3.3 Administrative Oversight: A designated Administrator (the “Admin”, Mike Trippany) shall maintain the official, current master list of all Shareholders and their corresponding Share quantity as well as all contact information.

3.4 Change of Ownership: For any Share transfer or sale to be considered valid and for the new owner to receive voting and distribution rights, the original Shareholder **must formally notify the Admin in writing** (e.g., via certified email). The Admin will update the master list accordingly, and the new owner will assume all rights and obligations under this Agreement.

4. Exit Strategy and Profit Distribution

4.1 Exit Goal: The primary goal is the sale of the majority of the Group’s Assets (the aged bourbon in the barrels) in bulk to licensed distilleries or wholesale buyers (the “Asset Sale”).

4.2 Distribution: Upon the Asset Sale, all proceeds, after deducting any outstanding costs, fees, and taxes, will be distributed to the Shareholders proportionate to their number of Shares held at the time of the sale.

4.3 Group Decisions: Shareholders will have the right to vote on all major decisions concerning the Assets, including, but not limited to: * When and to whom to sell the Assets. * Whether to hold certain Assets for extended storage. * Whether to arrange for the private bottling of a portion of the Assets for personal distribution.

5. Governance and Voting Rules

5.1 Voting Rights: Each Share held by a Shareholder shall entitle that Shareholder to one (1) vote on all matters requiring a Group Decision, as defined in Section 4.3.

5.2 Voting Power Limit (Maximum Votes): To ensure equitable governance and prevent undue control by a single entity, the voting power of any single Shareholder is **strictly capped at five (5) votes**, regardless of the total number of Shares owned. * *Example:* A Shareholder owning 1 Share has 1 vote. * *Example:* A Shareholder owning 5 Shares has 5 votes. * *Example:* A Shareholder owning 10 Shares is still limited to a maximum of **5 votes** for any Group Decision.

5.3 Decision Threshold: Unless otherwise specified, all Group Decisions require a simple majority of votes cast (50% + 1) to pass.

6. Risk and Liability Disclaimer

6.1 Investment Risk: Shareholder acknowledges that this is an investment in a commodity subject to market fluctuations, risks inherent to aging spirits, and unforeseen issues, including but not limited to, changes in tax law, contamination, or catastrophic loss.

6.2 No Guarantee of Return: THERE IS NO GUARANTEE OF FUTURE RETURNS, PROFIT, OR RECOUPMENT OF THE INITIAL INVESTMENT CAPITAL. The Shareholder understands and accepts the risk that the value of the Assets may decrease over time or that no buyer may be found.

6.3 Limitation of Liability: No Shareholder, including the Admin, shall be personally liable to other Shareholders for any loss or damage to the Assets, except in cases of gross negligence or willful misconduct.

AGREED AND ACCEPTED BY:

Name _____

Signature_____

Date _____

Email _____

Phone # _____

Address _____

of Shares requested _____

Admin Name_____ Date_____

Signature _____