

**PART II AND PART III - OFFERING CIRCULAR DATED September 28, 2018**

**FORM 1-A REGULATION A TIER 2 OFFERING CIRCULAR  
ESOTERIC BREWING COMPANY, LLC  
OFFERING OF 6,992 SERIES C UNITS**

**Offering Price per Series C Unit: \$100  
Maximum Offering: 6,992 Series C Units (\$699,200)**

See “Key Features of Securities Being Offered” on page 15 for additional information.

**Dated:**

The proposed sale will begin as soon as practicable after this Offering commences. The Offering will close upon the earlier of (1) the sale of the maximum number of Series C Units, (2) the termination of the Offering by the Manager, or (3) March 31, 2019, subject to a one hundred and eighty (180) day extension at the discretion of the Manager (“Closing”).

Esoteric Brewing Company, LLC an Ohio limited liability company (the “Company” or “Esoteric”), is offering 6,992 Series C membership interests (“Series C Membership Interests” or “Series C Units”) in denominations of \$100 (the “Offering”). Each Unit will represent .00333% interest in the Company. The minimum number of Units that may be sold is one (1) Unit.

|                      | <u>Price to public</u>      | <u>Selling agent commissions</u> | <u>Proceeds to company<sup>1</sup></u> | <u>Proceeds to other persons</u> |
|----------------------|-----------------------------|----------------------------------|--|----------------------------------|
| <b>Per Unit</b>      | <b>\$ 100</b>               | <b>None</b>                      | <b>\$1,000</b>                         | <b>None</b>                      |
| <b>Total Maximum</b> | <b>6,992 Series C Units</b> | <b>None</b>                      | <b>\$699,200</b>                       | <b>None</b>                      |

**Brian Jackson, Manager  
Esoteric Brewing Company, LLC  
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Cincinnati, OH 45227  
513-549-9483**

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

GENERALLY, NO SALE MAY BE MADE TO YOU IN THIS OFFERING IF THE AGGREGATE PURCHASE PRICE YOU PAY IS MORE THAN 10% OF THE GREATER OF YOUR ANNUAL INCOME OR NET WORTH. DIFFERENT RULES APPLY TO ACCREDITED INVESTORS AND NON-NATURAL PERSONS. BEFORE MAKING ANY REPRESENTATION THAT YOUR INVESTMENT DOES NOT EXCEED APPLICABLE THRESHOLDS, WE ENCOURAGE YOU TO REVIEW RULE 251(d)(2)(i)(C) OF REGULATION A. FOR GENERAL INFORMATION ON INVESTING WE ENCOURAGE YOU TO REFER TO [WWW.INVESTOR.GOV](http://WWW.INVESTOR.GOV).

THE PURCHASE OF THESE SECURITIES IS HIGHLY SPECULATIVE AND RISKY. SHARES SHOULD ONLY BE PURCHASED BY PEOPLE WHO CAN AFFORD TO LOSE THEIR COMPLETE INVESTMENT. PLEASE REFER TO ‘RISK FACTORS’ BEGINNING ON PAGE 4, FOR MORE INFORMATION

<sup>1</sup> Esoteric Brewing Company, LLC has not advanced any expenses associated with this Offering.

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## FORWARD LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that involve risk and uncertainties. These statements relate to financial conditions and prospects, lending risks, plans for future business development and marketing activities, capital spending and financing sources, capital structure, the effects of regulation and competition, and the prospective business of the Company. In some cases, these statements can be identified with forward looking words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “will,” “continue,” “anticipate,” “could,” “would,” “project,” “plan.” Investors should be aware that all forward-looking statements could differ materially from those anticipated in these forward-looking statements based on many factors. The Company believes these factors include, but are not limited to, the “Risk Factors” found on page 4 of this Offering Circular. These factors should not be construed as exclusive and should be read in conjunction with other cautionary statements in this Offering Circular.

## SUMMARY OF OFFERING

This summary highlights certain information about the Company, the Series C Units, and this Offering contained elsewhere in this Offering Circular. As a result, this Summary does not contain all of the information that may be important to you or that you should consider before purchasing Series C Units. Before deciding to invest, you should carefully review this entire Offering Circular.

### **Esoteric Brewing Company, LLC**

Though Brian Jackson formed Esoteric Brewing Company, LLC on February 11, 2013 as an Ohio limited liability company, Brian Jackson has been working towards honing his concept for a destination microbrewery and taproom in Cincinnati since 2009.

It was that year that Brian both began working for a local craft beer distributor and started his award-winning homebrewing career. Eight years later, Brian is now a professional brewer at Madtree Brewing Company in Cincinnati and is working with his business partner, Marvin Abrinica, to bring this concept to reality.

In the last half of 2017 and first half of 2018, the Company has located and leased a building for the brewery, engaged an architect to begin designing the space, identified and put deposits down on brewing equipment, and kicked off an Ohio intrastate private placement (“Ohio Offering”) to help get the brewery up and running. As of August 5th, the Company has sold 2,008 Series B Units amounting to \$195,000 in capital. As a note, the Series B investors who purchased the first 708 Series B Units received a discount on the per Series B Unit price and such discount has been disclosed to all other potential investors. The following 1,300 Series B Units were sold at \$100 per Unit.

To date, the Company has no operating history and no sales. All the Company’s efforts have gone towards developing recipes, defining equipment specifications, identifying a location, making strategic partnerships, working on raising money pursuant to the Ohio Offering and preparing this Offering.

### **The Capital Raise**

The Company intends to raise \$1.25 million dollars in order to complete the brewery project. The Company intends to raise that money through 1) the sale of Series B Units pursuant to the Ohio Offering; 2) the sale of Series C Units pursuant to this Offering; and 3) a small business administration loan. **The Ohio Offering will terminate prior to the commencement of this Offering.**

### **Liquidity Event, Profits Interest and Voting Interest**

The Series C Units, in the case of a Liquidity Event, are entitled to receive payment at the same priority level as the Series A and Series B Units, first, in proportion to their Capital Contribution until such Capital Contribution is repaid, and, then in accordance with their Percentage Interest, defined as 0.00333% per Series C Unit.

For the purposes of this Offering (and the attached Operating Agreement) “Profits Interest” is defined as a Member’s right to distributions of assets from the Company other than assets paid to Members as a result of a Liquidity Event. For the purposes of this Offering (and the attendant Operating Agreement) “Voting Interest” means the right to vote on Company matters pro rata, in accordance with such Member’s Voting Interest. Only Members with a “Voting Interest” are permitted to appoint or remove the Manager.

**The Offering**

The Series B Units have no Voting Interest in the Company, **but are permitted to vote on certain decisions such as dissolution, merger, asset sale, and distributions in accordance with their Profits Interest. The Series C Units do not have this right.**

**The Series C Units have no Voting Interest or Profits Interest in the Company.** The Series C Units only have a