

July 21, 2017

Zachary J. Robins
Direct Dial: (612) 604-6487
Direct Fax: (612) 604-6987
zrobins@winthrop.com

VIA EMAIL

Geoffrey Spray
Minnesota Department of Commerce
Securities Division
85 E. 7th Place, Suite 500
St. Paul, MN 55101-2198

Re: Rustech Brewing Company LLC – MNvest Offering

Dear Mr. Spray:

On behalf of Rustech Brewing Company LLC a Delaware corporation (the “Company”), we are filing herewith a notice of the Company’s intent to sell up to \$200,000 in Series A Shares of Common Stock (the “Securities”) pursuant to exemption from registration requirements provided under §80A.461 of the Minnesota Statutes (MNvest Registration Exemption). In connection with the requirements under Minnesota Statutes and related regulations, enclosed are the following documents related to the Company’s Confidential Investor Package:

- a. Investor Overview;
- b. Summary of Terms;
- c. Risk Factors;
- d. Articles of Organization and Operating Agreement;
- e. Subscription Agreement;
- f. Compilation of Financial Statements;
- g. Escrow Agreement;
- h. Portal Operator Agreement;
- i. Advertisement;
- j. Cyber Security Policy; and
- k. Completed MNvest Issuer Notice Form.

Thank you for your assistance in this matter. Kindly acknowledge receipt of this filing by replying via email to zrobins@winthrop.com. Please contact me if you have any questions.

Very truly yours,

WINTHROP & WEINSTINE, P.A.



Zachary J. Robins
13902476v1



July 21, 2017

Zachary J. Robins
Direct Dial: (612) 604-6487
Direct Fax: (612) 604-6987
zrobins@winthrop.com

VIA MESSENGER

Geoffrey Spray
Minnesota Department of Commerce
Securities Division
85 E. 7th Place, Suite 500
St. Paul, MN 55101-2198

Re: Rustech Brewing Company LLC – Filing Fee

Dear Mr. Spray:

On behalf of Rustech Brewing Company LLC, a Minnesota limited liability company (the “Company”), we are filing herewith a \$300 filing fee related to the Company’s intent to sell up to \$200,000 in Series A Membership Units (the “Securities”) pursuant to exemption from registration requirements provided under §80A.461 of the Minnesota Statutes (MNvest Registration Exemption). The documents related to the Company’s Confidential Investor Package will be forwarded to you electronically.

Please feel free to contact me if you have any questions.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

Zachary J. Robins

13906887v2

INVESTOR PACKAGE

RUSTECH BREWING COMPANY LLC

Minimum Offering: \$50,000.00
Maximum Offering: \$200,000.00

Series A Units Membership Units
Purchase Price: \$1.00 per Unit

DO NOT REPRODUCE

The Date of this Investor Package is July 21, 2017

The Date of Expiration of the Offering is July 21, 2018

RUSTECH BREWING COMPANY LLC

UP TO \$200,000 of SERIES A UNITS

Rustech Brewing Company LLC, a Minnesota limited liability company, is offering a minimum of 50,000 of its Series A Units for an aggregate total of \$50,000 and maximum of 200,000 of its Series A Units Membership Units for an aggregate total of \$200,000, at an offering price of \$1.00 per Series A Unit, pursuant to this Investor Package. The minimum required investment is \$2,500, unless waived by the Company, in its sole discretion.

All funds received from investors will be held in an escrow account at Sunrise Bank in Minneapolis, MN until such time as the Company has received subscriptions for 50,000 Series A Units (an aggregate amount of \$50,000) or until the earlier expiration or termination of the Offering, as provided herein. Once we have reached this minimum threshold, we may begin using proceeds received from those investors.

The offering price of the Series A Units has been arbitrarily determined by the Company. Before this Offering, there was no market for our securities, and it is unlikely that such a market will develop in the future. The Series A Units will be “restricted securities” under the Securities Act, must be held for investment purposes only and are subject to substantial limitations on resale or other transfer. You must purchase the Series A Units for your own account and must assume the economic risk of investment for an indefinite period of time.

YOU ARE URGED TO SEEK INDEPENDENT ADVICE FROM YOUR LEGAL AND FINANCIAL ADVISORS RELATING TO THE SUITABILITY OF AN INVESTMENT IN OUR COMPANY AND OUR SECURITIES, IN LIGHT OF YOUR OVERALL FINANCIAL NEEDS AND WITH RESPECT TO THE LEGAL AND TAX IMPLICATIONS OF SUCH AN INVESTMENT.

THIS DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING AND INDIVIDUAL TAX ADVICE, PARTICULARLY BECAUSE THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN A CORPORATION OR LIMITED LIABILITY COMPANY SUCH AS OUR COMPANY ARE UNCERTAIN AND COMPLEX AND MANY CONSEQUENCES WILL NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, YOU SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF YOUR OWN TAX ADVISOR, TAX COUNSEL OR ACCOUNTANT WITH RESPECT TO YOUR PROSPECTIVE INVESTMENT IN THE COMPANY. NOTHING IN THIS OFFERING DOCUMENT OR THE ACCOMPANYING DOCUMENTS IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE.

INVESTOR PACKAGE INSTRUCTIONS: THE INSTRUCTIONS LISTED BELOW APPLY IF YOU ARE INVESTING THROUGH [HTTP://RUSTECH.SPPX.COM](http://RUSTECH.SPPX.COM).

On behalf of Rustech Brewing Company LLC, a Minnesota limited liability company (“Rustech,” “we” or the “Company”), we are pleased that you have expressed an interest in purchasing Series A Units (the “Series A Units”) in the Company. In order to streamline the subscription process, the Company has created a “Funding Portal” located at <http://SPPX.com> to coordinate the Company’s acceptance of investor subscriptions and issuance of the Series A Units to purchasers. In order to proceed with your purchase of the Series A Units, please visit and refer to the instructions found on the Funding Portal.

IMPORTANT NOTICES TO PROSPECTIVE INVESTORS

We have prepared this Investor Package for distribution to prospective investors for their use and information in evaluating an investment in the Series A Units. You are urged and invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering (the "Offering"), the Company, our business, and any other relevant matters (including, but not limited to, additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that our founder, William Burt, (the "Founder"), possess such information or can acquire it without unreasonable effort or expense. You will be asked to acknowledge in the Subscription Agreement attached hereto as Exhibit E that you were given the opportunity to obtain such additional information and that you either did so or elected to waive such opportunity.

Prospective investors having questions or desiring additional information should contact Mr. William Burt, at 612-414-9437.

You should not construe the contents of this Investor Package as legal, tax, or investment advice, and you should consult your own attorney, accountant, and business advisor as to legal, tax, and related matters concerning an investment in the Series A Units.

THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SERIES A UNITS. THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. ALL INFORMATION CONTAINED HEREIN IS AS OF THE DATE OF THIS INVESTOR PACKAGE, AND NEITHER THE DELIVERY OF THIS INVESTOR PACKAGE NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE SUCH DATE.

THE SERIES A UNITS ARE HIGHLY SPECULATIVE, ILLIQUID, INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE PURCHASED ONLY IF YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT. SEE THE "RISK FACTORS" ATTACHED HERETO AS EXHIBIT C.

IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147A (CODE OF FEDERAL REGULATIONS, TITLE 17, PART 230.147A (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

SALES WILL BE MADE ONLY TO RESIDENTS OF MINNESOTA. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THE SECURITIES, ANY RESALE OF THE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.

Should the Company issue a certificate or other document evidencing the security, the following legend must be displayed conspicuously:

OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THESE SECURITIES, ANY RESALE OF THESE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.

A PURCHASER IS PERMITTED TO CANCEL THE PURCHASER'S COMMITMENT TO INVEST AT ANY TIME BEFORE FORTY-EIGHT HOURS BEFORE EXPIRATION OF THE OFFERING DEADLINE IF NOTICE OF CANCELLATION IS DELIVERED ELECTRONICALLY OR PHYSICALLY IN WRITING TO THE COMPANY. IF A PURCHASER IS GIVEN NOTICE OF AN EARLY CLOSING, THE PURCHASER MAY CANCEL THE COMMITMENT WITHIN SEVENTY-TWO HOURS OF DELIVERY OF THE NOTICE.

IF WE CLOSE THE OFFERING BEFORE THE OFFERING DEADLINE, WE MUST DELIVER A NOTICE OF THE CLOSING TO EACH PURCHASER AND POTENTIAL PURCHASERS BY POSTING THE NOTICE CONSPICUOUSLY ON OUR WEBSITE, AT LEAST FIVE DAYS BEFORE THE EARLY CLOSING. IF YOU WISH TO CANCEL YOUR SUBSCRIPTION PURSUANT TO EARLY CLOSING, YOU MUST DO SO WITHIN 72 HOURS OF DELIVERY OF NOTICE.

IF WE FAIL TO RAISE THE MINIMUM OFFERING AMOUNT BEFORE THE OFFERING DEADLINE, THIS OFFERING WILL BE VOID AND THE ESCROW AGENT MUST RETURN ALL FUNDS HELD IN ESCROW TO THE PURCHASERS.

INDEX OF EXHIBITS

- Exhibit A of this package includes a copy of the Company’s Investor Overview, which includes projected financial statements (the “***Investor Overview***”).
- Exhibit B of this package contains a summary of the terms of this Offering (the “***Summary of Terms***”).
- Exhibit C of this package describes key risk factors that may be relevant to an investment in the Series A Units (the “***Risk Factors***”). Please read them carefully.
- Exhibit D of this package includes a copy of the Company’s Articles of Organization (“***Articles of Organization***”) and Form of Operating Agreement (“***Form of Operating Agreement***”).
- Exhibit E of this package contains the subscription agreement to be completed by investors in order to purchase Series A Units (the “***Subscription Agreement***”).
- Exhibit F of this package contains certain financial statements of the Company (the “***Financial Statements***”).
- Exhibit G of this package contains the escrow agreement with Sunrise Banks (the “***Escrow Agreement***”).
- Exhibit H of this package contains the agreement with Silicon Prairie Portal & Exchange, LLC to provide MNvest portal services to the Company for this Offering (the “***Portal Operator Agreement***”).
- Exhibit I of this package contains an example Company advertisement (the “***Advertisement***”).
- Exhibit J of this package contains the Cybersecurity Policy (the “***Cybersecurity Policy***”).
- Exhibit K of this package contains the Notice Filing Form (the “***Notice Filing Form***”).

EXHIBIT A

Investor Overview

(See attached)



Rustech Brewing
Microbrewery & Taproom

BUSINESS PLAN

6/16/2017

Rev K

Rustech Brewing Company LLC
Monticello MN

Bill Burt & Penny Burt

FOUNDERS and OWNERS

Penny and Bill Burt have been married for 20 years and have lived in Monticello, MN for the past 10 years.

Bill is a Certified LabVIEW Architect (software developer) with a passion to develop advanced software control for Filtration and breweries.

Bill works full time at Donaldson Company Inc. as a Senior Software Engineer for the past 4 years developing the most complex process control processes in MN.

Penny is a Homemaker living at home taking care of their 17 year old son who will be going into the army after his senior year.

The Burts are both home brewers with +4 years' experience and are very excited about the growth of Monticello.

Phone: 612-414-9437

Bill.Burt@RustechBrewing.Com
Penny.Burt@RustechBrewing.Com

CONFIDENTIAL

This corporate overview is being furnished on a confidential basis solely to a limited number of prospective investors and may not be used for any other purpose. Any reproduction or distribution of this corporate overview, in whole or in part, or the disclosure of its contents, without the prior written consent of the company, is prohibited.

This corporate overview does not purport to contain all of the information necessary to evaluate an investment in the company and it is understood that each investor will make his, her or its own independent investigation into the merits and risks of investing in the company and arrive at an independent evaluation of such investment.

Certain statements made in this corporate overview contain “forward-looking statements.” Investors should not rely on forward-looking statements in our corporate overview. Such forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond the control of the company, which could cause actual results and developments to differ materially from future results and developments expressed or implied by such forward-looking statements. As a result, all such forward-looking statements are qualified by this cautionary statement and there can be no assurance that the actual results or developments anticipated by the company and its management will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the company. Actual results could differ materially from the results contemplated by these forward looking statements due to a number of factors. The company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These statements include those relating to future events, performance and/or achievements. Nothing contained in this corporate overview is, or should be relied upon as, a promise or representation as to the future.

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Executive Summary

Rustech Brewing Company is a newly formed brewery to bring patrons a warm and inviting experience. We intend to open a 5 barrel brewery with a tasting room located on the Northern border of Wright County in the city of Monticello, MN.

Initial revenue for the brewery will come solely from sales of beer, however, a substantial proportion of the revenue will likely come from off premise distribution once the brewery has established itself as a popular destination with a quality product. As the business grows and brand recognition increases, we plan to expand the brewing capacity and the number of dark ales in our brewing arsenal along with IPAs, Amber and a few light Ales. Rustech Brewing Company is scheduled to begin operations by late 2017 or early 2018.

Rustech Brewing Company plans to quickly expand with dark beers, IPA's and light ales, all of which are lacking in Monticello MN via offsite keg sales and onsite taproom offerings. By offering malt-focused, smoother drinking dark rich and ales, our core offerings will bring balance to the overpopulation of American IPA hop-focused ales, while still offering hop forward beers to satisfy hops.

The opportunity we have is to capitalize on an emerging market where there are only a few local breweries. We will have high quality craft beers that will quench the thirst of craft beer enthusiasts and pique the interest of everyone else.

Rustech Brewing Company plans to solve the craft void in this market place by providing locally crafted ales to bars, clubs, taverns, pubs and restaurants within Monticello. The opportunity we have is to capitalize on an emerging market where there are only a few local breweries. We have high quality craft beers that will quench the thirst of craft beer enthusiasts and pique the interest of everyone else.

Our goal is to develop a competitive edge in the Minnesota microbrewery market, Rustech Brewing Company intends to brew quality beers at all times. We realize the importance of working with our customers to ensure our beer is stored and served in the best quality possible. In addition to quality control measures, Rustech Brewing

Company will keep our customers intrigued by providing seasonal beers, small batch series beers, and new releases based on classic styles, but with our own interpretations.

The bulk of our business will likely come from Growlers and kegged beer sales. New beers will be launched in pairs at about one year intervals with seasonal beers to fill in the gaps. The approach of launching two beers simultaneously helps to ensure we are reaching customers with different style preferences at the same time. The logistics behind launching two beers at the same time is not much more different or more costly as launching one beer. The key to our initial growth is self-distribution.

We will produce beer in kegs for wholesale to the licensed liquor retail market. We plan to have a sales and marketing staff that market the company's products and be personally responsible for acquiring local retail accounts. The company is committed to bring to patrons the beer they deserve, never sacrificing quality for profits. We seek to be the next symbol of American culture, to give back to the community, and most importantly, those working to provide the public with this vision. The culture of the company will be one of brewing not of greed. We will reach these goals by inspiring a culture of pride and satisfaction in our work place, creating top-quality products, and responding to the needs of our team members, community, and environment. Bill Burt will continue to work at his current work place and work the weekends and after hours at the brewery. Penny Burt will be a full time employee of brewery.

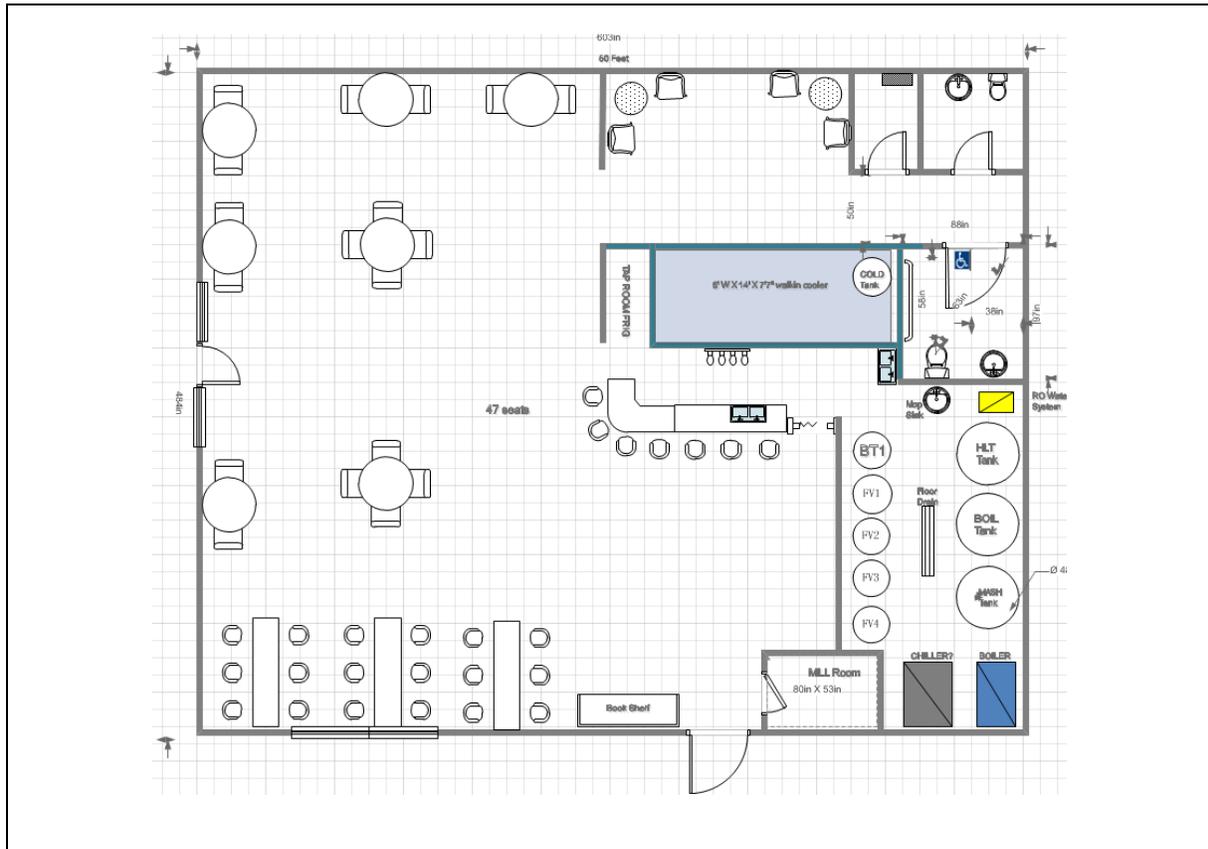
Business Objectives

The primary objectives of this business plan for our Microbrewery and Taproom are:

- To achieve Net Income of \$366,889 within (2) years.
- During the 3rd year begin canning or bottling for distribution.
- Have high rates for customer satisfaction and repeat business.
- Include custom games built with wood like Marble Maze and Wall Board.

Start-up Summary

The loan will be used towards the lease on Hwy 25. It is an old mattress building with 2000 Sq. Ft of space.



Start-up Expenses

Brew house, Fermentation tanks, Brite Tank, Chiller and shipping \$93,403.00

Working Capital

Startup Operating Expenses (For 1st Year) , Taproom Startup supplies \$100,000.00

Construction / lease

Contractor Build Out \$125,000.00

Closing costs \$16,597.00

Loan total \$335,000.00

City of Monticello \$45,000.00

Owner Equity \$30,000.00

Legal Form/ Company Ownership/Legal Entity

Rustech Brewing Company is formed as a LLC wholly owned and operated by Bill and Penny Burt.

Mission Statement

We will infuse old-world style ales into the rapidly expanding craft brew scene of Monticello, using modern technology and industrial advances to serve world class beer to discerning drinkers. Our brews will primarily be German styles, with Belgian and English offerings as well to round out our portfolio.

CRAFT BEER FOR THE PEOPLE

Our Brewery plan includes opening a 5 BBL Brew house and onsite tamp house with at least four core offerings as well as rotating seasonal/special-release offerings in the taproom, and seasonal holiday and summer releases for keg customers. There will be a minimum of eight (8) on-taps at any given time, and tasting flights are highly encouraged.

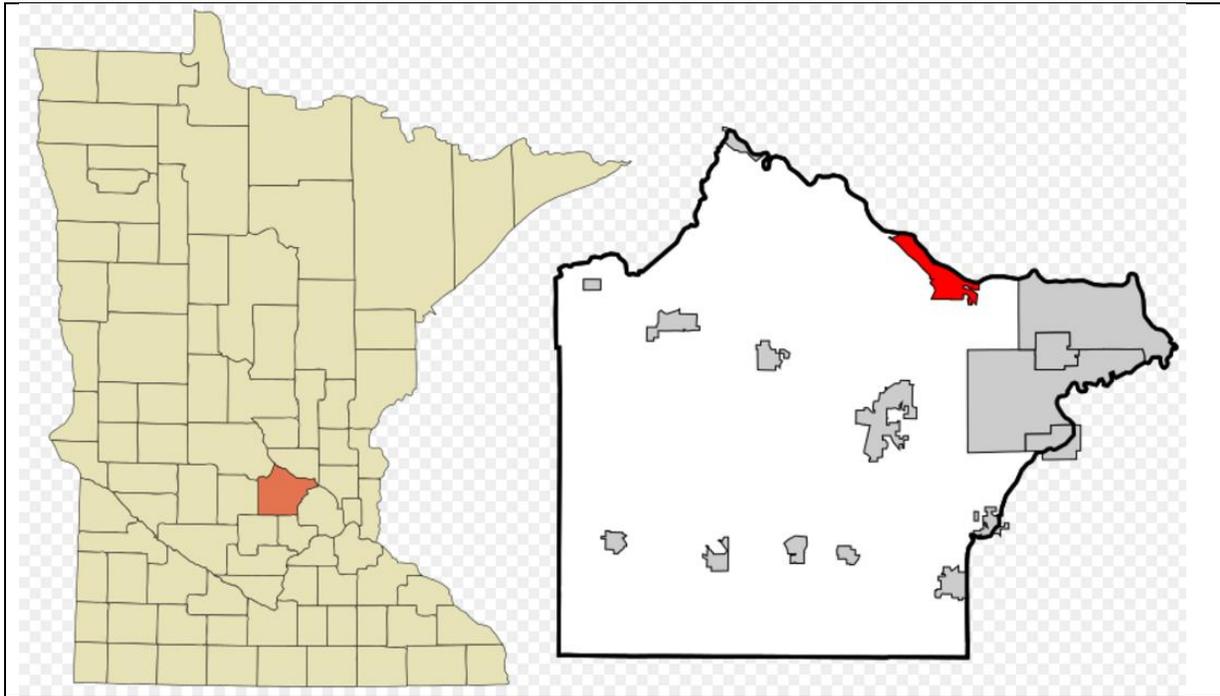
BREWED IN MONTICELLO

100% of the beer will be produced on site, focusing exclusively on keg and tasting room sales and distributed to fine eating and drinking establishments within the Minnesota Area. Bottling and/or offsite canning will be implemented after the first two years of operation.

Keys to Success

Location! Location! Location! One of the main keys to success for this brewery is the planned location. The location is right off I-94 in Monticello making it easy for customers to stop in and pick up their favorite growler of beer. We plan to bring success back to the local downtown area to help grow Monticello!

Description of Business



City Location

Monticello is located close to the center of Minnesota, in Wright County. Monticello has 8.94 square miles of land area and has no water area. As of 2010-2014, the total Monticello population is 12,974, which has grown 64.90% since 2000.

The population growth rate is much higher than the state average rate of 9.44% and is much higher than the national average rate of 11.61%.

Monticello median household income is \$73,151 in 2010-2014 and has grown by 61.18% since 2000. The income growth rate is much higher than the state average rate of 29.12% and is much higher than the national average rate of 27.36%. Monticello median house value is \$168,100 in 2010-2014 and has grown by 29.11% since 2000. The house value growth rate is much lower than the state average rate of 51.31% and is much lower than the national average rate of 46.91%. As a reference, the national Consumer Price Index (CPI) inflation rate for the same period is 26.63%. On average, the public school district that covers Monticello is better than the state average in quality.

BREWERY LOCATION

Brewery plans to lease an existing industrial building in the Broadway neighborhood of Monticello that is primed to be outfitted for not only a production brewery, but also a warm and cozy traditional rustic-styled taproom that will initially be responsible for ~70% of our revenue, and will serve as a launch pad for our brand to grow our customer base.

EASY TRANSPORTATION

The brewery is right off highway 94 in Monticello MN. There are (2) off ramps to the proposed location.

HUGE CUSTOMER BASE

The Microbrewery and taproom will be right in the center of growing Monticello, MN located off Hwy 25 with great visibility of brewery.

ECONOMY

In anticipation of rapid population growth, Monticello created a comprehensive growth plan in 1996. A new high school was constructed in 1999. A new highway interchange was completed in 2006 on the east end of town, allowing residents full access to Interstate 94 from Wright County Road 18. Since 2002, many retail outlets have been constructed, including a Wal-Mart Supercenter, a Super Target store, a Muller Family Movie Theatre, a new bowling alley, the Home Depot, Marshalls, Applebee's, Taco John's, Arby's, and have recently added an Aldi and a Goodwill. This planned growth has also brought new auto dealerships, hotels, and industrial development. Monticello continues to attract new construction and business opportunities including a new Mills Fleet Farm store is planned for 2017.

BREWERY INTERIOR

The Brewery tasting room will be a carefully designed space for beer drinkers to enjoy our craft beer offerings. The Taproom will hold at least (47) customers and be gently illuminated by exposed bulbs and warm LED lighting. The Entire brew house will be visible when entering the taproom.

SEATING

Seating will be a combination of bar seating, snug-room style booths, and German style wooden tables with benches.

The space will be crafted so that guests experience the rustic style pub warmth, while showcasing the brewery.

ACOUSTICS

Ambient music will be provided by a distributed, high-quality sound system and acoustics will be designed to allow for comfortable conversation and to keep the ambiance cozy and warm.

TABLES

We will build the tables to save thousands of dollars.

TAPROOM FLIGHTS

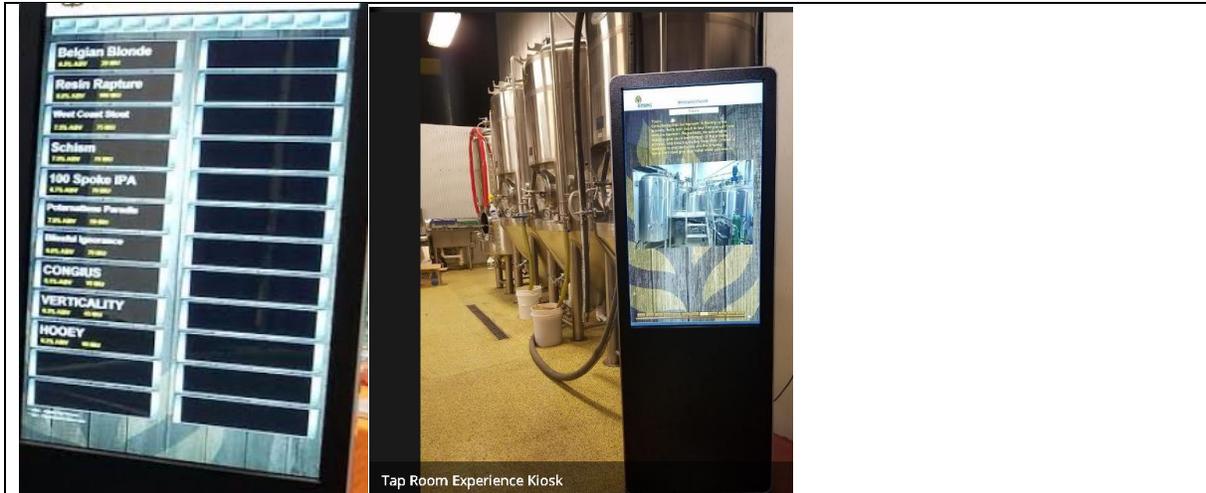
We will build the entire taproom Flights to save \$70 - \$100.



TAPROOM HIGH TECH

Entering the tap room we will display a Kiosk developed with customer questions in mind. This will be a touch screen Kiosk and customers will see all the information about the beer brands on tap. Touching the brand of beer popup a display with information about (IBU) International Bitterness Units, (ABV) Alcohol By Volume, price and all the information about the beer brand. The Kiosk will scroll through screens showing all the information about the Brewery.

At the tap room bar there will be a TV turned portrait to display the same beer brands on tap as the Kiosk. The room will have features that cater to high-tech outlets at every seat for charging phones/laptops, high-speed internet and hooks for laptop bags and jackets.



Hours of Operation

During the first 1.5 years of operation our hours of operation will be as below. During the 2.5 – 3rd year we plan to expand to Monday and Tuesday hours of operation.

TAP ROOM HOURS

Monday: 4:00pm - 9:00pm (YEAR 3)

Tuesday: 4:00pm - 9:00pm (YEAR 3)

Wednesday: 4:00pm - 9:00pm

Thursday: 4:00pm - 10:00pm

Friday: 3:00pm - 11:00pm

Saturday: 12:00pm - 11:00pm

Sunday: 11:00am-6:00pm

Signature Line

Our Signature Line of beers is below. We expect to rapidly expand with Dark beer as our style of choice and also have IPA and light beers.



- IPA
- Coffee Stout
- Stouts
- Amber Ale
- Light Ale
- Wheat

Manufacturing

Suppliers

Our Suppliers for Malts will be from Rahr Malting Co and we will be selecting a hop company.

Plan to Reuse and Re-Purpose Waste Products

One of our commitments at the brewery is to reuse and re-purpose as much as we can. Spent barley or spent grain is one of our largest waste products, and we have found them to be a fantastic source of nutrient to farms. We will donate our spent barley or spent grains to a local farm for feed animals.

BREWHOUSE

Where

All production will be onsite using a state-of-the-art 5 BBL Brew house, which allows up to 750 BBL annually. We will focus on 380 BBL for the 1st year with profits of \$38,000 per month.

The second year we will increase production to 500 BBL annually increasing revenue to \$50,000 per month as begin canning/bottling.

All production will be onsite using a state-of-the-art 5 BBL Brew house, which allows up to 750 BBL annually.		5 BBL system	# of Brews a week	# of weeks brewing a year	Barrels	Pints	Total Pints	Cost per Pint	Total Yearly profit	Monthly Profit
2nd Year >	A 5 BBL system x 3 brews a week x 50 weeks = 750 BBL annually	5	3	50	750	240	180000	5	\$900,000.00	\$75,000.00
1st year >	A 5 BBL system x 2 brews a week x 50 weeks = 500 BBL annually	5	2	50	500	240	120000	5	\$600,000.00	\$50,000.00
	A 5 BBL system x 2 brews a week x 38 weeks = 380 BBL annually	5	2	38	380	240	91200	5	\$456,000.00	\$38,000.00
	A 5 BBL system x 1 brews a week x 50 weeks = 250 BBL annually	5	1	50	250	240	60000	5	\$300,000.00	\$25,000.00

How

All beers will be produced in accordance with proprietary recipes. All employees with access to said proprietary information will sign a non-disclosure before getting access to the information. Our legal representative will draft a standard nondisclosure and it will be added to the standard issue employment contract.

Management

Bill and Penny will be the head of operations of the brewery and taproom.

Marketing

Competition

The closest Competition is Lupulin which is expanding and adding a canning line. Rustech Brewing Company will promote visiting Lupulin and we hope they will do the same. We would encourage visiting other breweries like Hayes Brewing.

Pricing

Pricing for growlers, kegs and pints will differ per style and ABU content.

Advertising and Promotion

Advertising with Facebook and Twitter.

Strategy and Implementation

- There is an approximate 6 month period waiting for Liquor license.
- Immediately following licensing the 5 BBL system will go into production for Growlers and Taproom
- We will be brewing for 2 months for opening day.
- Opening day is expected to be 2 months after building and Liquor license are completed and pass all city inspections.

Brew House



Taproom

Taproom	QTY	Item Cost	Cost
5 oz. Beer Taster	48	\$3.77	\$180.96
16 ounce Beer Glass	48	\$3.59	\$172.32
16 oz. Mixing Glass	48	\$2.67	\$128.16
Growlers and shipping	72	\$3.85	\$277.20
Counter Stool, 30 Inch	23	\$45.00	\$1,035.00
1/6 BBL Keg	0	\$60.00	\$0.00
1/2 BBL Keg	50	\$90.00	\$4,500.00
Keg carrier 2 wheel dolly	1	\$75.00	\$75.00
Air Compressor	1	\$250.00	\$250.00
Keg Washing / Filling Coupler w/ Dual Shutoffs (Manual)	1	\$500.00	\$500.00
Total		\$1,033.88	\$7,118.64
<i>Note: 5BBL Brewhouse fills 10 kegs</i>			
Kegs Filled	QTY		
Amber Ale 1/2 BBL kegs	10		
Light Ale 1/2 BBL kegs	10		
IPA1 1/2 BBL kegs	10		
Mango IPA 1/2 BBL kegs	10		
Coffee Stout 1/2 BBL kegs	10		
	50		

Operating Expenses

Operating Expenses	Monthly	Yearly Item Cost
Lease Monthly	\$ 2,583.33	\$ 30,999.96
Payroll (incl. taxes) 2 employees	\$ 4,021.32	\$ 32,170.56
Equipment Depreciation	\$ 703.36	\$ 8,440.30
Utilities	\$ 345.00	\$ 4,140.00
Benefits	\$ -	\$ -
City of Monticello EDA	\$ 227.45	\$ 2,729.40
Attorney fees	\$ 100.00	\$ 1,200.00
Insurance	\$ 410.00	\$ 4,920.00
POS System - Accept Credit card	\$ 35.00	\$ 420.00
Internet	\$ 30.00	\$ 360.00
Bank fees	\$ 12.50	\$ 150.00
	8,467.96	\$ 85,530.22

8 months

BUILDING - BUILD OUT

Quoted build at \$92,143

Financials

Below is 3 years projected cash flow with startup in 2017.

- The 2nd year we plan to increase net income to approximately \$366K.
- During the 2nd year we plan to expand into Canning and/or Bottling to increase revenue.

Profit and loss statement – 2017

2017													PROFIT AND LOSS STATEMENT		NET INCOME	
Rustech Brewing Company															-\$14,178	
Taproom Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD			
Taproom Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Merchandise	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
All Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Sales Returns (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Sales Discounts (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Net Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Grain , Hops , Yeast and Sanitizer	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Clothes	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Cost of goods sold (COGS)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Gross Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD			
Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650.00	\$ 650.00	\$ 650.00	\$ 583.33	\$ 583.33	\$ 583.33	\$ 1,250.00	\$ 4,949.99			
Payroll (incl. taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,985.00	\$ 2,985.00			
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Schlenner Wenner & Co. Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
SBA Loan Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
City of Monticello EDA (\$45,000 loan @ 2% for 10 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Attorney fees	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,593.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ 7,593.00			
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 350.00			
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Office supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
POS System - Accept Credit card	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
POS System - Fee per sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Internet	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Bank fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Total Expenses					\$ 1,000.00	\$ 700.00	\$ 700.00	\$ 2,293.00	\$ 5,633.33	\$ 633.33	\$ 633.33	\$ 4,285.00	\$ 15,877.99			
EBIT or earnings before interest and taxes					\$ (1,000.00)	\$ (700.00)	\$ (700.00)	\$ (2,293.00)	\$ (5,633.33)	\$ (633.33)	\$ (633.33)	\$ (4,285.00)	\$ (15,878)			
Interest Income (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0			
Income Before Income Taxes					0	0	0	-700	-2293	-5633.33	-633.33	-633.33	-4285	(14,178)		
Income Tax Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Net Income					\$0	\$0	(\$700)	(\$2,293)	(\$5,633)	(\$633)	(\$633)	(\$4,285)	(\$14,178)			

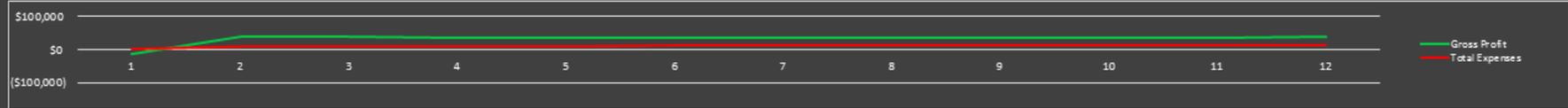
Profit and loss statement – 2018

2018

PROFIT AND LOSS STATEMENT Rustech Brewing Company

NET INCOME

\$242,378



Taproom Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Taproom , Growler and Keg Sales	(14,178)	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	40,000	400,822
Merchandise	0	625	656	656	656	656	656	656	656	656	875	1,000	7,750
All Sales	\$ (14,177.99)	\$ 38,125.00	\$ 38,156.25	\$ 38,375.00	\$ 41,000.00	\$ 408,572.01							
Sales Returns (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Discounts (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Sales	(14,178)	38,125	38,156	38,375	41,000	408,572							
Grain , Hops , Yeast and Sanitizer	0	750	750	1,000	1,000	1,250	1,500	1,500	1,500	1,500	1,500	1,500	13,750
Clothes	0	500	525	525	525	525	525	525	525	525	700	800	6,200
Cost of goods sold (COGS)	0	1,250	1,275	1,525	1,525	1,775	2,025	2,025	2,025	2,025	2,200	2,300	19,950
Gross Profit	(\$14,178)	\$36,875	\$36,881	\$36,631	\$36,631	\$36,381	\$36,131	\$36,131	\$36,131	\$36,131	\$36,175	\$38,700	\$388,622
Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Lease	\$ 583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 2,583.33	\$ 28,999.96
Payroll (incl. taxes) 2 employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,021.33	\$ 4,021.33	\$ 4,021.33	\$ 4,021.33	\$ 4,021.33	\$ 4,021.33	\$ 4,021.33	\$ 28,149.31
Depreciation	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 7,451.62
Utilities	\$ 150.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 3,758.00
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schlenner Wenner & Co. Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SBA Loan Payments	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 32,835.00
City of Monticello EDA (\$45,000 loan @ 2% for 10 years)	\$ -	\$ -	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 2,274.50
Attorney fees	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 5,500.00
Travel	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 495.00
Insurance	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 4,920.00
Advertising	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 916.63
Office supplies	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 229.13
Postage	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 45.87
POS System - Accept Credit card	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 385.00
POS System - Fee per sale	\$ (425.34)	\$ 1,143.75	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,144.69	\$ 1,151.25	\$ 1,230.00	\$ 12,257.16
Internet	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 458.37
Bank fees	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 137.50
Total Expenses	\$ 1,143.33	\$ 7,672.08	\$ 7,899.53	\$ 7,899.53	\$ 7,899.53	\$ 11,920.86	\$ 115,960.02						
EBIT or earnings before interest and taxes	\$ (15,321.32)	\$ 29,202.92	\$ 28,981.72	\$ 28,731.72	\$ 28,731.72	\$ 24,460.39	\$ 24,210.39	\$ 24,210.39	\$ 24,210.39	\$ 24,210.39	\$ 24,254.14	\$ 26,779.14	272,662
<i>Interest Income (Expense)</i>	<i>(100)</i>	<i>(105)</i>	<i>(110)</i>	<i>(116)</i>	<i>(122)</i>	<i>(128)</i>	<i>(134)</i>	<i>(134)</i>	<i>(134)</i>	<i>(134)</i>	<i>(134)</i>	<i>(134)</i>	<i>(1,484)</i>
Income Before Income Taxes	-15421.32	29097.92	28871.47	28615.96	28610.17	24332.76	24076.38	24076.38	24076.38	24076.38	24120.13	26645.13	271,178
<i>Income Tax Expense</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>2400</i>	<i>28,800</i>
Net Income	(\$17,821)	\$26,698	\$26,471	\$26,216	\$26,210	\$21,933	\$21,676	\$21,676	\$21,676	\$21,676	\$21,720	\$24,245	\$242,378

Profit and loss statement - 2019

2019												PROFIT AND LOSS STATEMENT		NET INCOME			
Rustech Brewing Company														\$366,889			
Taproom Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD				
Taproom Sales	37,500	37,500	37,500	37,500	37,500	50,000	50,000	50,000	50,000	50,000	50,000	50,000	537,500				
Cans or Bottle Sales (Start Canning/Bottling Jan 2019)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000				
Merchandise	625	700	700	700	700	700	700	700	700	725	800	900	8,650				
All Sales	\$ 50,625.00	\$ 50,700.00	\$ 50,700.00	\$ 50,700.00	\$ 50,700.00	\$ 63,200.00	\$ 63,200.00	\$ 63,200.00	\$ 63,200.00	\$ 63,225.00	\$ 63,300.00	\$ 63,400.00	\$ 696,150.00				
Sales Returns (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0				
Sales Discounts (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0				
Net Sales	50,625	50,700	50,700	50,700	50,700	63,200	63,200	63,200	63,200	63,225	63,300	63,400	696,150				
Grain , Yeast and Sanitizer	750	750	750	1,000	1,000	1,250	1,500	1,500	1,500	1,500	1,500	1,500	14,500				
Clothes	900	900	1,000	1,200	1,000	1,200	1,300	1,300	1,300	1,400	3,000	3,000	17,450				
Cost of goods sold (COGS)	1,650	1,650	1,750	2,200	2,000	2,450	2,700	2,800	2,850	2,900	4,500	4,500	31,950				
Gross Profit	\$48,975	\$49,050	\$48,950	\$48,500	\$48,700	\$60,750	\$60,500	\$60,400	\$60,350	\$60,325	\$58,800	\$58,900	\$664,200				
Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD				
Purchase Canning Line	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00				
Lease	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 2,643.33	\$ 31,719.96				
Payroll (incl. taxes) 4 employees	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 8,042.66	\$ 96,511.92				
Depreciation	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 677.42	\$ 8,129.04				
Utilities	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 328.00	\$ 3,936.00				
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Schlenner Wenner & Co. Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
SBA Loan Payments	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 2,985.00	\$ 35,820.00								
City of Monticello EDA (\$45,000 loan @ 2% for 10 years)	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 227.45	\$ 2,729.40				
Attorney fees	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00				
Travel	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 540.00				
Insurance	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 4,920.00				
Advertising	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 83.33	\$ 999.96				
Office supplies	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 20.83	\$ 249.96				
Postage	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 50.04				
POS System - Accept Credit card	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 420.00				
POS System - Fee per sale	\$ 1,518.75	\$ 1,521.00	\$ 1,521.00	\$ 1,521.00	\$ 1,521.00	\$ 1,896.00	\$ 1,896.00	\$ 1,896.00	\$ 1,896.00	\$ 1,896.75	\$ 1,899.00	\$ 1,902.00	\$ 20,884.50				
Internet	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 41.67	\$ 500.04				
Bank fees	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 150.00				
Total Expenses	\$ 16,002.19	\$ 16,002.19	\$ 16,002.19	\$ 16,002.19	\$ 91,002.19	\$ 16,002.19	\$ 267,026.28										
EBIT or earnings before interest and taxes	\$ 32,972.81	\$ 33,047.81	\$ 32,947.81	\$ 32,497.81	\$ (42,302.19)	\$ 44,747.81	\$ 44,497.81	\$ 44,397.81	\$ 44,347.81	\$ 44,322.81	\$ 42,797.81	\$ 42,897.81	\$ 397,174				
Interest Income (Expense)	(100)	(105)	(110)	(116)	(122)	(128)	(134)	(134)	(134)	(134)	(134)	(134)	(1,484)				
Income Before Income Taxes	32872.81	32942.81	32837.56	32382.05	-42423.74	44620.18	44363.8	44263.8	44213.8	44188.8	42663.8	42763.8	395,689				
Income Tax Expense	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	28,800				
Net Income	\$30,473	\$30,543	\$30,438	\$29,982	(\$44,824)	\$42,220	\$41,964	\$41,864	\$41,814	\$41,789	\$40,264	\$40,364	\$366,889				

Bill Burt Owner - Resume

Senior Software Engineer, Donaldson Company

January 2013 – Current

- Developing the next generation test application to be used in field applications using RFID technology. Radio-Frequency Identification (RFID) is the use of radio waves to read and capture information stored on a tag attached to filter.
- Developed LabVIEW application for fuel water ingestion bench that will be used onsite at Minnesota State University.
- Designed and developed Fuel additive bench application with LabVIEW Object-Oriented Programming.
- Developing Multipurpose Fuel Bench with Object-Oriented Programming. CAN Bus Communication to Unit under test.
- Developed Universal test system to accommodate future dust collection systems needing new test features utilizing TCP Protocol.
- Developed critical process control sequencer for Valves, pumps, VFD and other control equipment.
- Currently holding internal LabVIEW user group training sessions to train individuals looking to learn LabVIEW as a programming language.
- Developed PAMAS (API) driver with Web Service protocol - Simple Object Access Protocol (SOAP).

Brewery Software Automation Engineer | Certified LabVIEW Architect | Legendary Automation LLC

October 2016 – Current

- Software development for - PID critical process control for Valves, Pumps, VFD.
- Completed Software expansion package for Lupulin Brewing Company.
- Software temperature control of Fermentation tanks.
- Software development for Temperature and Pressure control of Bright-Serving Tanks.
- Developed Software control for transfer temperature control from Boil tank to Fermentation tanks.
- Developed software for Cold liquor level tank control.
- Complete software package for Brew control of HLT, Mash and Boil.
- Software development runs headless and wireless on any local PC.
- Tap Room Kiosk development.

Check List / Milestone

- Business Name Availability Check: **Completed**
- Business Registration: **In-Completed**
- Opening of Corporate Bank Accounts: **Completed 4/21**
- Securing Point of Sales (POS) Machines: **In-Completed**
- Opening Mobile Money Accounts: **In-Completed**
- Opening Online Payment Platforms: **In-Completed**
- Application and Obtaining Tax Payer's ID: **Completed**
- Application for business license and permit: **In-Completed**
- Purchase of Insurance for the Business: **In-Process**
- Renting of facility and remodeling the facility: **In-Process**
- Conducting Feasibility Studies: **In-Completed**
- Generating capital from family members: **In-Completed**
- Applications for Loan from the bank: **Completed**
- Writing of Business Plan: **Ongoing**
- Drafting of Employee's Handbook: **In-Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In-Completed**
- Design of The Company's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In-Completed**
- Recruitment of employees: **In-Process**
- Purchase of the Needed furniture, electronic appliances, office appliances and micro brewing equipment: **In-Completed**
- Creating Official Website for the Company: **Completed**
 - <http://rustechbrewing.com/>
- Creating Awareness for the business both online and around the airport facility: **In-Completed**
- Health and Safety and Fire Safety Arrangement (License): **In-Completed**
- Opening party / launching party planning: **In-Completed**
- Compilation of our list of products and detailed recipe: **In-Completed**
- Establishing business relationship with vendors – suppliers of all our needed raw materials: **In-Completed**

EXHIBIT B

Summary of Terms

(See attached)

RUSTECH BREWING COMPANY

CONFIDENTIAL TERM SHEET

The following is a summary of the basic terms and conditions of a proposed offering (the "Offering") of up to \$200,000 by Rustech Brewing Company LLC, a Minnesota limited liability company (the "**Company**"), to certain qualified investors.

THIS TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND IS NOT BINDING ON THE COMPANY OR THE PROSPECTIVE INVESTORS. NEITHER THE COMPANY NOR ANY PROSPECTIVE INVESTORS SHALL BE OBLIGATED TO CONSUMMATE AN INVESTMENT UNTIL APPROPRIATE DOCUMENTATION HAS BEEN PROVIDED TO PROSPECTIVE INVESTORS.

Company	Rustech Brewing Company LLC, a Minnesota limited liability company
Securities Offered:	Up to 200,000 of Common Membership Units (the "Units")(an aggregate of \$200,000)
Offering Price:	\$1.00 per Unit
Minimum Investment per Investor:	\$2,500 for 2,500 Units
Maximum Investment per Investor:	Non-accredited investors: \$10,000 for 10,000 Units Accredited investors: no limit
Minimum Offering Amount:	\$50,000 for an aggregate of 50,000 Units
Maximum Offering Amount:	\$200,000 for an aggregate of 200,000 Units
Pre-Money Valuation:	\$500,000
Capital Structure:	The Company has three series of Common Units: Series A Units, Series B Units and Series C Units. The Series A Units are being offered to investors pursuant to this offering.

The Series B Units have been issued to Bill Burt (the "Founder" or "Series B Member") at a discount per Series B Unit consideration for his efforts in founding the Company and for guaranteeing certain loans made to the Company. As such, the Series B Member will not make any initial capital contributions to the Company beyond the amounts designate below.

The Series C Units may be issued to employees of the company at a later date in the form of "profits interests."

As of the date of this Investor Package, the Series B Member owns 100% of the Company.

Following the completion of this Offering, and assuming we receive

subscriptions for the minimum of 50,000 Series A Units (which we do not guarantee), the capital structure of the Company will be as follows:

Member	Series A Units	Series B Units	Series C Units	Ownership %	Investment
Series A Members	50,000	-	-	10%	\$50,000
Series B Member	-	450,000	-	90%	\$15,000
Series C Members	-	-	0	0%	\$0

Following the completion of this Offering, and assuming we receive subscriptions for all 200,000 Series A Units (which we do not guarantee), the capital structure of the Company will be as follows:

Member	Series A Units	Series B Units	Series C Units	Ownership %	Investment
Series A Members	200,000	-	-	31%	\$200,000
Series B Member	-	450,000	-	69%	\$15,000
Series C Members	-	-	0	0%	\$0

Corporate Governance:

The Company will be managed by a Board of Governors (the “**Board**”), and the day-to-day operations of the Company will be performed by the Founder and any other officers appointed by the Board.

The Board will initially be comprised of two (2) governors, elected by the Series B Member. Once open, the Series A unitholders will elect the third Board governor.

The Board will appoint officers to perform all day-to-day operations of the Company. It is anticipated that the Founder will serve as the sole officer, initially.

All “Major Decisions” involving the Company will require the approval of a majority of the Board of Directors of the Company. See the Company’s Operating Agreement, attached as Exhibit D.

Initial officers for the Company are as follows:

NAME	TITLE
Bill Burt	CEO

Series A Units:

Capital Interest

Each Series A Member will have an initial capital account balance equal to such Series A Member’s initial capital contribution. For example, if a Series A Member makes a \$20,000 investment in the Company, the Series A Member will have an initial capital account balance equal to \$20,000.

<i>Ownership Interest</i>	The Series A Members, as a group, will be purchasing up to 39% of all Units, depending on the total number of Series A Units sold in this Offering. Each Series A Member's pro rata percentage of Units, and therefore distributions, when and if authorized by the Board, will be calculated by dividing such Series A Member's total Units owned by the total Units outstanding. For example, assuming 50,000 Series A Units are sold, an investor who makes a \$5,000 investment in the Company will receive 1.0% of the ownership interest in the Company.
<i>Voting Interest</i>	The Series A Members shall have the right to vote on matters that must be submitted to the Series A Members for their approval pursuant to the Minnesota Revised Uniform Limited Liability Company Act, Chapter 322C of the Minnesota Statutes (for example, a merger or conversion of the Company).
<i>Investor Perks</i>	In consideration for their investment, investors at the following amounts shall receive: <ul style="list-style-type: none"> • \$2,500: one growler per month • \$5,000: one growler per month + one free pint each visit • \$7,500: two growlers per month + two free pints each visit • \$10,000 two growlers per month + two free pints each visit + a seasonal beer named after the investor
Use of Proceeds:	The Company intends to use the proceeds from the offering to open a new brewing facility and tap room, to pay expenses incurred with the Offering (e.g., legal, accounting, marketing and advertising, and service fees for our funding portal, etc), to purchase equipment and for general working capital purposes, all as further described in greater detail in the Investor Overview.
Debt:	The Company intends to have two outstanding lines of credit: 1) an SBA loan in the amount of \$260,000, and 2) an Economic Develop Authority loan in the amount of \$75,000. The Company has received non-binding term sheets for both prospective loans. If the Company does not receive either loan, it may not be able to open the brewery.
Operating Agreement:	Prior to the closing of any sale of any Units the Company will provide prospective investors with a copy of its Operating Agreement, which will incorporate the terms described herein in all material respects. In order to invest in the Company, you will be required to sign the Operating Agreement, which is attached hereto as <u>Exhibit D</u> .
Restrictions on Purchase:	Investors must be residents of Minnesota.
Restrictions on	We will be offering the Units pursuant to certain exemptions from the

Transfer: registration requirements of the Securities Act and applicable state securities laws. Therefore, the Units will not be registered with the SEC, and will be deemed “restricted securities” under the Securities Act. **You will not be able to re-sell or transfer your Units except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom.**

In addition, any transfer of Units will need to comply with the transfer restrictions that will be contained in the Company’s Operating Agreement. The Operating Agreement will include additional detail on these transfer restrictions.

Terms of the Offering: All funds received from investors will be held in an escrow account at Sunrise Banks in St. Paul, Minnesota until such time as we have received subscriptions for 50,000 Series A Units (an aggregate amount of \$50,000) or until the earlier expiration or termination of the Offering. Once we have reached this minimum threshold, we may begin using proceeds received from those investors.

We may terminate the Offering at any time. If not terminated by the Company on an earlier date, the Offering will terminate on July 21, 2018. In no case will the Offering close more than one (1) calendar year after the Offering Date. If the Offering is terminated, all subscriber funds then held in the escrow bank account will be returned to such subscribers.

Litigation: Neither the Company, nor its Managers, Board of Governors, or members have any pending material litigation, legal proceedings, or regulatory actions.

Exit Strategy: The Company intends to generate and distribute profits to investors in order pay back initial capital contributions. The Company may seek a liquidity event in the future.

Tax Considerations: The Company will be treated as a partnership for federal income tax purposes. To the extent the Company has net profits for any fiscal year, each member will be taxed on such Member’s allocative share of those profits, even though the amount of cash distributed to such member may be less than the resulting tax liability. Company profits and losses will be allocated to the Members as set forth in the Operating Agreement. The Company intends to make annual distributions to the Members to cover their estimated individual tax liability relating to their allocative taxable share of Company profits (“**Tax Distributions**”). However, the Company will not make Tax Distributions if (a) the majority of the Board determines that doing so would not be commercially reasonable or would render the Company insolvent, (b) the Tax Distributions would otherwise be prohibited by the Company’s loan agreements with lenders, or (c) with respect to an individual Member, aggregate Company losses that were previously allocated to that Member exceed aggregate Company profits allocated to that Member. In short, there are several circumstances in which you will not receive a Tax Distribution that covers your individual tax liability; therefore, **you may be required to come “out of pocket” to**

pay taxes on your allocative share of Company profits.

In addition, all Tax Distributions received by Members will count towards the repayment of their capital contributions.

To the extent that the Company has net losses for any fiscal year, a Member may be limited in his, her, or its ability to deduct those losses if the Member has insufficient basis, the Member is limited by the passive loss rules, or if any expenses are “syndication expenses.” Furthermore, it is possible that a Member may be subject to alternative minimum tax on the Member’s allocative share of Company profits. Distributions, including Tax Distributions, may be taxed as capital gains or ordinary income.

Due to the complexity of an investment in Units, prospective Members are advised to contact their tax advisors with regard to tax consequences arising from investing in the Company.

ANY FUTURE ISSUANCE OF SECURITIES MAY DILUTE THE VALUE OF THE SECURITIES BEING OFFERED HEREIN.

EXHIBIT C

Risk Factors

(See attached)

EXHIBIT C

RISK FACTORS

Investing in the Company involves a high degree of risk. You should carefully consider the risks described below and all of the other information set forth in the Investor Package before deciding to invest in our Series A Units. If any of the events or developments described below occurs, our business, financial condition or results of operations could be negatively affected. In that case, the value of your Series A Units could decline and you could lose all of your investment.

General Risk Factors

Rustech Brewing Company LLC has no operating history. The Company was formed under the laws of the State of Minnesota on April 13, 2017, and has no operating and financial history upon which you may evaluate our current business and future prospects. A number of uncertainties exist that could have an impact on our future operating results, including general economic conditions, relevant market attitude toward our products, market entry of competitors and numerous other competitive factors. Prospective investors should not use historical, industry or other trends to anticipate our results in future periods. Moreover, there is no assurance that we will achieve our business plans. Our prospects, therefore, must be considered in light of the risks, expenses and difficulties frequently encountered in establishing a new business in the highly competitive craft beer industry.

Limited infrastructure. We do not presently own the equipment needed to brew, bottle, package, or distribute our beers to the extent described in this Investor Package. Nor do we presently own or lease the space where we will produce our beer to the scale described in this Investor Package. If we are unable to purchase the necessary equipment and/or complete any necessary renovations to our prospective brewery location in Monticello, MN, it would likely have a material adverse impact on our financial condition, results of operations and cash flows.

Growth will be challenging. If the Company is successful in implementing its business plans, including opening and operating a new brewery facility and tap room, we may experience a period of significant growth that could place a significant strain upon our managerial, financial and operational resources. If we are unable to manage our anticipated growth effectively, our business, results of operations and financial condition may suffer, our management will be less effective and our revenues, product development efforts and results of operations may suffer.

Our business may not develop as we expect. As with any development stage company, there is a risk that our business will not develop as expected. The Company's beers may be subject to competitive pressures and/or may not find market acceptance. Costs may be greater than anticipated and revenues may be lower. Additional financing may be required and it may not be available to us or may be available only on terms that disadvantage the Series A Unit holders.

Competitive nature of the craft beer industry. The Company faces intense competition in the craft beer industry. There are approximately 130 licensed breweries in Minnesota. The Company's beers will compete primarily with beers produced by other local craft brewers and foreign brewers and, to a lesser extent, national domestic brewers. A significant portion of the craft beer market is comprised of consumers seeking new and exciting tastes, flavors and experiences. As the Company's brands mature, it may become more difficult to sell these brands to this portion of the craft beer market. Other craft brewers with whom the Company competes may offer beers

that these consumers perceive to be newer, more exciting, and unique, and therefore preferable. These factors could lead to declining sales. Such events would cause future sales, results of operations and cash flows to be adversely affected.

We may experience fluctuations in revenue. Our net revenues and operating results may be subject to significant fluctuation and these fluctuations may impair our business. We believe that our future net revenues and operating results, both annually and quarterly, may be subject to significant fluctuations due to a variety of factors, many of which are beyond our control. These factors may include:

- the success of the Company's efforts and its distributors' efforts to expand the Company's presence in an increasingly crowded marketplace of craft breweries in the Twin Cities and greater Minnesota markets;
- the success of the Company's ability to attract craft beer drinkers to its taproom, where we can charge retail price for our beer;
- legislation that may hinder our ability to sell our beer;
- introduction of new beer styles by our competitors;
- costs of our marketing efforts to build our brand;
- patterns of growth in the consumption of craft beer; and
- general economic conditions.

Additional Financing. We are hopeful that we will be able to close on additional funding from outside sources, including bank financing with or without the Small Business Association ("SBA"). These outside funds will make it possible for us to execute our business plans. Our business plans are dependent upon us obtaining a minimum of approximately \$50,000 of financing in connection with this Offering, and to be used to purchase (or otherwise lease) equipment for our brewery facility and tap room. If we are unable to obtain acceptable financing, it is unlikely that we would be able to move forward with our business plans without scaling back on certain capital investments, which may be done at the discretion of the officers. Under such circumstances, we may need to terminate this Offering at the discretion of the officers.

We have identified a property to house our taproom and brewing operations. While we have signed a lease for a property, we may face opposition from cities, city councils, or city planning commissions regarding zoning and use of the property. You should not purchase Series A Units unless you are willing to entrust the Founders with respect to property-related decisions.

The determination of the offering price may not reflect the value of the Company. The offering price for the Series A Units has been determined by the Founders based on a number of factors, including their view of the prospects for the business, construction costs relating to the Company's planned tap room and brewery facility, and general working capital requirements. The offering price is not related to our assets, historical earnings, or other commonly established criteria of value. Our Founders paid a substantially reduced amount for the acquisition of their interests in the Company in this offering. Prospective investors must rely on their own business and investment background and their own investigation of the business and affairs of the Company in determining whether to invest in the Series A Units. We make no representation as to the value of the Series A Units, and there can be no assurance that you will be able to sell the Series A Units at any price.

There may be no market for the Company's Series A Units. The Company's Operating Agreement contains restrictions on the transfer of Series A Units. In addition, federal and state securities laws restrict the transferability of the Series A Units. It may be difficult or impossible for an investor to liquidate his, her or its investment when desired. Therefore, investors will be required to bear the economic risks of their investment for an indefinite period of time.

We may need additional capital in the future. We believe that the gross proceeds of this Offering, together with our other financing sources, will be sufficient to finance the build out of the brewery facility and tap room and to provide working capital to operate the business to the point we anticipate operating revenue being sufficient for the Company to be profitable. Our current assumptions and expectations are reflected in the financial projections included in the Investor Overview. If our expectations regarding (a) the Company's revenues and operating expenses and/or (b) the build out costs for our new brewing facility and tap room are other than as projected, we may require additional capital. The timing and amount of any such capital requirements cannot be predicted at this time. There can be no assurance that any such financing will be available, or available on terms acceptable to the Company. If financing is not available on satisfactory terms, we may be unable to develop the Company's business as projected or begin operation.

We have no established relationships with key vendors and suppliers, whose failure to perform could force us to abandon our business, hinder our ability to operate profitably or decrease the value of the Series A Units. We intend to use multiple vendors and suppliers for the raw ingredients and other materials involved in the production and distribution of our beer. There can be no assurance that these vendors and suppliers will continue to meet our demands, especially if our business grows as projected. Furthermore, there can be no assurance that we will be able to reach terms acceptable to us with each vendor and supplier. If we are unable to access the raw ingredients necessary to produce our beer, we may experience substantial delays in production, which could have a material adverse effect on our projected revenues.

Distribution of our beers. We plan to self-distribute our beers in Greater Minnesota markets for at least the first several years of operations until we engage a distributor for these other territories. We cannot guarantee we will ever sell our distribution rights for a profit to a distributor. The success of our distribution strategy is contingent upon the development of relationships with bars, restaurants, liquor stores, and other retailers. If we are not successful in contracting with a sufficient number of retailers to stock our product, then our revenues and brand development may suffer. Alternatively, our plans to self-distribute may limit our growth if we are unable to regularly deliver sufficient volume to retailers, and we may face challenges with managing a network of retailers that could result in unanticipated costs. If production and demand for our beer outpaces our distribution capacity, we may need to contract with one or more distributors, creating a risk that we will be unable to find the appropriate distribution partner(s) and/or negotiate favorable terms for the distribution and marketing of our products.

When the Company decides to appoint one or more distributors, it will enter into exclusive agreements for their respective territories. The Company will rely heavily on such distributors to market, promote, and sell the Company's products to retail accounts in their territories. These distributors will likely carry several competing product lines from other breweries, and there is no guarantee that these distributors will use the same efforts (financial or otherwise) to market, promote, and sell the Company's products as they will with other competing product lines. It is exceedingly difficult to terminate distribution agreements, presenting a high price for any problems that may arise in the future between the Company and any of its future distributors.

The Founders will effectively control the Company. The Founders own 100% of the Company's Founders Units and presently holds a majority of the voting power of the Company with respect to all matters that are required to be submitted to the Unit holders for their approval.

The loss of any of the Founders would seriously impair our ability to implement our strategy. For the foreseeable future, we will be dependent upon the services of our Founders. The loss of the services of any of the Founders would have a material and adverse effect on our operations and ability to achieve our business plans. Similarly, a disagreement between the Founders could lead to a deadlock situation in company governance.

Regulatory approvals. Federal, state and local laws and regulations govern the production and distribution of beer, including permitting, licensing, trade practices, labeling, advertising and marketing, distributor relationships and various other matters. A variety of federal, state and local governmental authorities also levy various taxes, license fees and other similar charges and may require bonds to ensure compliance with applicable laws and regulations. We have not obtained the licenses and permits necessary to support our operations. We will not be able to begin production or sale of beer at our new brewery facility and tap room until we have obtained the required Federal, state, county (if applicable), and city (if applicable) licenses and permits for our planned activities. There is no guarantee that we will be able to obtain all of the required permits. Certain actions undertaken by the Company may cause the Alcohol and Tobacco Tax and Trade Bureau or any particular state or jurisdiction to revoke its license or permit, restricting the Company's ability to conduct business. One or more regulatory authorities could determine that the Company has not complied with applicable licensing or permitting regulations or has not maintained the approvals necessary for the Company to conduct business within its jurisdiction. If licenses, permits or approvals necessary for any of our operations were unavailable or unduly delayed, or if any permits or licenses that we hold were to be revoked, our ability to conduct business may be disrupted, which would have a material adverse effect on the Company's financial condition, results of operations and cash flows.

Our failure to obtain adequate trademark and trade name protection may adversely affect our ability to compete. The Company does not yet, but intends to, use certain brand names and/or trademarks for our individual beer styles and product lines. We have not yet pursued trademark protection for any of the above. There can be no assurance that we will ultimately be able to obtain a federal trademark registration for any of these names, or that our use of these marks will not infringe upon the rights of other companies using similar marks or that other companies will not infringe upon our rights. There can be no assurance that we would be successful in any suit challenging our use of our trademark or preventing any other business from using similar trade names and trademarks. Enforcing and protecting intellectual property rights can be expensive and time consuming, even if the outcome is in our favor.

We may not have sufficient capital to protect our proprietary information. There can be no assurance that third parties will not assert intellectual property claims against us with respect to our existing or future products or future trademarks. We could incur substantial costs in redesigning our brands, recipes and products or in defending any legal action taken against us. Should our products be found to infringe the intellectual property rights of others, we could be enjoined from selling our products subject to such rights, required to pay royalties under a license or required to pay damages to the infringed party. An unfavorable decision or a significant settlement in any intellectual property lawsuit could have a material adverse effect on our financial condition and result of operations.

Excise Taxes. An increase in excise taxes could adversely affect our financial condition and results of operations. Federal and state legislators routinely consider various proposals to impose additional excise taxes on the production of alcoholic beverages, including beer. Due in part to the prolonged economic recession and the follow-on effect on state budgets, a number of states are proposing legislation that would lead to significant increases in the excise tax rate on alcoholic beverages for their states. Any such increases in excise taxes, if enacted, would adversely affect our financial condition, results of operations, and cash flows.

Third-Party Litigation. The Company's activities subject it to the typical risks of breweries becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Company and would reduce its net assets. We may not be able to pay to defend ourselves. It is anticipated that the Board of Directors and officers of the Company and others will be indemnified by the Company in connection with such litigation, subject to certain conditions. There is no ongoing litigation at this time.

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EXHIBIT D

**Articles of Organization
Form of Operating Agreement**

(See attached)

Office of the Minnesota Secretary of State Certificate of Organization

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name: RUSTECH BREWING COMPANY LLC

File Number: 945910300020

Minnesota Statutes, Chapter: 322C

This certificate has been issued on: 04/13/2017



Steve Simon
Secretary of State
State of Minnesota

Office of the Minnesota Secretary of State
Minnesota Limited Liability Company/Articles of Organization
Minnesota Statutes, Chapter 322C



The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Organization:

ARTICLE 1 - LIMITED LIABILITY COMPANY NAME:
RUSTECH BREWING COMPANY LLC

ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:

Name	Address:
LEGALINC CORPORATE SERVICES INC	3800 AMERICAN BLVD W STE 1500 #300-030 BLOOMINGTON MN 55431 USA

ARTICLE 3 - DURATION: PERPETUAL

ARTICLE 4 - ORGANIZERS:

Name:	Address:
MARSHA SIHA	17350 STATE HWY 249 STE 220 HOUSTON TX 77064 United States

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

SIGNED BY: MARSHA SIHA

MAILING ADDRESS: None Provided

EMAIL FOR OFFICIAL NOTICES: EFILE1234@INCFILE.COM



Work Item 945910300020
Original File Number 945910300020

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
04/13/2017 11:59 PM

Steve Simon

Steve Simon
Secretary of State

OPERATING AGREEMENT

Rustech Brewing Company LLC

THE MEMBERSHIP INTEREST UNITS REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE. THE UNITS HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, ASSIGNED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS THE HOLDER SHALL HAVE OBTAINED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THE UNITS ARE SUBJECT TO FURTHER RESTRICTION AS TO THEIR SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR ASSIGNMENT AS SET FORTH IN THIS AGREEMENT.

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OPERATING AGREEMENT

RUSTECH BREWING COMPANY LLC

This Operating Agreement (this “*Agreement*”) is dated July 21, 2017, and is between Rustech Brewing Company LLC, a Minnesota limited liability company (the “*Company*”), and the Persons who are identified on attached Exhibit A (as such Exhibit may be amended or supplemented from time to time as provided herein) as the members of the Company (collectively, the “*Members*”).

Background:

- A. The Members constitute all of the current members of the Company.
- B. The Minnesota Act authorizes the adoption of a written agreement among members concerning the business and affairs of a limited liability company.
- C. The Members and the Company desire to enter into such an agreement.

NOW, THEREFORE, the Members and the Company hereby agree as follows:

ARTICLE 1 DEFINED TERMS

For purposes of this Agreement and all Exhibits and Schedules attached hereto, the capitalized terms shall have the meanings set forth on attached Exhibit B.

ARTICLE 2 FORMATION AND ORGANIZATION

2.1. Name. The Company shall have the name set forth above in the Preamble or such other name or names as the Board may from time to time designate. The Company’s activities shall be conducted under the name of the Company.

2.2. Purpose and Powers. The purpose of the Company is to own and operate a production brewery and tap room and to engage in any lawful business permitted by the Minnesota Act.

2.3. No State Law Partnership. No provisions of this Agreement shall be deemed or construed to constitute the Company being a partnership (including, without limitation, a limited partnership or a joint venture) for any purpose other than for federal, state, and local income tax purposes.

ARTICLE 3 MANAGEMENT

3.1. General Management. The Company shall be managed by the Board, and the day-to-day operations of the Company shall be the responsibility of those officers appointed by the Board. The Board may appoint managers as officers.

3.2. Board of Managers. The Company's Board shall consist of the number of persons, and shall be elected, as provided below:

3.2.1. Election of Managers. Until the opening of the Brewery, two (2) Series B Managers elected by the holders of a majority of the Series B Founder Units (the "**Series B Managers**") shall serve as the sole members of the Board. Promptly following the opening of the Brewery (and in no event later than thirty (30) days following such opening), the Board shall be expanded to include three (3) individuals total, elected as follows: (a) the Series B Managers will serve as two (2) managers of the Board; and (b) the Series A Members, voting as a group, will elect the remaining one (1) manager (the "**Series A Manager**") by a plurality vote. At a Member meeting, each Series A Member in attendance (or voting by proxy or written ballot) shall be entitled to cast one (1) vote per Series A Unit for one (1) Board seat to be held by a Series A Manager. The one (1) Series A Manager candidate who receives the most votes shall be elected as the Series A Manager. Each Series A Manager may only be removed from office by the affirmative vote of those Series A Members who hold a majority of the Series A Units held by all Series A Members.

3.2.2. Action of Managers.

- (a) **Routine Items.** All managers shall have one (1) vote for all matters that come before the Board. Every reference in this Agreement, or the Minnesota Act to a majority or other proportion of the managers shall be deemed to refer to a majority or other proportion of the voting power of the managers as provided in this Section 3.2. Except as set forth in paragraph (b) below, any action of the Board shall require a majority vote of the managers.
- (b) **Major Decisions.** Notwithstanding paragraph (a) above, any of the following actions shall require the approval of three (3) of the three (3) managers (collectively, the "**Major Decisions**"):
- (1) Merge or consolidate the Company with or into any other person or entity;
 - (2) Sell or otherwise dispose of substantially all of the Company's assets;
 - (3) Change or reorganize the Company into any other legal form;
 - (4) Liquidate or dissolve the Company, except as expressly contemplated by this Agreement;
 - (5) (i) File any voluntary petition in bankruptcy on behalf of the Company, (ii) consent to the filing of any involuntary petition in bankruptcy against the Company, (iii) file any petition seeking, or

consenting to, reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency with respect to the Company, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (v) make any assignment for the benefit of creditors of the Company, (vi) admit in writing the inability of the Company to pay its debts generally as they come due, or (vii) take any action on behalf of the Company in furtherance of any such action;

- (6) Establish a new class of Members or equity that would dilute the economic rights of the Series A Members;
- (7) Approve any material expansion of the Brewery that is reasonably estimated to cost more than \$100,000;
- (8) Relocate the Brewery or open a new or additional brewing facility;
- (9) Borrow any funds in excess of \$250,000 or refinance any debt of the Company, except that the Company may borrow funds under credit facilities that were previously approved by the Board under this Section, but only to the extent that such borrowings are in the ordinary course of business; or
- (10) Approve an increase in the Officer Compensation paid to the Chief Executive Officer or Chief Operations Officer to an amount in excess of the amounts set forth in Section 3.3.2.
- (11) Appoint or terminate a distributor of the Company's beverages.

3.3. Officers.

3.3.1. Responsibilities. The day-to-day operations of the Company shall be the responsibility of those Officers appointed by the Board. The Board may appoint managers as Officers.

- (a) **Duties and Powers of the Chief Executive Officer.** Subject to the control of the Board, the Chief Executive Officer shall have general and active management authority over the business of the Company and shall see that all orders and resolutions of the Members and Board are carried into effect. He or she shall have the general powers and duties of management usually vested in the chief executive officer of a corporation, and shall have such other powers and duties as may be prescribed by the Board or this Agreement. The Chief Executive Officer may execute bonds, mortgages and other contracts, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some

other officer or agent of the Company. If there is no officer performing the tasks of Chief Financial Officer, the Chief Executive Officer perform those tasks and/or delegate responsibility for the performance of those tasks. The initial Chief Executive Officer shall be William Burt.

- (b) **Duties and Powers of the Chief Operations Officer.** Unless otherwise provided by resolution of the Board, the Chief Operations Officer shall be responsible for the administrative and manufacturing operations of the Company as directed by the Chief Executive Officer. The Chief Operations Officer also shall have the power to execute bonds, mortgages and other contracts binding the Company, except where the signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company. The initial Chief Operations Officer shall be Penny Burt.

3.3.2. Officer Compensation.

- (a) **Initial Compensation.** The Officers shall each receive an initial base compensation as set by the Board (with respect to each Officer, “*Officer Compensation*”).
- (b) **Increases to Officer Compensation.** From time to time, if commercially reasonable and without rendering the Company insolvent, the Board may increase the Officer Compensation for the Chief Executive Officer and/or the Chief Operations Officer to reflect current market rates; provided, however, that any increase in Officer Compensation that is in excess of 10% of the prior year’s Officer Compensation shall be a Major Decision subject to Section 3.2.2(b).

ARTICLE 4

MEMBERSHIP INTERESTS; UNITS; ADMINISTRATIVE MATTERS

4.1. General. A Member’s membership interest (“*Membership Interest*”) in the Company constitutes a Member’s financial and governance rights in the Company, as such terms are defined by the Minnesota Act, in each case subject to the provisions of this Agreement and the Minnesota Act. Membership Interests shall be represented by “*Units*.” The Membership Interests of the Company are divided into three (3) series: (i) Series A Units, (ii) Series B Founder Units, and (iii) Series C Performance Units. The Company has issued to each Member the number and series of Units set forth opposite the Member’s name on attached Exhibit A.

4.2. Terms of Units. The Units shall have the rights and preferences set forth below.

4.2.1. Series A Units.

- (a) **Governance Rights.** Except for the voting rights with respect to the election of Series A Managers pursuant to Section 3.2.1, the holder of

each Series A Unit shall have no voting or governance rights whatsoever, except as required by the Minnesota Act.

- (b) **Financial Rights.** The holder of each Series A Unit shall be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof.

4.2.2. Series B Founder Units.

- (a) **Governance Rights.** Except for the voting rights with respect to the election of Series B Managers pursuant to Section 3.2.1, the holder of each Series B Founder Unit shall have no voting or governance rights whatsoever, except as required by the Minnesota Act.
- (b) **Financial Rights.** The holder of each Series B Founder Unit shall be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof.

4.2.3. Series C Performance Units.

- (a) **Governance Rights.** If the Company issues any Series C Performance Units, they will have no voting or governance rights whatsoever, except as required by the Minnesota Act.
- (b) **Financial Rights.** The holder of each Series C Performance Unit, if any, would be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof.
- (c) **Profits Interest Only.** The Series C Members will not make Capital Contributions to the Company. If issued, the Series C Performance Units will be treated as *“Profits Interests”* under Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001 2 C.B. 191 and the provisions of this Agreement will be interpreted and applied consistently therewith. The issuance of Series C Performance Units to the Series C Members will be intended to be treated as a non-taxable transaction for income tax purposes under Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001 2 C.B. 191. The Company and each Service Provider who receive Series C Performance Units hereby agree to comply with the provisions of Rev. Proc. 2001-43, and neither the Company nor any Service Provider who receive Series C Performance Units shall perform any act or take any position inconsistent with the application of Rev. Proc. 2001-43 or any future Internal Revenue Service guidance or other governmental authority that supplements or supersedes the foregoing Revenue Procedures.
- (d) Subject to this Section 4.2.3, the Company is hereby authorized to issue Series C Performance Units to Managers, Officers, employees, consultants or other *“Service Providers”*. As of the date hereof, no Series C

Performance Units are issued and outstanding. The Board is hereby authorized to adopt a written plan pursuant to which Series C Performance Units may be granted in compliance with Rule 701 of the Securities Act or another applicable exemption (such plan as in effect from time to time, the ***“Incentive Plan”***). In connection with the adoption of the Incentive Plan and issuance of Series C Performance Units, the Board is hereby authorized to negotiate and enter into award agreements with each Service Provider to whom it grants Series C Performance Units (such agreements, ***“Award Agreements”***). Each Award Agreement shall include such terms, conditions, rights and obligations as may be determined by the Board, in its sole discretion, consistent with the terms herein.

- (e) Notwithstanding anything contained herein to the contrary, the number of Series C Performance Units that the Company may issue pursuant to the Incentive Plan, when combined with any Restricted Series C Performance Units and any Unrestricted Series C Performance Units already issued and outstanding, shall not exceed 20% of the aggregate total of Units and common units outstanding on a Fully Diluted Basis as of the date of the proposed grant.
- (f) The Board shall establish such vesting criteria for the Series C Performance Units as it determines in its discretion and shall include such vesting criteria in the Incentive Plan and/or the applicable Award Agreement for any grant of Series C Performance Units.
- (g) Immediately prior to each issuance of Series C Performance Units, the Board shall determine in good faith the Incentive Liquidation Value. In each Award Agreement that the Company enters into with a Service Provider for the issuance of new Series C Performance Units, the Board shall include an appropriate Profits Interest Hurdle for such Series C Performance Units on the basis of the Incentive Liquidation Value immediately prior to the issuance of such Series C Performance Units.
- (h) Series C Performance Units shall receive the following tax treatment:
 - (1) the Company and each Service Provider who receives Series C Performance Units shall treat such Service Provider as the owner of such Series C Performance Units from the date of their receipt, and the Service Provider receiving such Series C Performance Units shall take into account his distributive share of Net Income, Net Loss, gain, loss and deduction associated with the Series C Performance Units in computing such Service Provider's income tax liability for the entire period during which such Service Provider holds the Series C Performance Units.
 - (2) in accordance with the finally promulgated successor rules to Proposed Regulations § 1.83-3(1) and IRS Notice 2005-43, each

Member, by executing this Agreement, authorizes and directs the Company to elect a safe harbor under which the fair market value of any Series C Performance Units issued after the effective date of such Proposed Regulations (or other guidance) will be treated as equal to the liquidation value (within the meaning of the Proposed Regulations or successor rules) of the Series C Performance Units as of the date of issuance of such Series C Performance Units. In the event that the Company makes a safe harbor election as described in the preceding sentence, each Member hereby agrees to comply with all safe harbor requirements with respect to Transfers of Units while the safe harbor election remains effective.

4.3. Limited Preemptive Rights. The following provisions shall only apply after the opening of the Brewery to the general public:

- 4.3.1. General.** Prior to the issuance of any new Series A Units (the “*New Units*”), each Series A Member shall have the right to purchase its Preemptive Rights Percentage of the New Units being issued or sold, subject to the procedures outlined below.
- 4.3.2. Procedure.** The Company shall provide written notice (the “*New Unit Notice*”) to each Series A Member before offering to sell any New Units, which notice shall set forth in reasonable detail the proposed terms and conditions of such issuance, and shall offer to each Series A Member the opportunity to purchase his, her, or its Preemptive Rights Percentage of the New Units on the terms specified in the notice. If any Series A Member wishes to exercise his, her, or its preemptive right, the Series A Member may do so by delivering written notice to the Company within thirty (30) days after receiving the New Unit Notice (such 30-day period is referred to as the “*Election Period*”). The Series A Member’s notice shall state the dollar amount of New Units that the Series A Member would like to purchase, which may be equal to or less than its Preemptive Rights Percentage of the New Units. The Company will have the ability to reject any such purchase by a Series A Member if (a) the Company abandons the proposed offering in its entirety, and (b) the Company does not initiate another Units offering within ninety (90) days of the date the first notice was given.
- 4.3.3. Issuance of New Units to Existing Series A Members or Third Parties.** The Company shall have the right to issue and sell all or any of the New Units not subscribed for pursuant to the procedures described in Section 4.3.2 to any Person approved by the Board, so long as (a) such sale is consummated within ninety (90) days following the conclusion of the Election Period, and (b) the terms and conditions of such offering and sale are the same as those provided to the Series A Members under Section 4.3.2.
- 4.3.4. Accelerated Offerings.** The Series A Members acknowledge that under certain circumstances, the Company may require capital on an accelerated basis such

that the full preemptive right process described above cannot be completed in a timely manner. In such case, notwithstanding anything to the contrary in this Section 4.3, the Company may work with some, rather than all, of the Series A Members to raise the required funds in the required timeframe, so long as the Company makes the same investment opportunity available to all other Series A Members who were not offered the opportunity in connection with the closing of the initial offering. The Company may elect to make such same investment opportunity available to such other Series A Members either by requiring the initial subscribers to sell down a portion of their investment, by issuing additional Units, or a combination of the foregoing. If the Company elects to fulfill its obligation under the preceding sentence by issuing additional Units to those Series A Members that were not given the opportunity to participate in the original offering, the Units issued by the Company will not trigger preemptive rights with respect to the issuance thereof so long as the issuance is in satisfaction of the obligations under this Section.

4.3.5. Limitation on Preemptive Rights. Notwithstanding anything in this Section 4.3 to the contrary, the Company may issue additional equity interests in the Company (including additional Series B Founder Units and/or Series C Performance Units) without triggering preemptive rights with respect to the issuance thereof so long as such equity interests do not dilute the economic rights of the Series A Members.

4.4. Schedule of Members. The Secretary shall maintain a Schedule of Members, which shall include the names of the Members, their mailing addresses and e-mail addresses and the number and series of Units held by each of them, and their respective Percentage Interests. A copy of the Schedule of Members as of the date hereof is attached as Exhibit A. Upon any Transfer, issuance, or redemption of any Units made in accordance with this Agreement, the Secretary shall amend Exhibit A to reflect such Transfer, issuance, or redemption of Units and the adjusted Units and Percentage Interests of the Members.

4.5. Administrative Matters.

4.5.1. Availability of Books and Records. The Company shall keep or cause to be kept accurate accounts of the transactions of the Company in proper books and records of account which shall set forth all information required by the Minnesota Act. Each Member shall be entitled to inspect or copy the books and records of the Company at any time during normal business hours at the principal place of business of the Company.

4.5.2. Tax Characterization and Tax Returns. The Members acknowledge that the Company will be treated as a “partnership” for federal and state income tax purposes. Within ninety (90) days after the end of each Fiscal Year, the Company will deliver to each person who was a Member at any time during such Fiscal Year a Schedule K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of such Member’s federal or state income tax (or information) returns, including a statement

showing each Member's share of income, gain or loss and credits for such Fiscal Year for federal or state income tax purposes.

4.5.3. Tax Matters Member. William Burt is the Tax Matters Member for the Company (the "***Tax Matters Member***") in accordance with the definition of "tax matters partner" set forth in Section 6231 of the Code. The Tax Matters Member shall not be liable to the Company or any Member for any act or omission of the Tax Matters Member that was in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company. The Tax Matters Member shall be indemnified by the Company in respect of any claim based upon such act or omission, provided that such act or omission is not in violation of this Agreement and does not constitute gross negligence, fraud, or a willful violation of law. The Tax Matters Member shall inform all other Members of all material tax matters that may come to the attention of the Tax Matters Member by giving the Members notice thereof within thirty (30) days after becoming so informed. All expenses and costs of the Tax Matters Member shall be borne by the Company.

4.5.4. Financial Statements. Within ninety (90) days after the end of each Fiscal Year, or such other times as determined by the Board, the Board shall cause to be delivered to all Members internally prepared financial statements (including a balance sheet and income statement) as of the end of such Fiscal Year or other period.

ARTICLE 5 CAPITAL

5.1. Initial Capital Contributions; Issuance of Units. Each Member's initial Capital Contribution is set forth on attached Exhibit A.

5.2. Capital Accounts. A separate Capital Account shall be maintained for each Member in accordance with the Code and the Regulations, including, without limitation, Regulations Section 1.704-1(b)(2)(iv).

5.3. Capital Account Revaluations. Following the acquisition of an additional Membership Interest by any new or existing Member either in exchange for more than a de minimis Capital Contribution or in connection with the grant of more than a de minimis Membership Interest as consideration for the provision of services to or for the benefit of the Company, the Capital Accounts of all the Members shall be restated in accordance with Regulations Section 1.704-1(b)(2)(iv)(f). In addition to the foregoing, the Capital Accounts of all the Members may also be restated following any of the events described in paragraph (ii) of the definition of Gross Asset Value.

5.4. No Obligation to Restore Capital Account Deficit. After all the allocations and distributions pursuant to Articles 6 and 7 have been made upon liquidation of the Company or liquidation of the Member's Membership Interest, a Member with a deficit balance in such

Member's Capital Account shall not be obligated to contribute property or cash to the Company in order to restore such deficit Capital Account balance.

5.5. No Additional Required Capital Contributions. The Members shall not be required to make any additional Capital Contributions.

5.6. Loans. Members may make loans to the Company from time to time, as authorized by the Board. Any payment or transfer accepted by the Company from a Member which is not a Capital Contribution shall be deemed a loan and shall neither be treated as a Capital Contribution, nor entitle such Member to any additional Units. Any such loan shall be repaid at such times and with such interest (at rates not to exceed the maximum permitted by law) as the Board and the lending Member shall reasonably agree.

5.7. Limited Liability. No Member shall be personally liable for any of the debts of the Company unless unanimously agreed upon by all Members or required by law.

5.8. Creditors. A creditor who makes a loan to the Company shall not have or acquire, at any time as a result of making the loan, any direct or indirect interest in the Profits, Losses, capital, or Property of the Company other than as a creditor.

ARTICLE 6 ALLOCATIONS

6.1. Profits and Losses. Except as otherwise provided in Section 6.2 and Section 6.5, any Profits or Losses of the Company for each Fiscal Year shall be allocated to the Members in accordance with the following:

6.1.1. Profits:

- (a) Profits shall be allocated to each Member, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Losses allocated to such Member pursuant to Section 6.1.2 for all prior Fiscal Years, over (y) the cumulative Profits allocated pursuant to this Section 6.1.1 for all prior Fiscal Years.

6.1.2. Losses:

- (a) Losses shall be allocated to each Member, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Profits allocated to such Member pursuant to Section 6.1.1 for all prior Fiscal Years, over (y) the cumulative Losses allocated pursuant to this Section 6.1.2 for all prior Fiscal Years.

6.2. Regulatory Allocations. Prior to making any allocations of Profits and Losses under Section 6.1 for a Fiscal Year, the Company shall make the regulatory allocations (if any) that are required for the Fiscal Year under either Regulations Section 1.704–1(b) or Regulations Section 1.704–2 (the “*Regulatory Allocations*”), and, by this reference, such Regulations Sections are incorporated fully into this Agreement as if set forth fully in this Agreement, and it

shall be understood that this Agreement “provides” or “contains” the provision to which a provision of either such Regulation Section refers. Without limiting the generality of the preceding sentence, “nonrecourse deductions” (as defined in Regulations Section 1.704–2(b)(1)) shall be included in determining Profits or Losses for a Fiscal Year. Notwithstanding any other provisions of this Article 6, the Regulatory Allocations shall be taken into account in allocating Profits, Losses, and the items of Company income, gain, loss, and deduction to the Members so that, to the extent possible, the net amount of such allocations of Profits, Losses, and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

6.3. Allocations of Individual Items. All items of Company income, gain, loss, deduction for federal and state income tax purposes, and any other allocations not otherwise provided for, shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the Fiscal Year. The Board’s determination of allocations shall be binding upon all parties.

6.4. Section 704(c) and Capital Account Revaluation Allocations. To the fullest extent possible with respect to the allocation of depreciation and gain for federal income tax purposes, Section 704(c) of the Code and Regulations Section 1.704–3(b) shall apply with respect to any non-cash Capital Contribution by a Member. For purposes hereof, any allocation of any item of Company income, gain, or loss to a Member pursuant to Section 704(c) of the Code shall affect only the Member’s tax basis in such Member’s Membership Interest and shall not affect the Member’s Capital Account. In addition to the foregoing, if Company Property is reflected in the Capital Accounts of the Members at a book value that differs from the adjusted tax basis of such Property (e.g., pursuant to paragraph (ii) of the definition of Gross Asset Value), then allocations of depreciation, amortization, income, gain, or loss with respect to such Property shall be made among the Members in a manner consistent with the principles of Section 704(c) of the Code (subject to Section 6.6.2) and Regulations Section 1.704–3(b).

6.5. Limitation Upon Member’s Loss Allocations. Losses allocated pursuant to Section 6.1 shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 6.1, the limitation set forth in this Section shall be applied on a Member-by-Member basis (and may be applied more than once if required to allocate Losses fully for a Fiscal Year), and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members (to whom Losses may continue to be allocated) in accordance with their relative ownership of Units, so as to allocate the maximum permissible Losses to each Member under Section 1.704–1(b)(2)(ii)(d) of the Regulations. For purposes of the preceding sentence, the Series C Performance Units of a Series B Member shall not be taken into account. If Losses have been specially allocated to one or more Members pursuant to this Section in a prior Fiscal Year, then Profits for current Fiscal Year shall be specially allocated to each such Member to the extent of the difference between the cumulative Losses allocated to such Member pursuant to this Section for all prior Fiscal Years and the cumulative amount of Profits allocated to such Member pursuant to this Section for all prior Fiscal Years and in proportion to such differences of all such Members.

6.6. Power of the Board Regarding Tax Matters.

- 6.6.1.** It is the intent of the Members that each Member's allocable share of Profits and Losses shall be determined and allocated in accordance with the provisions of this Article 6 to the fullest extent permitted by Section 704(b) of the Code and the Regulations promulgated thereunder. The Board may modify the definition of Capital Account contained in Exhibit B to the extent the Board reasonably determines that such modification is necessary to comply with the Regulations, provided that such modification is not likely to have a material adverse effect on the amounts distributable to a Member under Section 10.3 following the dissolution and liquidation of the Company or the liquidation of the Member's Membership Interest.
- 6.6.2.** The Board shall have the power to (a) make or revoke such elections as may be allowed pursuant to the Code with respect to the Company, including the election referred to in Section 754 of the Code to adjust the basis of the Company's property; (b) determine the method (or methods) adopted by the Company for making any income tax allocations required by Section 704(c) of the Code or the Regulations thereunder, and (c) determine all other tax matters relating to the Company, including accounting procedures, not expressly provided for this Agreement.

6.7. Allocations Following Transfers of Units. If any Units are Transferred during any Fiscal Year of the Company, the Company income or loss attributable to such Units for such Fiscal Year shall be allocated between the transferor and the transferee in any manner permitted by law as they shall agree; provided, however, that if the Company does not receive, within thirty (30) days of the Transfer, written notice stating the manner in which the parties have agreed to allocate such Company income or loss, then the Company may allocate income or loss between the parties based on the percentage of the Fiscal Year each party was, according to the books and records of the Company, the owner of record of the Units transferred.

ARTICLE 7 DISTRIBUTIONS

7.1. Net Cash Flow. In the discretion of the Board, Net Cash Flow shall be distributed annually (or at such other times as determined by the Board) to the Members pro rata.

7.2. Tax Distributions. In addition the distributions described under Section 7.1, to the extent that cumulative, allocated Profits exceed cumulative, allocated Losses for the Fiscal Year with respect to which distributions are being made pursuant to this Section 7.2 and all prior Fiscal Years, the Company shall make distributions out of the Net Cash Flow to the Members on a pro rata basis in accordance with each Member's share of the Company's taxable income, at such times and in such amounts as are reasonably estimated by the Board to be at least sufficient to enable each Member to make timely payments of federal, state, and local income and franchise taxes (including estimated taxes) attributable to such cumulative, allocated net Profits of the Company properly allocated to the Members ("**Tax Distributions**"). Notwithstanding the foregoing, the Company shall not be required to make Tax Distributions to the extent that (a) the

Board determines that doing so would not be commercially reasonable or would render the Company insolvent or (b) the Tax Distributions are prohibited by the Company's loan agreements with third party lenders.

7.3. Distribution Among Members. If any Units are Transferred during any Fiscal Year, all distributions on or before the date of such Transfer will be made to the transferor, and all distributions after such date will be made to the transferee.

7.4. Limitation on Distributions. No distribution shall be made to Members if prohibited by the Minnesota Act.

ARTICLE 8 TRANSFERS OF UNITS

8.1. General Restrictions on Transfers. A Member may only Transfer Units in compliance with this Article 8. Any Transfer or attempted Transfer of all or any portion of a Member's Units that is not in compliance with this Article 8 shall be null and void and of no force or effect, and the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that the Company and any of such indemnified Members may incur (including, without limitation, incremental tax liabilities, attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

8.2. Permitted Transfers.

8.2.1. Generally. The following Transfers (in each case, a "*Permitted Transfer*") shall be permitted and shall not trigger any of the Purchase Options described in Section 8.3:

- (a) Transfers of Units by any Member to one or more of such Member's Permitted Transferees;
- (b) Transfers of Units by a Member to another Member; or
- (c) Transfers of Units by a Member to the Company.

8.2.2. Restrictions on Future Transfers. Following any Permitted Transfer, the rights, restrictions, and obligations contained in this Article 8 shall continue to be applicable to the Units as such restrictions, rights, and obligations were applicable prior to such Permitted Transfer.

8.2.3. Admission of Permitted Transferee. Notwithstanding anything to the contrary in this Section 8.2, a Permitted Transferee may only be admitted to the Company as a Substituted Member upon satisfaction of all of the conditions set forth in Section 9.1. A Permitted Transferee who is not admitted to the

Company as a Substituted Member shall only have the rights of an Unadmitted Assignee as described in Section 9.2.

8.3. Voluntary Transfers. A Member must comply with the provisions of this Section 8.3 in order to make any voluntary Transfer of his, her, or its Units (other than a Permitted Transfer as set forth in Section 8.2).

8.3.1. First Look Period.

(a) **Right of First Offer in Favor of Series B Members.** Any Member who desires to exit the Company or sell a portion of his, her, or its Units (a "**Transferring Member**") must first offer such Member's Units to the Series B Members. Promptly following the Transferring Member's notification to the Series B Members that the Transferring Member desires to make a voluntary Transfer, the parties shall negotiate the purchase price and payment terms for the Offered Units for up to thirty (30) days. William Burt shall negotiate the purchase price on behalf of the Series B Members. The Series B Members shall have the option, but not the obligation, during such 30-day period, to purchase all, but not less than all of the Offered Units for the mutually agreed upon purchase price and payments terms. To exercise his, her, or its purchase option, a Series B Member shall deliver written notice to the Transferring Member and the Company. If any Series B Member does not purchase the full amount of the Offered Units that such Series B Member is entitled to purchase, then the other Series B Members may purchase the excess; provided, however, that in no event shall the process extend beyond 45 total days from the first offer. Upon expiration of the option period described above (or if the parties have not agreed upon the purchase price during the 30-day negotiation period), if enough Series B Members have not exercised their options to purchase all of the Offered Units, then any partial acceptance shall be void and of no effect, and the Transferring Member may then, for a period of ninety (90) days, offer the Offered Units to an independent, third-party purchaser, subject to the conditions of Section 8.3.2.

8.3.2. Third Party Transfer. If, during the 90-day period following the conclusion of the procedures set forth in Section 8.3.1(a), the Transferring Member has accepted a bona fide offer to sell some or all of his, her, or its Units to an independent, third-party purchaser (the "**Purchaser**"), the Transferring Member shall provide written notice to the Series B Members as provided below. The written notice (the "**Third-Party Transfer Notice**") shall (a) identify the Units proposed to be Transferred; (b) list the name and address of the Purchaser; (c) describe the price and payment terms, and any other terms of the proposed Transfer; and (d) include a representation, covenant and warranty that the Purchaser's offer to purchase the Offered Units is genuine.

(a) **First Purchase Option in Favor of the Series B Members.** The Series B Members shall have the option, but not the obligation, for a period of

thirty (30) days after delivery of the Third-Party Transfer Notice, to purchase all or any portion of the Offered Units at the per Unit purchase price and on the terms stated in the Third-Party Transfer Notice. If any Series B Member does not purchase the full amount of the Offered Units that such Series B Member is entitled to purchase, then the other Series B Members may purchase the excess; provided, however, that in no event shall the process extend beyond 45 total days from the first offer. To exercise his, her, or its purchase option, a Series B Member shall deliver written notice to the Transferring Member and the Company.

- (b) **Second Purchase Option in Favor of the Company.** Upon the expiration (or earlier waiver) of the option period provided to the Series B Members under paragraph (a) above, the Company shall have the option, for a period of thirty (30) days thereafter, to purchase all, but not less than all, of the Offered Units not purchased by the Series B Members, for the per Unit purchase price and on the terms stated in the Third-Party Transfer Notice. The Company may exercise the purchase option by delivering written notice to the Transferring Member.
- (c) **Failure to Exercise Purchase Options.** Upon expiration of the option period provided above to the Company, if the Series B Members and/or the Company have not exercised their respective options to purchase all of the Offered Units, then any partial acceptance shall be void and of no effect, and the Transferring Member may Transfer all of the Offered Units to the Purchaser, provided that (i) such Transfer does not occur on terms more favorable to the Purchaser than the terms upon which the Offered Units were offered to the Series B Members and the Company, (ii) the Transfer is completed within thirty (30) days following the expiration (or earlier waiver) of the option period provided to the Company, and (iii) the Purchaser is admitted to the Company as a Substituted Member.

8.4. Default Events.

- 8.4.1. **Default Event Notice.** Upon the occurrence of an Involuntary Transfer or Change in Control of a Member (each, a “**Default Event**”), the Member whose Units are subject to such Default Event (the “**Defaulting Member**”) shall send written notice to the Company describing in reasonable detail such Default Event, including, in the case of an Involuntary Transfer, the identity of the proposed transferee and the circumstances giving rise to the Default Event (the “**Default Event Notice**”). If the Defaulting Member does not give the Default Event Notice as required in the foregoing the sentence, the Company shall nevertheless be deemed to have received the Default Event Notice if it acquires actual notice of the occurrence of the Default Event. The Company shall then promptly notify the Series B Members of the Default Event, and the Series B Members and the Company shall have the option to purchase all or any portion of the Units of the Defaulting Member that are subject to the Default Event, as described below.

- 8.4.2. Purchase Price.** The purchase price for the Offered Units shall be equal to the Book Value of the Capital Account associated with the Offered Units, as determined by the accountants regularly servicing the books of the Company through application of generally accepted accounting principles, consistently applied, which determination shall be conclusive, final and binding on all parties, absent fraud or manifest error.
- 8.4.3. Payment Terms.** The payment terms for the Offered Units shall be as follows: (i) not less than twenty percent (20%) of the purchase price shall be paid in cash or certified funds at closing, and (ii) the balance of the purchase price will be represented by a five (5) year promissory note bearing an annual rate of interest equal to the Prime Rate, payable in equal annual installments sufficient to amortize all principal and interest thereunder over five (5) years.
- 8.4.4. First Option in Favor of the Series B Members.** For a period of thirty (30) days following the determination of the purchase price under Section 8.4.2, the Series B Members shall have the same purchase options described in Section 8.3.2(a); provided, however, that there is no requirement that the Series B Members and the Company must collectively purchase all of the Offered Units.
- 8.4.5. Second Option in Favor of the Company.** For a period of thirty (30) days following the expiration (or earlier waiver) of the option period provided to the Series B Members, the Company shall have the same purchase option described in Section 8.3.2(b); provided, however, that there is no requirement that the Series B Members and the Company must purchase all of the Offered Units.
- 8.4.6. Failure to Exercise Options.** Upon the expiration (or earlier waiver) of the option period provided to the Company, if the Series B Members and/or the Company have not exercised their option(s) to collectively purchase all of the Offered Units, then, in the case of an Involuntary Transfer, a Transfer of the Offered Units not purchased by the Series B Members or the Company may occur (or, in the case of a Change in Control, the Member shall retain any Offered Units not purchased by the Series B Members or the Company); provided, however, that in the case of an Involuntary Transfer, the Involuntary Transferee shall automatically become an Unadmitted Assignee of the Offered Units (as described in Section 9.2).

8.5. Death of a Member. Upon the death of a Member, such Member's Successor(s) shall succeed to the financial rights of the Deceased Member. The Successor(s) of all or any portion of the Deceased Member's Units will be admitted to the Company as Substituted Member(s) only if the conditions set forth in Section 9.1 have been satisfied. Successor(s) who are not admitted to the Company as Substituted Member(s) shall only have the rights of Unadmitted Assignees as described in Section 9.2.

8.6. Closing Procedures. The closing of a purchase or sale of Units pursuant to this Agreement shall take place within thirty (30) days following the expiration of the applicable option period. The closing shall take place at any location as is mutually agreed upon by the

parties. At the closing, the selling party shall deliver to the purchasing party, in exchange for payment of the purchase price, a full and complete assignment of the Units to be purchased and sold, together with any other documents as may be reasonably required to transfer full and complete title to the Units to the purchasing party, in form reasonably satisfactory to the purchasing party. The selling party shall warrant that the selling party has good title to, the right to possession of and the right to sell the Units and that the Units are transferred to the purchasing party free and clear of all pledges, liens, encumbrances, charges, proxies, restrictions, options, transfers and other adverse claims, except those as have been imposed by this Agreement. Each selling party shall further warrant that the selling party will indemnify and hold harmless the purchasing party for all costs, expenses and fees incurred in defending the title to and/or the right to possession of such Units.

8.7. Additional Transfer Restrictions on Series C Performance Units. The Company may adopt an “Equity Incentive Plan” to govern the Series C Performance Units. In addition, all Series C Performance Units would be issued pursuant to individual award agreements, which would contain additional restrictions on transferability of the Series C Performance Units. To the extent that the “Equity Incentive Plan” or any of the individual award agreements conflict with this Agreement, then the “Equity Incentive Plan” and individual award agreement would control.

8.8. Expulsion of a Member. Notwithstanding any other provision in this Section to the contrary, a Member will be immediately expelled from the Company, and will forfeit his, her, or its Units back to the Company for no consideration whatsoever following the occurrence of any Expulsion Event.

ARTICLE 9 ADMISSION OF SUBSTITUTED MEMBERS

9.1. Admission of Substituted Members. A transferee of Units (including a Permitted Transferee) may only be admitted to the Company as a substituted Member (a “*Substituted Member*”) upon satisfaction of all of the conditions set forth below:

- 9.1.1.** The Units with respect to which the transferee is being admitted were acquired by means of a Transfer permitted by Article 8.
- 9.1.2.** The transferee shall, by written instrument in form and substance reasonably satisfactory to the Board:
 - (a)** accept and adopt the terms of this Agreement, and
 - (b)** assume the obligations of the transferor Member under this Agreement with respect to the transferred Units, except for (i) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, and (ii) those obligations or liabilities of the transferor Member based on events occurring, arising, or maturing prior to the date of Transfer.

- 9.1.3.** If requested by the Board, a transferee shall provide the Company with an opinion of counsel, satisfactory in form and substance to the Board, that:
- (a) the Transfer will not impair the Company's ability to be taxed as a partnership; and/or
 - (b) the Transfer is exempt from registration under applicable securities laws.
- 9.1.4.** The transferee shall pay or reimburse the Company for all reasonable legal, filing, administrative and other costs that the Company incurs in connection with registering the Transfer on the books of the Company and the admission of the transferee as a Substituted Member.

9.2. Unadmitted Assignees. A Person who acquires Units (including a Permitted Transferee), but is not admitted to the Company as a Substituted Member (an "*Unadmitted Assignee*"), shall only be entitled to allocations and distributions with respect to such Units in accordance with this Agreement, and shall not have any rights of a Member under the Minnesota Act or this Agreement. In addition, the Units held by an Unadmitted Assignee shall continue to be subject to the restrictions on Transfer provided for in Article 8.

ARTICLE 10 DISSOLUTION AND LIQUIDATION

10.1. Events Triggering Dissolution. The Company shall commence dissolution proceedings upon the earliest to occur of the following events:

- 10.1.1.** The Board unanimously agrees that the Company shall be dissolved or votes, at a duly called and held meeting of the Members, in favor of the dissolution of the Company;
- 10.1.2.** The Company sells all or substantially all of its assets, except that the Company shall continue in existence following a deferred payment sale of such assets until the last day of the Fiscal Year in which it shall have received the full amount of principal and interest which it is entitled to receive with respect to such deferred payment sale; or
- 10.1.3.** Any event occurs which, under the laws of the State of Minnesota and in spite of the terms of this Agreement, shall cause the dissolution of the Company.

10.2. Winding Up Procedures. The officers of the Company will wind up the Company's affairs in accordance with the Minnesota Act, and will be authorized to take any and all actions contemplated by the Minnesota Act as permissible.

10.3. Liquidating Distribution.

- 10.3.1.** Following the completion of the winding up procedures described in Section 10.2, the Company shall make a final liquidating distribution to all Members with positive Capital Account balances (after such balances have been adjusted

to reflect the allocation of Company Profits or Losses arising from such event), in proportion to and to the extent of such positive balances. Any remaining amount shall be distributed to the members pro rata in accordance with their pro rata Membership Interests in the Company.

- 10.3.2.** Notwithstanding the foregoing, any liquidating distributions paid to Series C Performance Unit member shall be limited to the extent necessary so that the related Membership Interest constitutes a Profits Interest. In furtherance of the foregoing, and notwithstanding anything to the contrary in this Agreement, the Board shall, if necessary, limit any liquidating distributions to Series C Performance Units members so that such distributions do not exceed the available profits in respect of such member's related Profits Interest. Available profits shall include the aggregate amount of profit and unrealized appreciation in all of the assets of the Company between the date of issuance of such Series C Performance Units and the date of such liquidating distribution, it being understood that such unrealized appreciation shall be determined on the basis of the Profits Interest Hurdle applicable to such Series C Performance Units. In the event that the amount of a Series C Performance Unit member's liquidating distributions are reduced pursuant to the preceding sentence, an amount equal to such excess distributions shall be treated as instead apportioned on a pro rata basis to the holders of Series A Units, Series B Founder Units, and Series C Performance Units that have met their Profits Interest Hurdle.

ARTICLE 11 MISCELLANEOUS

11.1. No Wholesale or Retail Liquor Ownership. No Member may: (i) acquire any ownership of or control over, directly or indirectly, an entity that is a licensed liquor, spirits, wine, or beer wholesaler or retailer in the State of Minnesota; or (ii) acquire ownership of, control over, or participate in the management of a third party that is a licensed liquor, spirits, wine, or beer wholesaler retailer, importer, manufacturer or distributor in violation of applicable law. If a Member breaches this Section, an Expulsion Event shall automatically occur immediately upon the occurrence of the breach, even if the Company does not learn of the breach until after it has occurred.

11.2. Equitable Remedies. Each Member acknowledges that because breach by the Member of any of such Member's obligations under this Agreement could cause irreparable harm for which damages would be an inadequate remedy, if any such breach occurs or is threatened, the Company and/or the other Members will be entitled to an injunction, a restraining order, or any other equitable remedy, in each case without posting a bond or other security and without proof of actual damages.

11.3. Recovery of Expenses. In any adversarial proceedings between the Company and a Member arising out of this Agreement where the Company is the prevailing party, the Company will be entitled to recover from the Member, in addition to any other relief awarded, all expenses that the Company incurs in those proceedings, including legal fees and expenses.

11.4. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all other agreements, whether written or oral, between the parties.

11.5. Severability. If any provision of this Agreement is held to be unenforceable, then that provision is to be construed by modifying it to the minimum extent necessary to make it enforceable, unless such modification is not permitted by law, in which case that provision is to be disregarded. If an unenforceable provision is modified or disregarded in accordance with this Section, the rest of this Agreement is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

11.6. Amendments. No amendment to or termination of this Agreement will be effective unless it is in writing and signed by (a) Members holding at least two-thirds percent (2/3) of the Series A Units and (b) Members holding at least two-thirds percent (2/3) of the Series B/C Units.

11.7. Successors and Assigns. Except as otherwise specifically provided herein, this Agreement shall be binding upon and inure to the benefit of the Members and their legal representatives, successors, heirs, and assigns.

11.8. Governing Law. The laws of the state of Minnesota, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this Agreement.

11.9. Venue. If either party brings against the other party any proceeding arising out of this Agreement or arising out of disclosure or use of Confidential Information, that party may bring that proceeding only in the United States District Court for the District of Minnesota or in any state court of Minnesota sitting in Hennepin County, Minnesota, and each party hereby submits to the exclusive jurisdiction of those courts for purposes of any such proceeding. Each party hereby waives any claim that any proceeding brought in accordance with this Section has been brought in an inconvenient forum or that the venue of that proceeding is improper.

11.10. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY PROCEEDINGS ARISING OUT OF THIS AGREEMENT.

11.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and together shall constitute a single agreement. Delivery of an executed counterpart of this Agreement by facsimile or email with scan attachment shall be as effective as delivery of a manually executed counterpart of this Agreement.

11.12. Notices. Any notice or other communication required or permitted hereunder shall be in writing and may be delivered by hand, overnight courier service, or United States mail. Notices delivered by hand or overnight courier shall be deemed to have been duly given on the date of delivery. Notices delivered by United States mail shall be deemed to have been duly given four (4) days after the date of mailing, if mailed postage paid by certified first class mail, return receipt requested. All notices to be given under this Agreement shall be addressed to the parties at the following addresses and/or to such other addresses as any party may specify in a notice

given in accordance with this section (in such event, the Company shall amend this Agreement (including attached Exhibit A) to reflect the then current addresses of the Members):

11.12.1. If to the Company or to the Board, to the attention of the William Burt at the address specified on attached Exhibit A.

11.12.2. If to any Member, to the attention of such Member at the address specified on attached Exhibit A.

11.13. Interpretation. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

[Signatures appear on the following page(s).]

13897751v1

The parties are signing this Operating Agreement on the date stated in the Preamble.

COMPANY:

SERIES B MEMBER:

RUSTECH BREWING COMPANY LLC

By: _____
Its: _____

By: _____
William Burt

By: _____
Penny Burt

[Signatures of Series A Members and Series C Members appear on the following pages.]

WINTHROP & WEINSTINE, P.A. HAS DRAFTED THIS AGREEMENT AT THE REQUEST OF THE COMPANY. BY SIGNING THIS AGREEMENT, THE MEMBERS ACKNOWLEDGE THAT WINTHROP & WEINSTINE, P.A. IS NOT REPRESENTING THEM INDIVIDUALLY WITH RESPECT TO THIS AGREEMENT AND THAT THEIR INTERESTS UNDER THIS AGREEMENT MAY NOW OR HEREAFTER BE ADVERSE TO OR IN CONFLICT WITH THE INTERESTS OF THE COMPANY AND/OR WITH EACH OTHER. THE MEMBERS FURTHER ACKNOWLEDGE THAT WINTHROP & WEINSTINE, P.A. HAS ENCOURAGED THEM TO SEEK SEPARATE COUNSEL BECAUSE OF POTENTIAL CONFLICTS OF INTEREST WHICH EXIST, OR WHICH MAY ARISE IN THE FUTURE, AND THAT THE MEMBERS HAVE IN FACT RECEIVED OR HAVE HAD THE OPPORTUNITY TO RECEIVE SEPARATE COUNSEL.

EXHIBIT A
SCHEDULE OF MEMBERS; CAPITAL ACCOUNTS

as of July 21, 2017

Member Name and Address	Initial Capital Contribution	Series A Units	Series B Founder Units	Series C Performance Units	Percentage Interest
William and Penny Burt, JTWROS 6328 86th Street N.E. Monticello, MN 55362	\$15,000	0	450,000	0	100%
TOTAL	\$15,000	0	450,000	0	100%

EXHIBIT B
DEFINED TERMS

“*Adjusted Capital Account Deficit*” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (a) Such Capital Account shall be increased to reflect the amounts, if any, which such Member is obligated to restore to the Company or is treated as or deemed to be obligated to restore pursuant to Regulations Sections 1.704–2(g)(1) and 1.704-2(i)(5); and
- (b) Such Capital Account shall be reduced to reflect any items described in Regulations Sections 1.704–1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704–1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“*Agreement*” means this Operating Agreement, as from time to time amended, supplemented, or restated.

“*Articles of Organization*” means the Articles of Organization of the Company, originally filed with the Minnesota Secretary of State on April 17, 2017, and all amendments, restatements, and supplements thereto.

“*Board*” means the Board of Managers of the Company.

“*Brewery*” means the brewing facility and tap room to be owned and operated by the Company.

“*Capital Account*” means with respect to any Member, the capital account maintained for such Member in accordance with following provisions:

- (i) A Member’s Capital Account shall be increased by such Member’s Capital Contributions, such Member’s distributive share of Profits, any items in the nature of income or gain that are allocated to such Member pursuant to Article 6 hereof, and the amount of any Company liabilities assumed by such Member that are secured by any Property distributed to such Member.
- (ii) A Member’s Capital Account shall be decreased by the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, such Member’s distributive share of Losses any items in the nature of expense or losses that are allocated to the Member pursuant to Article 6 hereof, and the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

- (iii) In determining the amount of any liability for purposes of clauses (i) and (ii) of this definition, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Regulations.
- (iv) Subject to the provisions of this Agreement, if any Units are Transferred in accordance with Article 8 hereof, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Units being Transferred.

“Capital Contribution” means, with respect to any Member, the amount of money, the forgiveness of any debt, the fair market value of any services, and/or the Gross Asset Value of any property (other than money) contributed to the Company in consideration of the Units held by such Member.

“Change In Control” means that the current ownership group of a Member shall cease to Control the Member.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision of any succeeding law.

“Company” has the meaning given in the Preamble to this Agreement.

“Control” means, with respect to any Person, the power to control, directly or indirectly, the direction of the management and policies of a Person, whether such power is effected through ownership of shares, units or other securities, by contract, by proxy or otherwise; for the avoidance of doubt, the ownership of more than fifty percent (50%) of such Person by another Person, or the ability of another Person to appoint or elect more than fifty percent (50%) of the Board of directors or other equivalent governing Board of such Person shall constitute an example of Control of such Person.

“Deceased Member” means a Member who is deceased.

“Default Event” means an Involuntary Transfer or Change In Control.

“Default Event Notice” has the meaning set forth in Section 8.4.

“Defaulting Member” means a Member whose Units become subject to a Default Event and are therefore offered for sale to the Company and Remaining Members.

“Depreciation” shall mean, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, then Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; provided; however; that if the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

“**Disbursements**” means, with respect to the Company for any period, all costs and expenses paid or incurred during such period by the Company (including Officer Compensation).

“**Expulsion Event**” means, with respect to any Member, (a) the Member commits an act that brings the Company into substantial public disgrace or disrepute, or (b) the Member breaches Section 11.1.

“**Fiscal Year**” means: (i) the year commencing on the date of this Agreement and ending on December 31, 2017; (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31; or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to this Agreement.

“**Gross Asset Value**” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the fair market value of such asset, as determined by the contributing Member and the Company;
- (ii) The Gross Asset Value of each item of Property shall be adjusted to equal its gross fair market value, as determined by the Board, as of the following times: (A) the issuance of additional Units to a new or existing Member, as described in Section 5.3, (B) the distribution by the Company to a Member of more than a de minimis amount of Property, and (C) the liquidation of the Company within the meanings of Regulations Section 1.704–1(b)(ii)(g); provided, however, that if Gross Asset Values are adjusted as provided herein, then the Members’ Capital Accounts shall be restated in accordance with Regulations Section 1.704-1(b)(2)(iv)(f) and that adjustments pursuant to clause (B) above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Property distributed to any Member shall be its fair market value, as determined by the Member and the Company, on the date of distribution; and
- (iv) The Gross Asset Value of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such Property pursuant to Section 734(b) of the Code or Section 743(b) of the Code, but only to extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704–1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the Board determines that an adjustment pursuant to clause (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to clauses (i), (ii), or (iv) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“**Gross Receipts**” means, with respect to the Company, for any period, all revenues, income, earnings, or cash flow of any kind or description received during such period by or on behalf of the Company.

“**Incentive Liquidation Value**” means, as of the date of determination and with respect to the relevant new Series C Performance Units to be issued, the aggregate amount that would be distributed to the Members pursuant to Section 7, if, immediately prior to the issuance of the relevant new Series C Performance Units, the Company sold all of its assets for fair market value and immediately liquidated, the Company’s debts and liabilities were satisfied and the proceeds of the liquidation were distributed pursuant to Section 10.3.

“**Involuntary Transfer**” means any of the following: the filing by or against a Member (where not dismissed within sixty (60) days of the date of filing), of a petition in bankruptcy, a petition in insolvency, or a creditor’s arrangement pursuant to the provisions of any state or federal insolvency or bankruptcy law;

- (i) the appointment of a receiver or trustee of the property of a Member by reason of said Member’s insolvency or inability to pay debts as required by law;
- (ii) the assignment for the benefit of creditors of any portion of a Member’s Units;
- (iii) the Transfer of all or any portion of a Member’s Units pursuant to a divorce decree, divorce settlement agreement, child support decree, child support settlement agreement, or any other marriage dissolution proceeding; or
- (iv) any taking of all or any portion of a Member’s Units pursuant to any judgment, order, writ, execution, levy, foreclosure, attachment, garnishment, or any other legal process.

“**Involuntary Transferee**” means a Person who acquires or who is poised to acquire Units from a Member as the result of an Involuntary Transfer.

“**Losses**” has the meaning set forth below.

“**Member**” means a Person holding Units as reflected on Exhibit A, as the same may be amended and supplemented from time to time, including any Substituted Member.

“**Membership Interest**” has the meaning set forth in Section 4.1.

“**Minnesota Act**” means Minnesota Revised Uniform Limited Liability Company Act, codified as Chapter 322C of the Minnesota Statutes, and any successor to such statute.

“**Net Cash Flow**” means, for any period, Gross Receipts for such period minus Disbursements for such period, adjusted for additions to or reductions in Reserves.

“**Offered Units**” means (a) in the case of a Voluntary Transfer, the Units which are proposed to be Transferred by the Transferring Member to the Purchaser, as set forth in the Third Party Transfer Notice; (b) in the case of a Default Event that is an Involuntary Transfer, the Units of the Defaulting Member which are subject to the Involuntary Transfer; or (c) in the case of a Default Event that is a Change In Control, all of the Units of the Defaulting Member.

“**Percentage Interest**” means, with respect to each Member, such Member’s percentage holding of the total outstanding Units as set forth on Exhibit A as of the date of determination.

“**Permitted Transfer**” has the meaning set forth in Section 8.2.1.

“**Permitted Transferee**” means, with respect to a Member:

- (i) his or her spouse;
- (ii) his or her parents, children, step children, grandchildren, step grandchildren, or siblings;
- (iii) any entity that is under the Control of the Member;
- (iv) if the Member is an entity, the shareholders, members, partners, or other equity owners of the Member;
- (v) if the Member is a joint tenancy with rights of survivorship, the other joint tenant (whether upon the death or prior to the death of the other joint tenant);
- (vi) a trust, if the primary beneficiary(ies) of the trust are any one or more of the Member and the Persons described in clauses (ii) and (iii) above and the trustee of such trust is the Member or a successor trustee upon the death of the Member; or
- (vii) if the Transferring Member is a trust described in clause (vi) above, any one or more “primary beneficiary(ies)” of such trust (determined as if the Person who transferred the Units to such trust was the Transferring Member). As used herein, the term “primary beneficiary(ies)” means the Person or Persons who are eligible at the time of the Transfer to receive distributions of income or principal from that trust on a current basis.

“**Person**” means any individual or entity, including a limited liability company, partnership, association, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, government or governmental agency or authority.

“**Preemptive Rights Percentage**” means, as to each Series A Member, a percentage equal to such Member’s Series A Units divided by all issued and outstanding Series A Units, not including any Series A Units held by Unadmitted Assignees.

“Prime Rate” means the prime rate of interest as published in the “Money Rates” section of the Wall Street Journal, as such rate of interest may change from time to time.

“Profits” or **“Losses”** means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year or period, as applicable, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

- (i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph shall be added to such taxable income or loss;
- (ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704–1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph shall be subtracted from such taxable income or loss;
- (iii) If the Gross Asset Value of any Company asset is adjusted pursuant to clauses (ii) or (iii) of that definition, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;
- (iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of the Property differs from such value;
- (v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation herein; and
- (vi) Notwithstanding any other provision of this definition, any items that are allocated pursuant to the Regulatory Allocations or any other provision of this Agreement shall not be taken into account in computing Profits and Losses.

“Profits Interest Hurdle” means an amount set forth in each Award Agreement reflecting the Incentive Liquidation Value of the relevant Series C Performance Units at the time the Units are issued.

“Property” means all assets owned by the Company, including all real and personal property.

“Purchaser” has the meaning set forth in Section 8.3.2.

“Regulatory Allocations” has the meaning set forth in Section 6.2.

“**Regulations**” means the income tax regulations (including temporary regulations) promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“**Remaining Member**” means a Member who is not (i) a Transferring Member (in the case of a voluntary Transfer), or (ii) an Defaulting Member (in the case of a Default Event).

“**Reserves**” means, with respect to any period, the amount deemed necessary or appropriate by the Board for (i) funding reserves for contingent liabilities, working capital, repairs, replacements, and renewals; (ii) paying taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company; and (iii) any other purposes deemed necessary or appropriate by the Board to meet the current or anticipated future needs of the Company.

“**Series A Member**” means a Member who owns Series A Units.

“**Series A Unit**” has the meaning set forth in Section 4.2.1.

“**Series B Member**” means a Member who owns Series B Founder Units.

“**Series B Founder Unit**” has the meaning set forth in Section 4.2.2.

“**Series C Member**” means a Member who owns Series C Performance Units.

“**Series C Performance Unit**” has the meaning set forth in Section 4.2.3.

“**Substituted Member**” has the meaning set forth in Section 9.1.

“**Successors**” means the successors, heirs, legatees, legal representatives, or assigns, as the case may be, of a Deceased Member.

“**Third Party Transfer Notice**” has the meaning set forth in Section 8.3.1.

“**Transfer**” means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition, whether directly or indirectly and whether through one or a series of transactions, and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or hypothecation or otherwise dispose of, whether directly or indirectly and whether through one or a series of transactions.

“**Transferring Member**” has the meaning set forth in Section 8.3.1.

“**Unadmitted Assignee**” has the meaning set forth in Section 9.2.

“**Units**” has the meaning set forth in Section 4.1.

“**Unreturned Capital Contribution**” means, with respect to each Series A Member, as of any date, an amount equal to the excess, if any, of (a) such Series A Member’s Capital Contributions,

less (b) the aggregate amount of all prior distributions made to such Series A Member pursuant to Section 7.1. and Section 7.2 for all previous Fiscal Years.

EXHIBIT E

Subscription Agreement

(See attached)

EXHIBIT E

RUSTECH BREWING COMPANY LLC

**SUBSCRIPTION AGREEMENT FOR SERIES A UNITS
(Including investment representations)**

IMPORTANT:

**This document contains significant representations.
Please read carefully before signing.**

Rustech Brewing Company LLC
Attn: William Burt
6328 86th Street N.E.
Monticello, MN 55362

Ladies and Gentlemen:

I, _____
[PLEASE PRINT OR TYPE NAME OF INDIVIDUAL/ENTITY SUBSCRIBER]

desire to apply for the purchase of the number of Series A Membership Units ("Series A Units") set forth below in Rustech Brewing Company LLC, a Minnesota limited liability company (the "Company").

I understand that this Subscription Agreement is conditioned upon the Company's acceptance of subscriptions. In the event subscriptions and funds have not been accepted on or before July 21, 2018, the offering will be terminated and this Subscription Agreement will be promptly cancelled and any funds received from me will be returned to me. If this Subscription Agreement has been accepted, the limited liability company interests subscribed to hereby shall be issued to me in the form of Series A Units. Each such Series A Unit subscribed for will represent a \$1.00 capital commitment.

Residence. I am a bona fide resident of (or, if an entity, the entity is domiciled in) the State of

[PLEASE INSERT NAME OF STATE]

2. Subscription.

- a. I hereby subscribe to purchase _____ Series A Units, and to make a capital contribution to the Company in the amount of \$_____, representing the purchase price of \$1.00 for each Series A Unit subscribed.
- b. I am enclosing a check made payable to "Rustech Brewing Company LLC" in the amount set forth above or have wired the Aggregate Purchase Price of the Units to:

Bank Name: SUNRISE BANKS
ABA/Routing Number: 096001013
BNF (Beneficiary): Rustech Brewing Company LLC
Account Number: _____
FBO _____ (Insert Investor's Name)

- c. I acknowledge that this subscription is contingent upon acceptance by the Company, and that the Company has the right to accept or reject subscriptions in whole or in part.

3. Representations of Investor.

- a. I have reviewed a copy of the Investor Package of the Company, dated July 21, 2017 (the "Investor Package"), relating to the offering of the Series A Units.
- b. I have carefully read the Investor Package, including the section entitled "Risk Factors", and have relied solely upon the Investor Package and investigations made by me or my representatives in making the decision to invest in the Company. No statement, printed material or inducement has been given or made by any person associated with the offering of the Series A Units which was contrary to the information in the Investor Package.
- c. I have been given access to full and complete information regarding the Company (including the opportunity to meet with the Founders of the Company and review all the documents described in the Investor Package and such other documents as I may have requested in writing) and have utilized such access to my satisfaction for the purpose of obtaining information in addition to, or verifying information included in, the Investor Package.
- d. I understand that in completing this Subscription, I will also be required to sign the Operating Agreement, a copy of which has been provided to me. I understand that once I sign the Operating Agreement, my investment in the Company will become irrevocable.
- e. I am experienced and knowledgeable in financial and business matters, capable of evaluating the merits and risks of investing in the Series A Units, and do not need or desire the assistance of a knowledgeable representative to aid in the evaluation of such risks (or, in the alternative, I have used a knowledgeable representative in connection with my decision to purchase the Series A Units).
- f. I understand that an investment in the Series A Units is highly speculative and involves a high degree of risk. I believe the investment is suitable for me based on my investment objectives and financial needs. I have adequate means for providing for my current financial needs and personal contingencies and have no need for liquidity of investment with respect to the Series A Units. I can bear the economic risk of an investment in the Series A Units for an indefinite period of time and can afford a complete loss of such investment.
- g. I understand that there will be no market for the Series A Units, that there are significant restrictions on the transferability of the Series A Units and that for these and other reasons, I may not be able to liquidate an investment in the Series A Units for an indefinite period of time.
- h. I have been advised that the Series A Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), and are offered pursuant to an exemption from registration under state securities law. I understand that the Company's reliance on such exemptions is predicated in part on my representations to the Company contained herein.

- i. I understand that I am not entitled to cancel, terminate or revoke this subscription, my capital commitment, or any agreements hereunder, and that the subscription and agreements shall survive my death, incapacity, bankruptcy, dissolution or termination.

4. Investment Intent; Restrictions on Transfer of Securities.

- a. I understand that (i) there will be no market for the Series A Units, (ii) the purchase of the Series A Units is a long-term investment, (iii) the transferability of the Series A Units is restricted, and (iv) the Series A Units may be sold by me only pursuant to registration under the 1933 Act and State Laws, or an opinion of counsel that such registration is not required.
- b. I represent and warrant that I am purchasing the Series A Units for my own account, for long term investment, and without the intention of reselling or redistributing the Series A Units. The Series A Units are being purchased by me in my name solely for my own beneficial interest and not as nominee for, on behalf of, for the beneficial interest of, or with the intention to transfer to, any other person, trust, or organization, and I have made no agreement with others regarding any of the Series A Units. My financial condition is such that it is not likely that it will be necessary for me to dispose of any of the Series A Units in the foreseeable future, but in no event shall I attempt to transfer or dispose of them at any time that would render the Company an investment company, a registered investment advisor, or a regulated hedge fund.
- c. I am aware that, in the view of the Securities and Exchange Commission, a purchase of securities with an intent to resell by reason of any foreseeable specific contingency or anticipated change in market values, or any change in the condition of the Company or its business, or in connection with a contemplated liquidation or settlement of any loan obtained for the acquisition of any of the Series A Units and for which the Series A Units were or may be pledged as security would represent an intent inconsistent with the investment representations set forth above.
- d. I understand that any sale, transfer, pledge or other disposition of the Series A Units by me will require conformity with the restrictions contained in this Section 4 and the Operating Agreement.

Investor Qualifications. I represent and warrant as follows (Answer Part a, b, or c, as applicable. Please check all applicable items):

a. Individuals. I am an INDIVIDUAL and:

- i. I have a net worth, or a joint net worth together with my spouse, in excess of \$1,000,000. **[In calculating your net worth, you may include equity in personal property, real estate (other than your primary residence), cash, short term investments, stock and securities, which equity should be based on the fair market value of such property minus debt secured by such property. You must exclude the value of your primary residence in the calculation, but you may likewise exclude the balance of any mortgage or other indebtedness secured by your primary residence in an aggregate amount up to the estimated fair market value of your primary residence, except if the borrowing occurs in the 60 days prior to the time of the sale of securities and is not in connection with the acquisition of your primary residence.]**

- ii. I had an individual income in excess of \$200,000 in each of the prior two years and reasonably expect an income in excess of \$200,000 in the current year.
- iii. I had joint income with my spouse in excess of \$300,000 in each of the prior two years and reasonably expect joint income in excess of \$300,000 in the current year.
- iv. I am a director or executive officer of the Company.

b. Entities. The undersigned is an ENTITY and:

- i. The undersigned hereby certifies that all of the beneficial equity owners of the undersigned qualify as accredited individual investors by meeting one of the tests under items (a)(i) through (a)(iv) above. Please indicate the name of each equity owner and the applicable test:
- ii. The undersigned is a bank or savings and loan association as defined in Sections 3(a)(2) and 3(a)(5)(A), respectively, of the Securities Act either in its individual or fiduciary capacity.
- iii. The undersigned is an insurance company as defined in Section 2(13) of the Securities Act.
- iv. The undersigned is an investment company registered under the Investment Company Act of 1940 or a business development company as defined therein, in Section 2(a)(48).
- v. The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- vi. The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 and one or more of the following is true (check one or more, as applicable):
 - (1) the investment decision is made by a plan fiduciary, as defined therein, in Section 3(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser;
 - (2) the employee benefit plan has total assets in excess of \$5,000,000; or
 - (3) the plan is a self-directed plan with investment decisions made solely by persons who are “accredited investors” as defined under therein.
- vii. The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- viii. The undersigned has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring Shares and one or more of the following is true (check one or more, as applicable):

- (1) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
 - (2) a corporation;
 - (3) a Massachusetts or similar business trust; (4) a partnership; or
 - (4) a limited liability company.
- ix. The undersigned is a trust with total assets exceeding \$5,000,000, which is not formed for the specific purpose of acquiring Shares and whose purpose is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the Shares.

c. Non-Accredited Investors.

- The undersigned is not an accredited investor.

6. Miscellaneous.

- a.** I agree to furnish any additional information that the Company or its counsel deem necessary in order to verify the responses set forth above.
- b.** I understand the meaning and legal consequences of the agreements, representations and warranties contained herein. I agree that such agreements, representations and warranties shall survive and remain in full force and effect after the execution hereof and payment for the Series A Units. I further agree to indemnify and hold harmless the Company, and each current and future member of the Company from and against any and all loss, damage or liability due to, or arising out of, a breach of any of my agreements, representations or warranties contained herein.
- c.** This Subscription Agreement shall be construed and interpreted in accordance with Minnesota law without regard to the principles regarding conflicts of law.

Subscribers Source of Funds. Pursuant to The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, please indicate the source of funds used to purchase the securities subscribed for herein:

FAILURE TO RESPOND TO THIS INQUIRY WILL RESULT IN A REJECTION OF YOUR SUBSCRIPTION AGREEMENT.

- | | | |
|--|---------------------------------------|---|
| <input type="checkbox"/> Cash | <input type="checkbox"/> Liquidation | <input type="checkbox"/> CD |
| <input type="checkbox"/> Margin or Bank Loan | <input type="checkbox"/> Money Market | <input type="checkbox"/> Other – explain: |

SIGNATURES

Instructions. If the subscriber is an Individual, please fill out and sign only the “Individual Subscriber” and “Individual Subscriber Type of Ownership” sections below. If the subscriber is an Entity, please fill out and sign only the “Entity Subscriber” and “Entity Subscriber Type of Ownership” sections below.

Individual Subscriber(s):

Dated: _____

Dated: _____

Signature

Signature of Second Individual, if applicable

Name (Typed or Printed)

Name (Typed or Printed)

Social Security Number

Social Security Number

(____) _____
Telephone Number

(____) _____
Telephone Number

Residence Street Address

Residence Street Address

City, State & Zip Code
(Must be same state as in Section 1)

City, State & Zip Code
(Must be same state as in Section 1)

Mailing Address
(Only if different from residence address)

Mailing Address
(Only if different from residence address)

City, State & Zip Code

City, State & Zip Code

Individual Subscriber Type of Ownership:

The Units subscribed for are to be registered in the following form of ownership (check one):

- Individual Ownership
- Joint Tenants with Right of Survivorship (both parties must sign). Briefly describe the relationship between the parties (e.g., married). _____
- Tenants in Common (both parties must sign). Briefly describe the relationship between the parties (e.g., married). _____

Entity Subscriber:

Dated: _____

Name of Entity (Typed or Printed)

(____) _____
Telephone Number

X _____
Signature of Authorized Person

Entity's Tax Identification Number

Name & Title (Typed or Printed) of Signatory

Contact Person (if different from Signatory)

Principal Executive Office Address

Mailing Address
(If different from principal executive office)

City, State & Zip Code
(Must be same state as in Section 1)

City, State & Zip Code

Entity Subscriber Type of Ownership:

The Units subscribed for are to be registered in the following form of ownership (check one):

- Partnership
- Limited Liability Company
- Corporation
- Trust or Estate (Describe, and enclose evidence of authority)

**RUSTECH BREWING COMPANY LLC
OPERATING AGREEMENT**

Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned hereby executes this counterpart signature page to the Operating Agreement of Rustech Brewing Company LLC dated July 21, 2017 (the "Operating Agreement"), as the same may be amended from time to time, and hereby authorizes Rustech Brewing Company LLC to attach this counterpart signature page to the Operating Agreement as executed by the other parties thereto.

Signature

Type or Print Name

Signature

Type or Print Name

ACCEPTANCE

This Subscription Agreement is accepted by Rustech Brewing Company LLC.

RUSTECH BREWING COMPANY LLC

Dated: _____

WILLIAM BURT, CHIEF EXECUTIVE OFFICER

13907510v2

EXHIBIT F

Financial Statements
(income statement and balance sheet)

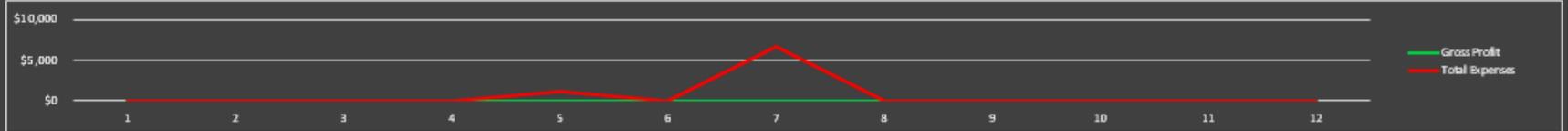
(See attached)

2017

PROFIT AND LOSS STATEMENT Rustech Brewing Company

NET INCOME

\$0



Taproom Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Taproom Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise	0	0	0	0	0	0	0	0	0	0	0	0	0
All Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Sales Returns (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Discounts (Reduction)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Grain , Hops , Yeast and Sanitizer	0	0	0	0	0	0	0	0	0	0	0	0	0
Clothes	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of goods sold (COGS)	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650.00	\$ 650.00	\$ 650.00	\$ 583.33	\$ 583.33	\$ 583.33	\$ 1,250.00	\$ 4,949.99
Payroll (incl. taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schlenner Wenner & Co. Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SBA Loan Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
City of Monticello EDA (\$75,000 loan @ 2% for 10 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Attorney fees	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000.00
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POS System - Accept Credit card	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POS System - Fee per sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internet	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses					\$ 1,000.00		\$ 6,650.00						\$ 11,949.99
EBIT or earnings before interest and taxes					\$ (1,000.00)		\$ (6,650.00)						\$ (11,950)
Interest Income (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Income Before Income Taxes					0	0	0	0	0	0	0	0	0
Income Tax Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income					\$0	\$0	\$0						\$0

RUSTECH BREWING COMPANY LLC

Balance Sheet

Date: 7/21/2017

Assets	2017	2018
Current Assets		
Cash	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expenses	-	-
Short-term investments	-	-
<i>Total current assets</i>	-	-
Fixed (Long-Term) Assets		
Long-term investments	-	-
Property, plant, and equipment (Less accumulated depreciation)	3,500 (26)	-
Intangible assets	-	-
<i>Total fixed assets</i>	3,474	-
Other Assets		
Deferred income tax	-	-
Other	-	-
<i>Total Other Assets</i>	-	-
Total Assets	3,474	-

Liabilities and Owner's Equity		
Current Liabilities		
Accounts payable	-	-
Short-term loans	1,300	-
Income taxes payable	-	-
Accrued salaries and wages	-	-
Unearned revenue	-	-
Current portion of long-term debt	-	-
<i>Total current liabilities</i>	1,300	-
Long-Term Liabilities		
Long-term debt	-	-
Deferred income tax	-	-
Other	-	-
<i>Total long-term liabilities</i>	-	-
Owner's Equity		
Owner's investment	10,900	-
Retained earnings	-	-
net loss	(11,362)	-
Other	2,636	-
<i>Total owner's equity</i>	2,174	-
Total Liabilities and Owner's Equity	3,474	-

Common Financial Ratios		
Debt Ratio (Total Liabilities / Total Assets)	0.37	
Current Ratio (Current Assets / Current Liabilities)	0.00	
Working Capital (Current Assets - Current Liabilities)	(1,300)	-
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	1.60	
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	0.60	

EXHIBIT G

Escrow Agreement

(See attached)

SUBSCRIPTION ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of July 21, 2017 (this “Agreement”), is entered into by and between Rustech Brewing Company LLC, a Minnesota limited liability company (the “Company”) and Sunrise Banks, National Association as Escrow Agent hereunder (“Escrow Agent”).

RECITALS

A. The Company is offering a minimum of 50,000 (the “Minimum Number”) of its Series A Membership Units (“Securities”) and a maximum (the “Maximum Number”) of 200,000 of its Securities to subscribers (the “Subscriber(s)”) at a purchase price of \$1.00 per Security (the “Offering”);

B. The Offering is intended to be exempt from registration under the Securities Act of 1933, as amended, by virtue of Section 3(a)(11) and Rule 147A promulgated thereunder and by virtue of the MNvest registration exemption, Section 80A.461 of the Minnesota Statutes (collectively, the “Offering Exemptions”); and

C. In compliance with the requirements of the Offering Exemptions, the Company has engaged Silicon Prairie Portal and Exchange, LLC as a portal operator (the “Portal Operator”) in connection with the Offering to provide an Internet website meeting the requirements of the Offering Exemptions (the “Portal”) and the Company is providing for the escrow of subscription payments (the “Subscription Payments”) received through the Portal in an escrow account (the “Escrow Account”) until certain conditions have been met and the Company and Escrow Agent desire to enter into an agreement with respect thereto.

NOW THEREFORE, in consideration of the premises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their respective successors and assigns, hereby agree as follows:

1. **Definitions.** The following terms shall have the following meanings when used herein:

“Escrow Funds” shall mean the funds deposited in escrow with Escrow Agent pursuant to this Agreement.

“Final Escrow Closing Date” shall mean no earlier than July 21, 2018, unless prior to such date, the Company provides written notice to Escrow Agent of the extension of the Final Escrow Closing Date in accordance with the Offering Documents and applicable federal and state laws to a date no later than June 21, 2018¹, in which case the Final Escrow Closing Date shall mean the extended date established by such extension. In the case of each such extension, the Company shall provide Escrow Agent with a written certification of the duly approved extended Final

¹ Under MN Stat 80A.461, subd. 4(2).

Escrow Closing Date that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto.

“Notice of Escrow Closing” shall mean a written certification in the form of Exhibit C hereto that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto, stating that the following conditions to closing on the Escrow Funds have been satisfied on or before the Final Escrow Closing Date:

(i) the Company shall have received and accepted subscriptions for the Minimum Number of Securities in the Offering; and

(ii) the Company is not subject to any stop order or other legal order prohibiting the Offering or the acceptance of the Subscription Payments.

“Notice of Failure of Escrow Closing” shall mean a written certification in the form of Exhibit D attached hereto that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto, stating that:

(i) the conditions to closing on the Subscription Payments being held in escrow have not been satisfied on or before the Final Escrow Closing Date;

(ii) there has not been and will not be an escrow closing on the Subscription Payments; and

(iii) directing Escrow Agent to return all Subscription Payments being held in the Escrow Account to the Subscribers.

“Offering Documents” shall mean the offering documents that have or will be provided to the Subscribers by the Company or the Portal Operator as required by the Offering Exemptions.

“Subscription Accounting” shall mean an accounting in spreadsheet format, prepared by the Company, indicating as of a particular date: (1) the unique identification number assigned to a Subscriber as part of the process of registration with the Portal, (2) the amount of the Subscription Payment(s) for the subscribed Securities, (3) the method of payment and date of deposit into the Escrow Account of the Subscription Payment relating thereto, including ACH information, and notations of any ACH return claims, (4) any withdrawal of any such subscription and by the Subscriber (if permitted), and (5) any rejection, cancellation or termination of any such subscription.

2. Appointment of and Acceptance by Escrow Agent; Effectiveness of Agreement. The Company hereby appoints Escrow Agent to serve as escrow agent hereunder, and Escrow Agent hereby accepts such appointment and agrees to act as Escrow Agent in accordance with the terms of this Agreement. Notwithstanding the earlier execution and delivery of this Agreement or anything in this Agreement to the contrary, this Agreement shall only become effective and binding on the parties as of the date that (a) the Company pays the fees of Escrow Agent under Section 11 hereunder; and (b) the effective period of the Offering shall have

begun under the Offering Exemption and the Company shall have confirmed in writing the first day of such effective period to Escrow Agent.

3. Deposits into Escrow.

a. The Offering shall be conducted exclusively through the Portal. The Company shall at all times comply with the requirements of the Offering Exemptions in the conduct of the Offering, including the offer and sale of Securities, the provision of the Offering Documents to Subscribers, the collection of Subscription Payments, and the timing, form and content of instructions to Escrow Agent hereunder. The Company, and not Escrow Agent, shall be responsible for determining whether the Company has received subscriptions for the Minimum Number of Securities in the Offering, whether the aggregate amount of Securities purchased by a Subscriber will cause such Subscriber to exceed the investment limits of the Offering Exemptions, the residency or any other qualification of any Subscriber, and all other matters relating to the conduct of the Offering in compliance with the Offering Exemptions.

b. The Company shall direct and shall ensure that the Portal shall direct all Subscribers to deliver all Subscription Payments directly to Escrow Agent for deposit into the Escrow Account. From time to time and upon request by Escrow Agent, the Company shall provide a Subscription Accounting to Escrow Agent.

Unless otherwise agreed to by Escrow Agent, in no event shall any Subscriber be permitted to make any Subscription Payment by credit card payment and Escrow Agent shall only accept ACH credits or such other forms of electronic payment as may be permitted by Escrow Agent in its sole discretion.

Subscription Payments shall be delivered to the Escrow Account in accordance with the instructions provided by Escrow Agent on or about the date of this Agreement. The Company shall ensure that the Portal functionality includes the ACH payment processing solution designated by Escrow Agent.

ALL FUNDS SO DEPOSITED SHALL REMAIN THE PROPERTY OF THE SUBSCRIBERS ACCORDING TO THEIR RESPECTIVE INTERESTS AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR CREDITOR'S CLAIMS AGAINST THE COMPANY OR THE PLATFORM OPERATOR UNTIL RELEASED TO THE COMPANY IN ACCORDANCE WITH SECTION 4 HEREOF. IN NO EVENT SHALL ANY OF THE ESCROW FUNDS BE COMMINGLED WITH DEPOSIT ACCOUNTS OF ESCROW AGENT OR OTHERWISE TREATED AS A DEPOSIT ACCOUNT OF ESCROW AGENT OR REFLECTED ON THE FINANCIAL STATEMENTS OF ESCROW AGENT.

c. Notwithstanding anything to the contrary contained in this Agreement, the Company understands and agrees that all Subscription Payments received by Escrow Agent hereunder are subject to collection requirements of presentment and final payment, and that the funds represented thereby cannot be drawn upon or disbursed until such time as final payment has been made and is no longer subject to dishonor. Upon receipt, Escrow Agent shall process

each Subscription Payment it receives for collection, and the proceeds thereof shall be held as part of the Escrow Funds and disbursed in accordance with Sections 4 and 5 hereof. If, upon presentment for payment, any Subscription Payment is dishonored, Escrow Agent shall notify the Company of such dishonor.

d. Escrow Agent shall provide the Company with online access to view information relating to the Escrow Account.

4. Disbursement of Funds to the Company.

a. Escrow Closing. Upon or within five (5) business days of the receipt of a Notice of Escrow Closing from the Company, a Subscription Accounting and such other certificates, notices or other documents as Escrow Agent shall reasonably require, Escrow Agent shall disburse to the Company the Escrow Funds then held by Escrow Agent (after deducting amounts paid or payable to Escrow Agent pursuant to Section 10 and Section 11 hereof and deducting amounts under Section 4(c) hereof).

b. Notwithstanding anything to the contrary herein provided, Escrow Agent shall be entitled to rely conclusively and without inquiry on any documents furnished to Escrow Agent by the Company which purport to be those documents contemplated by Section 4(a). Without limiting the foregoing, Escrow Agent shall have no duty or responsibility to review or seek to determine the truth, accuracy or sufficiency of any such documents. Escrow Agent shall have no duty to review any subscription agreement or Subscription Accounting, it being the understanding and agreement of the parties hereto that Escrow Agent shall disburse the Escrow Funds upon receipt of documents Escrow Agent believes, without any duty of further inquiry, to conform to the requirements set forth in Section 4(a).

c. All disbursements to the Company pursuant to Section 4 shall be by wire transfer pursuant to wire instructions provided by the Company on or about the date hereof. All disbursements of Escrow Funds to the Company under Section 4 shall be made in U.S. Dollars and subject to the fees and claims of Escrow Agent and the Indemnified Parties (as defined below) pursuant to Section 10 and Section 11. In furtherance and not in limitation of the foregoing, from the disbursement to the Company under Section 4(a) hereof, Escrow Agent shall not disburse and shall hold in the Escrow Account all funds credited to the Escrow Account in the 60 days immediately prior to the delivery of the Notice of Escrow Closing and not otherwise returned to satisfy claims (including under Section 10(b) hereof) until the first business day following 61 days after delivery of the Notice of Escrow Closing.

d. Notwithstanding the foregoing, Escrow Agent shall not disburse any Escrow Funds to the Company pursuant to Section 4(a) if Escrow Agent shall have received from the Company a Notice of Failure of Escrow Closing.

5. Return of Funds to Subscribers.

a. Failure to Reach Escrow Closing. If, by the date that is five (5) business days after the Final Escrow Closing Date, Escrow Agent shall not have received a Notice of Escrow

Closing, then Escrow Agent shall (i) notify the Company in writing that the conditions set forth in Section 4(a) have not been satisfied, and (ii) as soon as practicable but no later than five (5) days following the Final Escrow Closing Date, return the Escrow Funds then held by Escrow Agent to the Subscribers in the same manner and to the same account from which the Escrow Funds originated or in a manner otherwise as determined by Escrow Agent, with each Subscriber receiving the amount of the Subscription Payment received from such Subscriber then held in the Escrow Account, without interest or deduction. If Escrow Agent shall at any time have received a Notice of Failure of Escrow Closing, Escrow Agent shall likewise return the Escrow Funds as described in Section 5(a)(ii). The Subscription Payment returned to each Subscriber shall be made in U.S. Dollars and be free and clear of any and all claims of the Company, the Portal Operator, or any of its respective creditors, including but not limited to, any and all fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 and Section 11.

b. Rejection or Cancellation of Any Subscription. As soon as practicable but no later than five (5) business days after receipt by Escrow Agent of written notice from the Company that the Company has rejected or intends to reject a Subscriber's subscription (which shall be rejected in whole and not in part) or written notice from the Company that a Subscriber has cancelled or that the Company has cancelled such Subscriber's subscription (which may be cancelled in whole and not in part), Escrow Agent shall return to the applicable Subscriber the amount of the Subscription Payment received from such Subscriber then held in the Escrow Account or which thereafter clears the banking system.

c. Abandonment or Termination of Offering; Insolvency of the Company or the Portal Operator. As soon as practicable but no later than five (5) business days after receipt by Escrow Agent of (i) notice from the Company that the Offering is being abandoned or terminated, or (ii) notice of the Company's or the Portal Operator's insolvency or bankruptcy, or the institution of bankruptcy, reorganization, insolvency, foreclosure, receivership, or liquidation proceedings by or against the Company or the Portal Operator and, if against the Company or the Portal Operator, such proceedings have, in the case of bankruptcy, reorganization, insolvency or liquidation, continued without termination for at least thirty (30) days and, in the case of foreclosure or receivership, continued without termination for at least thirty (30) days, then Escrow Agent shall, subject to applicable court orders, if any, return the Escrow Funds then held by Escrow Agent to the Subscribers the amount of the Subscription Payments received from such Subscribers then held in the Escrow Account, without interest or deduction. The Subscription Payment returned to each Subscriber shall be made in U.S. Dollars and be free and clear of any and all claims of the Company, the Portal Operator or any of their respective creditors, including but not limited to, any and all fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 and Section 11.

d. In connection with a return of Subscription Payments to Subscribers pursuant to this Section 5, the Company shall provide Escrow Agent with a Subscription Accounting and such other certificates, notices or other documents as Escrow Agent shall reasonably require. Under no circumstances in connection with Escrow Agent's return of funds to Subscribers pursuant to this Section 5 shall a Subscriber receive from Escrow Agent less than the amount of all Subscription Payments made by the Subscriber.

6. Suspension of Performance or Disbursement Into Court. If, at any time, there shall exist any dispute between or among the Company, the Portal Operator, Escrow Agent, any Subscriber or any other person with respect to the holding or disposition of any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, or if at any time Escrow Agent is unable to determine, to Escrow Agent's reasonable satisfaction, the proper disposition of any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or if the Company has not within thirty (30) days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof appointed a successor escrow agent to act hereunder, then Escrow Agent may, in its sole discretion, consult legal counsel selected by it and take either or both of the following actions:

a. suspend the performance of any of its obligations under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor escrow agent shall have been appointed (as the case may be); or

b. petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction in Ramsey County, Minnesota or in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court all Escrow Funds without deduction for holding and disposition in accordance with the instructions of such court and Escrow Agent shall thereupon be discharged from all further duties under this Agreement.

Escrow Agent shall have no liability to the Company, the Portal Operator, any Subscriber or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of funds held in the Escrow Funds or any delay in or with respect to any other action required or requested of Escrow Agent.

7. Investment of Funds. Escrow Agent shall hold the Escrow Funds in a non-interest bearing demand deposit account maintained by Escrow Agent. The Escrow Funds shall not be invested in any other securities or accounts, including, without limitation, corporate equity or debt securities, repurchase agreements, bankers' acceptances, commercial papers, or municipal securities. Notwithstanding anything to the contrary herein provided, Escrow Agent shall have no duty by reason of this Agreement to prepare or file any Federal or state tax report or return with respect to the Escrow Account.

8. Resignation of Escrow Agent. Escrow Agent may resign from the performance of its duties hereunder at any time by giving thirty (30) days' prior notice to the Company. If, as of the effective date of such resignation, the Company has not appointed a successor escrow agent that has agreed in writing to such appointment, Escrow Agent shall return all Escrow Funds to Subscribers in accordance with Section 5(a)(ii). If, as of the effective date of such resignation, the Company has appointed a successor escrow agent that has agreed in writing to such appointment, Escrow Agent shall deliver to the Company and such successor escrow agent a full accounting of all Escrow Funds received, held and disbursed by Escrow Agent hereunder and shall deliver all Escrow Funds to the successor escrow agent. Upon the effectiveness of Escrow Agent's resignation, Escrow Agent shall be discharged from its duties and obligations

under this Agreement, but shall not be discharged from any liability hereunder for actions taken as Escrow Agent hereunder prior to such resignation. After any Escrow Agent's resignation, the provisions of this Agreement shall continue to apply as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Agreement, provided that any and all claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 shall survive the termination of this Agreement or Escrow Agent's resignation. Any corporation or association into which Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of Escrow Agent's corporate trust line of business may be transferred, shall be Escrow Agent under this Agreement without further act.

9. Duty and Liability of Escrow Agent. Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The sole duty of Escrow Agent, other than as herein specified, shall be to receive the Escrow Funds and hold them subject to release, in accordance herewith. Escrow Agent shall have no duty to inquire or determine as to whether any person is complying with requirements of this Agreement or any applicable laws or regulations, including but not limited to federal or state securities laws, in connection with the Offering, including the depositing in the Escrow Account the Subscription Payments or the release of Escrow Funds pursuant to Section 4 or Section 5. Escrow Agent may conclusively rely upon and shall be protected in acting upon any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, not only as to its due execution and the validity (including the authority of the person signing or presenting the same) and effectiveness of its provisions, but also as to the truth, sufficiency and acceptability of any information therein contained. Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be to act only as expressly set forth in this Agreement and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein or provided to it pursuant to the express provisions hereof. Escrow Agent shall not be responsible for the sufficiency or accuracy of the form of, or the execution, validity, value or genuineness of, any document or property received, held or delivered by it hereunder, or of any signature or endorsement thereon, or for any lack of endorsement thereon, or for any description therein; nor shall Escrow Agent be responsible or liable to the other parties hereto or to anyone else in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any document or property or this Agreement. Escrow Agent shall have no responsibility with respect to the use or application of any Escrow Funds released by Escrow Agent pursuant to the provisions hereof. Escrow Agent shall have no duty to solicit any Subscription Payment which may be due to be paid into the Escrow Account or to confirm or verify the accuracy or correctness of any amounts delivered into the Escrow Account or the calculation of the Minimum Number or the Maximum Number. Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement, provided that, if it does so institute or defend any such action, suit or proceeding, it shall first be indemnified to its satisfaction. Escrow Agent shall have no duty to enforce any obligation of any person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any person to perform any other act. Escrow Agent shall be under no liability to the other parties hereto or to anyone else by reason of any failure on the

part of any party hereto or any maker, guarantor, endorser or other signatory of any document or any other person to perform such person's obligations under any such document. Escrow Agent shall have no liability with respect to the transfer or distribution of any funds by Escrow Agent pursuant to wiring or transfer instructions provided to Escrow Agent by the Company or the Portal Operator or set forth in any Subscription Agreement. Except for this Agreement (including any instructions given to Escrow Agent pursuant this Agreement), Escrow Agent shall not be obligated to recognize any agreement between, among or with any or all of the persons referred to herein, notwithstanding that references thereto may be made herein and whether or not it has knowledge thereof. Escrow Agent may consult counsel selected by it in respect of any question arising under this Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel. The Company shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated unless such compliance is commenced following any appeal, order, injunction or other proceeding which stays the requirement of compliance with any such order, writ, judgment or decree. Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines in a final non-appealable decision that Escrow Agent's gross negligence or willful misconduct was the direct cause of any loss to the Company.

10. Indemnification of Escrow Agent; Limitation on Liability of the Company.

a. From and at all times after the date of this Agreement, the Company shall indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent, parent, subsidiary and affiliate, and any director, officer, employee, attorney or agent of any such parent or subsidiary or affiliate of Escrow Agent (collectively, the "Indemnified Parties") from and against any and all actions, claims (whether or not valid), losses, damages, liabilities, costs and expenses of any kind or nature whatsoever, including without limitation reasonable attorneys' fees, costs and expenses, incurred by or asserted against any of the Indemnified

Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation the Company and the Portal Operator, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person (whether or not an Indemnified Party) under any statute or regulation, including, but not limited to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance of this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such suit, action or proceeding or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. The Company further agrees to indemnify each of the Indemnified Parties for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Parties in connection with the enforcement of the Company's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Company. The obligations of the Company under this Section 10 shall survive any termination of this Agreement and the resignation of Escrow Agent.

b. In the event that Escrow Agent distributes Escrow Funds to the Company pursuant to this Agreement, and any Subscriber later has a claim to the return of funds which were distributed (including any ACH return claim), then, in addition to any other indemnification obligation of this Section 10, the Company shall indemnify Escrow Agent for any and all funds that Escrow Agent returns to the Subscribers in connection with such claim and any and all costs associated with returning those funds.

11. Fees and Expenses of Escrow Agent. Escrow Agent shall be entitled to compensation as described in Exhibit A attached hereto, at such time or times as set forth therein, for the services provided by Escrow Agent hereunder. The obligations of the Company under this Section 11 shall survive any termination of this Agreement and the resignation of Escrow Agent. The fees agreed upon for services rendered hereunder are intended as full compensation for Escrow Agent's services as contemplated by this Agreement; provided, however, that in the event Escrow Agent renders any material service not contemplated in this Agreement or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or Escrow Agent is made a party to any litigation pertaining to this Agreement, or the subject matter hereof, then Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorney's fees, occasioned by any delay, controversy, litigation or event, and the same shall be recoverable from the Company. No fees and costs and expenses payable to Escrow Agent or an Indemnified Party under this Agreement shall be deducted, withheld or set off against the Escrow Funds, except upon disbursement of Escrow Funds to the Company pursuant to Section 4(a).

12. Representations and Warranties. The Company makes the following representations and warranties to Escrow Agent:

a. It is duly organized, validly existing, and in good standing under the laws of the state of its incorporation or organization and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

b. This Agreement has been duly approved by all necessary action required for its part, has been executed by its duly authorized persons, and constitutes its valid and binding agreement, enforceable in accordance with its terms.

c. The execution, delivery, and performance by it of this Agreement will not violate, conflict with, or cause a default under its governing instruments, any applicable law or regulation, any court order or administrative ruling or decree to which it is a party or any of its property is subject, or any agreement, contract, indenture or other binding arrangement, including without limitation with respect to the Offering, to which it is a party or any of its property is subject.

d. It hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representations or implications shall be made that Escrow Agent has investigated the desirability or advisability of investment in the Securities or has approved, endorsed or passed upon the merits of the investments therein (and the Offering Documents shall contain a statement to that effect) and that the name of Escrow Agent has not and shall not be used in any manner in connection with the offer or sale of the Securities other than to state that Escrow Agent has agreed to serve as agent for the limited purposes set forth herein.

e. Each of the persons designated on Exhibit B hereto have been duly appointed to act as its respective authorized representatives hereunder and, individually and as authorized representatives, have full power and authority to execute and deliver any written notice, instruction or direction to amend, modify or waive any provision of this Agreement and to take any and all other actions including giving or confirming funds transfer instructions under this Agreement, all without further consent or direction from, or notice to, it or any other party provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Agreement.

f. Other than the Subscribers, no party other than the parties hereto has, or shall have, any lien, claim or security interest in the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

g. It possesses such valid and current licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct its business, to enter into and perform this Agreement, and in respect of the Offering; it has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such license, certificate, authorization or permit.

h. All of its representations and warranties contained herein are true and complete as of the date hereof and will be true and complete at the time of any disbursement of Escrow Funds.

13. Security Advice Waiver. The Company acknowledges that to the extent regulations of the Office of the Comptroller of the Currency or other applicable regulatory entity grant it the right to receive brokerage confirmations for certain security transactions as they occur, the Company specifically waives receipt of such confirmations to the extent permitted by law. Escrow Agent will furnish the Company periodic cash transaction statements that include detail for all transactions made by Escrow Agent.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, Escrow Agent requires documentation to verify its formation and existence as a legal entity. Escrow Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Company acknowledges that a portion of the identifying information set forth herein is being requested by Escrow Agent in connection with the USA Patriot Act, Pub.L.107-56 (the "Act"), and the Company agrees to provide any additional information requested by Escrow Agent in connection with the Act or any similar legislation or regulation to which Escrow Agent is subject, in a timely manner. The Company represents and warrants that all identifying information provided to Escrow Agent, including any federal or state taxpayer identification number, is true and complete on the date hereof and will be true and complete at the time of any disbursement of Escrow Funds. The Company shall provide to Escrow Agent as requested such information relating to the Subscribers as may reasonably be required by Escrow Agent in connection with the Act or any similar legislation or regulation to which Escrow Agent is subject, in a timely manner.

15. Tax Reporting. Escrow Agent shall have no responsibility for the tax consequences of this Agreement and hereby advises each party to consult with independent counsel concerning any tax ramifications. The Company shall prepare and file all required tax filings with the IRS and any other applicable taxing authority. Further, the Company agrees to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement, (ii) request information from Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, all of which shall be the responsibility of the Company, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations, and (iii) indemnify and hold Escrow Agent harmless pursuant to Section 10 hereof from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against Escrow Agent.

16. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Agreement, the parties hereto agree that the courts in Ramsey County, Minnesota courts shall have sole and exclusive jurisdiction and shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts.

17. Notice. Any notice and other communications hereunder shall be in writing and shall be deemed to have been validly served, given or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities, and addressed to the party to be notified as follows:

If to the Company at:

WILLIAM BURT
Rustech Brewing Company LLC
6328 86th Street N.E., Monticello, MN 55362
(612) 414-9437

If to Escrow Agent:

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651) 259-6808
Attention: Crowdfunding Escrow Services

or to such other address as a party may designate for itself by like notice.

18. Amendment or Waiver. This Agreement may be amended, changed, waived, discharged or terminated only by a writing signed by the Company and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. This Agreement may not be assigned by any party without the prior written consent of the other parties.

19. Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

20. Governing Law. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Minnesota without giving effect to the conflict of laws principles thereof.

21. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relating to the acceptance, collection, holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

22. **Binding Effect.** All of the terms of this Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the Company and Escrow Agent.

23. **Execution in Counterparts.** This Agreement and any written notice may be executed in two or more counterparts, which, when so executed, shall constitute one and the same agreement or notice.

24. **Termination.** Upon the first to occur of the disbursement of all amounts in the Escrow Account pursuant to Section 4 or 5 hereof or deposit of all amounts in the Escrow Account into court pursuant to Section 6 hereof, this Agreement shall terminate and Escrow Agent shall have no further responsibilities whatsoever with respect to this Agreement or the Escrow Funds.

25. **Publicity.** No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

26. **WAIVER OF TRIAL BY JURY.** EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR (2) IN ANY WAY IN CONNECTION WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES TO THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF ANY SUCH PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. EACH OF THE PARTIES HERETO HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT EACH HAS REVIEWED OR HAD THE OPPORTUNITY TO REVIEW THIS WAIVER WITH ITS RESPECTIVE LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A CONSENT BY ALL PARTIES TO A TRIAL BY THE COURT.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the date first above written.

COMPANY:

Rustech Brewing Company LLC

By: WILLIAM BURT
Name: WILLIAM BURT
Its: CEO

ESCROW AGENT:

Sunrise Banks, National Association

By: _____
Name: Jason Scott
Its: VP – Regional Market Manager

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the date first above written.

COMPANY:

Rustech Brewing Company LLC

By: _____

Name: WILLIAM BURT

Its: CEO

ESCROW AGENT:

Sunrise Banks, National Association

By:  _____

Name: Jason Scott

Its: VP – Regional Market Manager

EXHIBIT A

Compensation of Escrow Agent

Schedule of Fees for Services as Escrow Agent

\$200

EXHIBIT C

Notice of Escrow Closing

Date: [_____]

VIA FACSIMILE AND U.S. MAIL

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651)259-6808
Attention: Crowdfunding Escrow Services

Re: Rustech Brewing Company LLC (the “Company”)
Notice of Escrow Closing

Dear Sir/Madam:

Reference is made to the Subscription Escrow Agreement dated as of July 21, 2017 between the Company and Sunrise Banks, National Association, as escrow agent (“Escrow Agent”). Capitalized terms used herein shall have the meaning ascribed to such terms in the Subscription Escrow Agreement unless otherwise defined herein.

Please be advised that the following conditions have been satisfied:

(i) the Company shall have received and accepted subscriptions for the Minimum Number of Securities in the Offering; and

(ii) the Company is not subject to any stop order or other legal order prohibiting the Offering or the acceptance of Subscription Payments.

ACCEPTED SUBSCRIPTIONS

Attached hereto is a Subscription Accounting setting forth the Subscriptions Payments and subscriptions accepted by the Company as of the date of this notice.

In accordance with the Escrow Agreement, the Company hereby instruct you to disburse the Escrow Funds.

WITHDRAWN, REJECTED OR CANCELLED SUBSCRIPTIONS

You are hereby notified that all Subscriptions Agreements identified on the Subscription Accounting that were not accepted were withdrawn, rejected or canceled. The rejected, withdrawn and canceled subscriptions are shown with a \$0 in the “Accepted Amount Total” column on the Subscription Accounting. You are hereby instructed to return to the applicable Subscriber the amount of the Subscription Payment from such Subscriber being held in Escrow Account, without interest or deduction, as soon as practicable.

Please do not hesitate to call the undersigned with any questions or concerns you have regarding this notice of escrow closing.

Very Truly Yours,

By: _____

Its: _____

EXHIBIT D

Notice of Failure of Escrow Closing

Date [_____]

VIA FACSIMILE AND U.S. MAIL

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651)259-6808
Attention: Crowdfunding Escrow Services

Re: _____ (the “Company”)
Notice of Failure of Escrow Closing

Dear Sir/Madam:

Reference is made to the Subscription Escrow Agreement dated as of July 21, 2017 between the Company and Sunrise Banks, National Association, as escrow agent (“Escrow Agent”). Capitalized terms used herein shall have the meaning ascribed to such terms in the Subscription Escrow Agreement unless otherwise defined herein.

Please be advised that:

- (1) the Offering was terminated on _____ (the “Final Escrow Closing Date”); and
- (2) the conditions to closing on the Subscription Payments being held in escrow have not been satisfied on or before the Final Escrow Closing Date; and
- (3) there has not been and will not be an escrow closing.

Please return all Subscription Payments being held in the Escrow Account to the Subscribers.

Please do not hesitate to call the undersigned with any questions or concerns you have regarding this Notice of Failure of Escrow Closing.

Very Truly Yours,

By: _____

Its: _____

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EXHIBIT H

Portal Operator Agreement

(See attached)

PORTAL AGREEMENT

This Portal Agreement (the “Agreement”), is made and entered into this 21st day of July 2017 (the “Effective Date”), by and between Silicon Prairie Portal & Exchange LLC (“SPPX” or “Vendor”) and Rustech Brewing Company LLC (“Customer”). Each party to this Agreement may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, SPPX provides a crowdfunding investment software platform which Customer will access under authorization from Vendor; and

WHEREAS, the Parties desire that SPPX make such platform and related services available to Customer under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Definitions

As used in this Agreement, the following terms shall have the following meaning:

- a. “**Content**” means the visual information, documents, software, products, and services contained or made available to Customer in the course of using the Service (as defined hereinafter).
- b. “**Customer User Account**” means the account maintained by Customer’s users which includes any related login credentials and certain Customer Data provided or submitted by Customer’s users in the course of using the Service.
- c. “**Customer Data**” means any data, information, or material provided or submitted by Customer or by third-party users in the course of using the Service.
- d. “**Intellectual Property Rights**” means any unpatented inventions, patent applications, patents, design rights, copyrights, trademarks, service marks, trade names, domain name rights, mask work rights, know-how and other trade secret rights, and all other intellectual property rights, derivatives thereof, and forms of protection of a similar nature anywhere in the world.
- e. “**SPPX Technology**” means all of SPPX’s proprietary technology (including software, hardware, products, processes, algorithms, user interfaces, know-how, techniques, designs, and other tangible or intangible technical material or information) made available to Customer by SPPX in providing the Service.
- f. “**Service(s)**” means SPPX’s crowdfunding investment platform (the “Software Platform”), developed, operated, hosted, and maintained by SPPX, or ancillary online or

offline products and services provided to Customer by SPPX, to which Customer is being granted access under this Agreement, including the SPPX Technology and the Content. The Services are further described in the documentation set forth in Appendix B.

- g. “User(s)” means Customer employees, representatives, consultants, contractors, agents, or prospective investors who are authorized to use the Service and have been supplied user identifications and passwords by Customer (or by SPPX at Customer’s request).

2. Provision of Services

- a. Subject to the terms and conditions set forth in this Agreement (including any appendices), during the term of this Agreement, SPPX agrees to provide the Services and provide authorization to Customer and its Users with access and rights to use the Services subject to the fees set forth on Appendix A, attached hereto.
- b. Appendix A may be modified by the mutual written consent of the parties, in a form expressly amending such Appendices, to expand, limit or otherwise modify the scope the Services provided hereunder.
- c. SPPX will not provide any front-end web hosting services on the Customer’s website, but shall provide installation, maintenance, support, and other related hosting services to Customer as part of the Services and to be hosted on a subdomain of the Customer’s website.
- d. Neither the execution of this Agreement nor anything in it shall obligate SPPX to furnish any services beyond those described within this Agreement.

3. Access to Software Platform and Restrictions

- a. SPPX hereby authorizes Customer to access and use the Service, solely for Customer’s own business purposes, subject to the terms and conditions of this Agreement. All rights not expressly granted to Customer are reserved by SPPX.
- b. Customer may not access the Service for purposes of obtaining competitive advantages, including, but not limited to, monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes.

4. Customer Responsibilities

- a. Customer is responsible for all activity occurring under Customer’s User Accounts and shall abide by all applicable local, state, national, and foreign, laws, treaties and regulations in connection with Customer’s use of the Service, including those related to data security and privacy, international communications, and the transmission of technical or personal data.
- b. Customer shall: (i) notify SPPX immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to SPPX immediately and use reasonable efforts to stop immediately any copying or distribution of Content that is known or suspected by Customer or Customer Users; and (iii) not impersonate another SPPX user or provide false identity information to gain access to or use the Service.

- c. Customer shall not (i) license, sublicense, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any third party the Service or the Content in any way; (ii) modify or make derivative works based upon the Service or the Content; (iii) “frame” or “mirror” any Content on any other server or wireless or Internet-based device; or (iv) reverse engineer or access the Service in order to (a) build a competitive product or service, (b) build a product using similar ideas, features, functions or graphics of the Service, or (c) copy any ideas, features, functions or graphics of the Service.
- d. Customer shall not: (i) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (ii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortuous material, including material harmful to children or violative of third party privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses, or other harmful computer code, files, scripts, agents, or programs; (iv) interfere with or disrupt the integrity or performance of the Service or the data contained therein; or (v) attempt to gain unauthorized access to the Service or its related systems or networks.
- e. In connection with Customer’s use of the Services on Customer’s own front-end website, Customer’s front-end materials, web pages, media, and graphics used in connection with the Services shall prominently indicate that Vendor is providing the back-end Services by using the phrasing “POWERED BY SILICON PRAIRIE ONLINE” alongside the SPPX logo, in a manner to be approved by Vendor prior to Customer’s use of the Services with any third parties.

5. Account Information and Customer Data

- a. Customer, not SPPX, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Customer Data, and SPPX shall not be responsible or liable for the deletion, correction, corruption, destruction, damage, loss or failure to store any Customer Data. In the event this Agreement is terminated (other than by reason of Customer’s breach), SPPX will make available to Customer a file of the Customer Data within thirty (30) days of termination if Customer so requests at the time of termination.
- b. SPPX reserves the right to withhold, remove, and/or discard Customer Data without notice for any breach, including, without limitation, Customer’s non-payment. Upon termination for cause, Customer’s right to access or use Customer Data immediately ceases, and SPPX shall have no obligation to maintain or forward any Customer Data.

6. Intellectual Property Ownership

- a. SPPX (and its affiliated entities, where applicable) shall retain all right, title, and interest, including all related Intellectual Property Rights, in and to the SPPX Technology, the Content and the Service and any suggestions, ideas, enhancement requests, feedback, recommendations, or other information provided by Customer or any other party relating to the Service.
- b. This Agreement is not a sale or license and does not convey to Customer any rights of

ownership in or related to the Service, the SPPX Technology or the Intellectual Property Rights owned by SPPX. SPPX's name, SPPX's logo, and the product names associated with the Service are trademarks of SPPX or third parties, and no right or license is granted to use them.

7. Third Party Goods and Services

- a. Customer may enter into correspondence with, and utilize the services from, third party service providers whose services are embedded into, or linked from, our Service offering. Any such activity, and any terms, conditions, warranties, or representations associated with such activity, is solely between Customer and the applicable third party. SPPX shall have no liability, obligation, or responsibility for any such correspondence, purchase, or utilization between Customer and any such third party. SPPX does not endorse any sites on the Internet that are linked through the Service. In no event shall SPPX be responsible for any content, products, or other materials on or available from such sites.
- b. Customer acknowledges that certain third party providers of ancillary software, hardware, or services may require Customer's agreement to additional or different license or other terms prior to Customer's use of or access to such software, hardware or services.

8. Term and Termination

- a. This Agreement is effective as of the Effective Date and will remain in effect until terminated by SPPX or Customer within 30 days' notice.
- b. SPPX may terminate Customer's access to all or any part of the Services at any time, with or without cause, with or without notice, with immediate effect.
- c. Any breach of Customer's payment obligations or unauthorized use of the SPPX Technology or Service will be deemed a material breach of this Agreement. SPPX, in its sole discretion, may terminate Customer's password, account or use of the Service if Customer breaches or otherwise fails to comply with this Agreement.

9. Payment of Fees

- a. Customer shall make payment to SPPX for the Services at the rates and terms agreed to in Appendix A of this Agreement.
- b. All payment obligations are non-cancelable and all amounts paid are nonrefundable. Customer shall provide SPPX with valid credit card, cash, check, crypto-currency or other approved payment information as a condition to signing up for the Service.
- c. SPPX will issue an invoice to Customer as set forth in Appendix A. SPPX's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, and Customer shall be responsible for payment of all such taxes, levies, or duties, excluding only U.S. (federal or state) taxes based solely on SPPX's income.
- d. Customer agrees to provide SPPX with complete and accurate billing and contact information. This information includes Customer's legal company name, street address, email address, and name and telephone number of an authorized billing contact. Customer agrees to update this information within thirty (30) days of any change to it. If

the contact information Customer has provided is false or fraudulent, SPPX reserves the right to terminate or suspend Customer's access to the Service in addition to any other legal remedies.

- e. If Customer believes its invoice is incorrect, Customer must contact SPPX in writing within sixty (60) days of the invoice date of the invoice containing the amount in question to be eligible to receive an adjustment or credit.

10. Nonpayment and Suspension

- a. In addition to any other rights granted to SPPX herein, SPPX reserves the right to suspend or terminate this Agreement and Customer's access to the Service if Customer fails to timely pay Vendor as set forth in this Agreement. Customer will continue to be charged during any period of suspension. If Customer or SPPX terminates this Agreement, Customer will be obligated to pay all remaining amounts owed to SPPX in accordance with Sections 8 and 9 above.
- b. SPPX reserves the right to impose additional fees in the event Customer is suspended and thereafter requests reinstated access to the Service.

11. Representations and Warranties, Indemnification, and Disclaimers

- a. Each party represents and warrants that it has the legal power and authority to enter into this Agreement. SPPX represents and warrants that it will provide the Service in a manner consistent with general industry standards reasonably applicable to the provision thereof and that the Service will perform substantially in accordance with Appendix B under normal use and circumstances.
- b. Customer represents and warrants that Customer has not falsely identified Customer nor provided any false information to gain access to the Service and that Customer's billing information is correct.
- c. Customer shall indemnify, defend, and hold SPPX and its parent organizations, subsidiaries, affiliates, officers, governors, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i) a claim alleging that use of the Customer Data infringes the rights of, or has caused harm to, a third party; (ii) a claim, which if true, would constitute a violation by Customer of Customer's representations and warranties; or (iii) a claim arising from the breach by Customer or Customer Users of this Agreement, provided in any such case that SPPX (a) gives written notice of the claim promptly to Customer; (b) gives Customer sole control of the defense and settlement of the claim (provided that Customer may not settle or defend any claim unless Customer unconditionally releases SPPX of all liability and such settlement does not affect SPPX's business or Service); (c) provides to Customer all available information and assistance; and (d) has not compromised or settled such claim.
- d. SPPX shall indemnify, defend, and hold Customer and Customer's parent organizations, subsidiaries, affiliates, officers, directors, governors, managers, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i)

a claim alleging that the Service directly infringes a copyright, patent issued as of the Effective Date, or a trademark of a third party; (ii) a claim, which if true, would constitute a violation by SPPX of its representations or warranties; or (iii) a claim arising from breach of this Agreement by SPPX; provided that Customer (a) promptly gives written notice of the claim to SPPX; (b) gives SPPX sole control of the defense and settlement of the claim (provided that SPPX may not settle or defend any claim unless it unconditionally releases Customer of all liability); (c) provides to SPPX all available information and assistance; and (d) has not compromised or settled such claim. SPPX shall have no indemnification obligation, and Customer shall indemnify SPPX pursuant to this Agreement, for claims arising from any infringement arising from the combination of the Service with any of Customer products, service, hardware or business process(s).

- e. SPPX MAKES NO OTHER REPRESENTATION, WARRANTY, OR GUARANTY AS TO THE RELIABILITY, TIMELINESS, QUALITY, SUITABILITY, TRUTH, AVAILABILITY, ACCURACY, OR COMPLETENESS OF THE SERVICE OR ANY CONTENT. SPPX DOES NOT REPRESENT OR WARRANT THAT (A) THE USE OF THE SERVICE WILL BE SECURE, TIMELY, UNINTERRUPTED, OR ERROR-FREE OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM, OR DATA; (B) THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (C) ANY STORED DATA WILL BE ACCURATE OR RELIABLE; (D) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY CUSTOMER THROUGH THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (E) ERRORS OR DEFECTS WILL BE CORRECTED; OR (F) THE SERVICE OR THE SERVER(S) THAT MAKE THE SERVICE AVAILABLE ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE SERVICE AND ALL CONTENT IS PROVIDED TO CUSTOMER STRICTLY ON AN "AS IS" BASIS. ALL CONDITIONS, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY SPPX.
- f. SPPX'S SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. SPPX IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

12. Limitation of Liability

- a. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY EXCEED THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM CUSTOMER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY,

INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE, OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS SERVICE, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICE, OR FOR ANY CONTENT OBTAINED FROM OR THROUGH THE SERVICE, ANY INTERRUPTION, INACCURACY, ERROR, OR OMISSION, REGARDLESS OF CAUSE IN THE CONTENT, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT HAS BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- b. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential, or certain other types of damages, so the exclusions set forth above may not apply to Customer.

13. Local Laws and Export Control; Securities Compliance

SPPX makes no representation that the Service is appropriate or available for use in other locations. Customer is solely responsible for compliance with all applicable laws, including all securities state and federal securities laws, and without limitation export and import regulations of other countries.

14. Notice

SPPX may give notice by means of a general notice on the Service, email to Customer address on record in SPPX's account information, or by written communication sent by first class mail or pre-paid post to Customer address on record in SPPX's account information. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email). Customer may give notice to SPPX (such notice shall be deemed given when received by SPPX) at any time by any of the following: letter delivered by nationally recognized overnight delivery service or first class postage prepaid mail to SPPX at the following address:

Silicon Prairie Portal & Exchange LLC

Attn: David V Duccini

475 Cleveland Ave / Suite 315

St. Paul, MN 55104

15. Modification to Terms

SPPX reserves the right to modify the terms and conditions of this Agreement or its policies relating to the Service at any time, effective upon the posting of an updated version of this Agreement on the Service. Customer is responsible for regularly reviewing this Agreement. Continued use of the Service following a period of thirty (30) days after any such changes shall constitute Customer's consent to such changes.

16. Assignment; Change in Control

This Agreement may not be assigned by Customer without the prior written approval of SPPX,

which shall not be unreasonably withheld, but may be assigned without Customer's consent by SPPX to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this section shall be void. Any actual or proposed change in control of Customer that results or would result in a direct competitor of SPPX directly or indirectly owning or controlling 50 percent or more of Customer shall entitle SPPX to terminate this Agreement for cause immediately upon written notice.

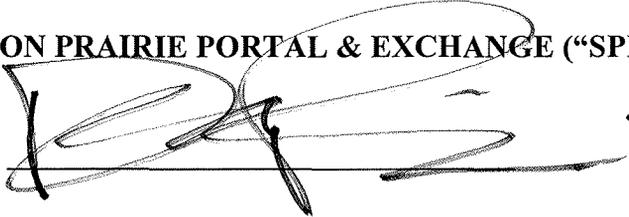
17. General

- a. This Agreement shall be governed by Minnesota law and controlling U.S. federal law, without regard to the choice or conflicts of law provisions of any jurisdiction, and any disputes, actions, claims, or causes of action arising out of or in connection with this Agreement or the Service shall be subject to the exclusive jurisdiction of the state and federal courts located in Hennepin County, State of Minnesota.
- b. No text or information set forth on any other purchase order, preprinted form, or document shall add to or vary the terms and conditions of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other provisions remaining in full force and effect. No joint venture, partnership, employment, or agency relationship exists between Customer and SPPX as a result of this agreement or use of the Service. The failure of SPPX to enforce any right or provision in this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by SPPX in writing. This Agreement comprises the entire agreement between Customer and SPPX and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, between the parties regarding the subject matter contained herein.

IN WITNESS WHEREOF, the parties have executed this Portal Agreement as of the Effective Date.

SILICON PRAIRIE PORTAL & EXCHANGE ("SPPX"):

BY:



Name: David V Dacchi

Title: founder & CEO

CUSTOMER:

Rustech Brewing Company LLC

By:



Name: **William Burt**

Title: **CEO**

[signature page to Portal Agreement]

APPENDIX A

Schedule of Fees

Customer use of portal:

Signup:	\$2500
Launch:	\$2500
Per Month (Post-Launch):	\$1000

Not to exceed \$7500 in the aggregate.

APPENDIX B

Description / Documentation of Services

MNvest Portal Hosting Package, Investor Residency Verification, Investment Tracking, and all other services as may be necessary.

APPENDIX C

FBO Account Authorization Letter

Rustech Brewing Company LLC (“Customer”) hereby Authorizes Silicon Prairie Holdings, Inc. (“SPPX”) to initiate the creation of a bank account (the “FBO Account”) for the benefit of Customer at Sunrise Banks (“Bank”), pursuant to that certain Third Party Sender ACH Agreement between SPPX and Bank dated July 21, 2017, in order to collect amounts contributed from investors to Customer to be held in escrow for the benefit of Customer. This authorization shall remain in full force and effect until SPPX has received written notification from Customer of its termination in such time and in such manner as to afford SPPX a reasonable opportunity to act on such notification.

ASSIGNMENT. Customer hereby assigns to SPPX its rights and management of the FBO Account during the term of the engagement, which is defined as commencing from the effective date of the Offering with the Minnesota Department of Commerce and concluding at the final close of its Offering. Customer expressly authorizes SPPX to add its name to such agreement as an FBO.

DISBURSEMENT. Customer understands that no funds can be disbursed until two conditions have been satisfied:

1. The Customer raises its stated minimum amount as documented in its filing with Commerce, and
2. The Customer has accepted signed subscription agreements, including via e-signature, from each of its investors.

SPPX will aid in the collection of signed subscription agreements and verify receipt prior to the disbursements of any funds from the escrow account. Signed subscription agreements can be obtained through the portal using e-signatures. Customer will be responsible for placing a digital signature on file with SPPX to be used for the sole and express purpose of countersigning subscription agreements on Customer’s behalf.

Customer understands that all funds disbursed will be subject to transfer via an approved payment method, including but not limited to ACH, bank draft or wire transfer and will be subject to any fees required per method, to be deducted from funds held in escrow.

RECESSION. Customer understands that investors have the right to rescind their investment pledges up to 48 hours prior to the close of the offering and receive a full refund of all funds without fee.

CHARGEBACKS. Customer understands that investors who fund their escrow pledges via ACH can refute such transactions (“CHARGEBACK”) for up to 60 days. In the event an investor initiates an ACH chargeback, Customer understands funds in the equivalent amount may be held back until the matter is cured at Customer’s expense.

RELEASE. Customer hereby further agrees to release, indemnify and hold harmless SPPX as administrator of the FBO Account from any claim or demand arising out of the administration of the FBO Account.

COMPLIANCE AND RECORD-KEEPING

Customer agrees:

- (i) To be bound by the Rules of the National Automated Clearing House Association (“Rules”);
- (ii) To assume the obligations and make the representation and warranties of an “Originator,” a “Third Party Service Provider” and/or a “Third Party Sender,” as the case may be and as such terms are defined under the Rules;
- (iii) To receive and maintain proper authorization from the “Receiver” for each “Entry” initiated on behalf of the Customer, as such terms are defined under the Rules;
- (iv) To be exposed to a limit and be subject to procedures for Third Party Sender to review and adjust the exposure limit periodically; and
- (v) To allow Third Party Sender to conduct regular audits of the Customer.

EXHIBIT I

Advertisement

(See attached)

Rustech Brewing Company

Rustech Brewing Company, a start-up craft brewery in the Monticello, is excited to offer equity ownership to ALL Minnesotans through the new MNvest Law.



Rustech Brewing
Microbrewery & Taproom

If you are a resident of MN and a craft beer enthusiast, this is your opportunity to join the brewing community with ownership stake in Rustech Brewing Company.

Visit *Rustech.SPPX.IO* today to see if this unique opportunity is right for you.

This advertisement is for informational purposes only. This offering is being made under the amendment to the Minnesota Securities Act (Minnesota Statutes, section 80A.461) and is directed at Minnesota residents only. All actual offers and sales will be made through the MNvest approved portal Silicon Prairie at SPPX.IO. The Department of Commerce is the securities regulator in Minnesota.

EXHIBIT J

Cybersecurity Policy

(See attached)

PRIVACY AND SECURITY POLICY

Last updated: (7/21/2017)

Rustech Brewing Company LLC (“us”, “we”, or “our”) operates <http://rustechbrewing.com/> (the “Site”). This page informs you of our policies regarding the collection, use and disclosure of Personal Information we receive from users of the Site. We use your Personal Information only for providing and improving the Site. By using the Site, you agree to the collection and use of information in accordance with this policy.

Information Collection And Use

While using our Site, we may ask you to provide us with certain personally identifiable information that can be used to contact or identify you. Personally identifiable information may include, but is not limited to your name (“Personal Information”).

Security

The security of your Personal Information is important to us, but remember that no method of transmission over the Internet, or method of electronic storage, is 100% secure. While we strive to use commercially acceptable means to protect your Personal Information, we cannot guarantee its absolute security.

Breaches

Security breaches and other disruptions could compromise our Site and expose your Personal Information to the public, thereby causing you harm. In order to meet the requirements under In Minnesota Statutes §325E.61 and Minnesota Administrative Rules §2876.3055, we have established and maintain an incident response process and where required, reporting processes for disclosures of Personal Information in the event of data loss or a data breach. If we have reason to believe that a user’s data was compromised we will:

1. Notify them in writing at the last known address on file, or
2. Notify them by email if that is their preferred method of contact
3. Notify all recognized consumer reporting agencies in the event the breach exceeds 500 records

All notifications will be in within 48 hours of discovery unless otherwise requested by law enforcement. We will also notify respective state administrators according to their individual disclosure requirements.

Changes To This Policy

This policy is effective as of the date above and will remain in effect except with respect to any changes in its provisions in the future, which will be in effect immediately after being posted on this page. We reserve the right to update or change our Security and Privacy Policy at any time and you should check this policy periodically. Your continued use of the Service after we post any modifications to the Security and Privacy Policy on this page will constitute your acknowledgment of the modifications and your consent to abide and be bound by the modified policy. If we make

any material changes to this policy, we will notify you either through the email address you have provided us, or by placing a prominent notice on the Site.

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EXHIBIT K

Notice Filing Form

(See attached)

MNvest Issuer Notice Form

This form is for use by MNvest issuers to file notice of a MNvest offering with the Minnesota Department of Commerce. MNvest issuers completing this form must carefully review and comply with Minnesota Statute 80A.461 and Minnesota Rules 2876.3050 – 2876.3060.

1. Issuer Information

Name of Issuer: Rustech Brewing Company LLC

Address: 6328 86th Street N.E.
Monticello, MN 55362

Telephone: (612) 414-9437

Email: bill.burt@rustechbrewing.com

Issuer's website: rustechbrewing.com

2. Contact to whom communications regarding this Notice should be directed:

Name: Zachary Robins

Address: 225 S. Sixth St., Suite 3500
Minneapolis MN 55402

Telephone: 612-604-6487

Email: zrobins@winthrop.com

3. Offering Information:

Identify the broker-dealer or MNvest portal that will be used to offer the issuer's securities:

Silicon Prairie Portal & Exchange, LLC

¹ See Minnesota Statute 80A.461, Subd. 3 when completing this section.

Does the MNvest issuer also intend to act as portal operator?² Yes No
(If yes, the issuer must register as a portal operator before commencing with the offering.)

Amount to be offered: \$ 200,000 in common stock

Minimum amount to be raised: \$ 50,000

Explain how the stated minimum offering will be sufficient to implement the issuer's business plan (attach additional pages if necessary):

When the investments are received by the Company, we will be able to fund
our growth plans, the particulars of which are more fully elaborated in Exhibit A
of the Investor Package.

Offering Commencement Date: July 21, 2017

Offering Expiration Date: July 21, 2017

Name and contact information of Bank or Depository Institution (Escrow Agent) in which investor funds shall be deposited:

Sunrise Banks, NA 200 University Ave W, Suite 200, St Paul, MN 55103

Attn: Nichol Beckstrand nichol.beckstrand@sunrisebanks.com (651) 259-2224

4. Disqualifications

The MNvest issuer affirms that it has:

1. reviewed the disqualification provisions of Minn. Stat. 80A.461 Subd. 9(a); and
2. undertaken the inquiries needed to establish, under Minn. Stat. 80A.461, subd. 9(b)(4), that the issuer has no reason to know that a disqualification exists.

WB (Enter initials of person signing this form)

² See Minnesota Statute 80A.461, Subd. 1(d)

³ See Minnesota Statute 80A.461, Subd. 3(8) and Minnesota Rule 2876.3051

5. Additional Information

Please include the following with your submission:

- A copy of the issuer's disclosure document including all information required under Minnesota Statute 80A.461 Subd. 4. The disclosure document filed with the Department should include, as a cover page, the MNvest Offering Disclosure Guide provided on pages 4-5 of this form.
- A copy of a representative example of advertising that the MNvest Issuer intends to use to promote this offering or solicit prospective purchasers.
- A copy of the issuer's balance sheet and income statement as required by Minnesota Statute 80A.461 Subd. 3(4).
- A filing fee of \$300, made payable to the Minnesota Department of Commerce

The undersigned represents that the issuer understands the conditions that must be satisfied to be entitled to the MNvest Securities Registration Exemption and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied. The issuer has read this Notice and knows the contents to be true and has authorized the undersigned to sign this form on the issuer's behalf.

The undersigned affirms that to the best of his or her knowledge, information, and belief the statements made on this form are true.

<u>WILLIAM BURT</u>	<u>CEO</u>
Representative of Issuer (Print Name)	(Title)
	<u>July 21 2017</u>
(Signature)	(Date)

Filing Instructions: Issuers relying on the MNvest Securities Registration Exemption must submit this form and accompanying documents to the Minnesota Department of Commerce a minimum of ten (10) days prior to any offer or sale of a security that relies on this exemption. The form and all accompanying documents should be emailed to Securities.Commerce@state.mn.us with "MNvest notice" in subject line, or mailed to the Minnesota Department of Commerce at the below address:

Minnesota Department of Commerce
Securities Section
85 7th Place East, Suite 500
Saint Paul, MN 55101

MNvest Offering Disclosure Guide

Pursuant to §80A.461 Subd. 4, issuers relying on the MNvest Securities Registration Exemption must create a disclosure document that contains the information and notices detailed below. A complete copy of the disclosure document must be made available through the MNvest portal to each prospective purchaser. Please list the page numbers of the disclosure document that include the information below.

1. The MNvest issuer's type of entity, the address and telephone number of its principal office, its formation history for the previous five years, a summary of the material facts of its business plan and its capital structure, and its intended use of the offering proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as compensation or otherwise, to an owner, executive officer, director, governor, manager, member, or other person occupying a similar status or performing similar functions on behalf of the MNvest issuer.

Applicable page numbers within Disclosure Document: Ex. A

2. The MNvest offering must stipulate the date on which the offering will expire, which must not be longer than 12 months from the date the MNvest offering commenced.

Applicable page numbers within Disclosure Document: Introduction

3. A copy of the escrow agreement between the escrow agent, the MNvest issuer, and, if applicable, the portal operator, as described in subdivision 3, clause (8).

Applicable page numbers within Disclosure Document: Ex. G

4. The financial statements required under Minnesota Statute, section 80A.461 subdivision 3, clause (4).

Applicable page numbers within Disclosure Document: Ex. F

5. The identity of all persons owning more than ten percent of any class of equity interests in the company.

Applicable page numbers within Disclosure Document: Ex. B

6. The identity of the executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on the behalf of the MNvest issuer, including their titles and their relevant experience.

Applicable page numbers within Disclosure Document: Ex. B

7. The terms and conditions of the securities being offered, a description of investor exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and maximum amount of securities being offered; either the percentage economic ownership of the MNvest issuer represented by the offered securities, assuming the minimum and, if

applicable, maximum number of securities being offered is sold, or the valuation of the MNvest issuer implied by the price of the offered securities; the price per share, unit, or interest of the securities being offered; any restrictions on transfer of the securities being offered; and a disclosure that any future issuance of securities might dilute the value of securities being offered.

Applicable page numbers within Disclosure Document: Ex. B

8. The identity of and consideration payable to a person who has been or will be retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and sale of the securities, including a portal operator, but excluding (i) persons acting primarily as accountants or attorneys, and (ii) employees whose primary job responsibilities involve operating the business of the MNvest issuer rather than assisting the MNvest issuer in raising capital.

Applicable page numbers within Disclosure Document: Ex. H

9. A description of any pending material litigation, legal proceedings, or regulatory action involving the MNvest issuer or any executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on behalf of the MNvest issuer.

Applicable page numbers within Disclosure Document: Ex. B

10. A statement of the material risks unique to the MNvest issuer and its business plans.

Applicable page numbers within Disclosure Document: Ex. C

11. A statement that the securities have not been registered under federal or state securities law and that the securities are subject to limitations on resale.

Applicable page numbers within Disclosure Document: Introduction

12. The following legend must be displayed conspicuously in the disclosure document:

“IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933,

AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

SALES WILL BE MADE ONLY TO RESIDENTS OF MINNESOTA. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THE SECURITIES, ANY RESALE OF THE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER."

Applicable page numbers within Disclosure Document: Introduction

13. The following legend must be displayed conspicuously on the certificate or other document, if applicable, evidencing the security stating that:

"OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THESE SECURITIES, ANY RESALE OF THESE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER."

Applicable page numbers within Disclosure Document: Introduction

14. Per MN Rules §2876.3055, MNvest issuers must take reasonable steps to ensure that purchasers' financial and personal information is properly secured. Reasonable steps include, at a minimum, a written cybersecurity policy that outlines the MNvest issuer's policies and procedures. Please carefully review the complete Rule for specific requirements.

Applicable exhibit and webpage reference: <http://rustechbrewing.com/>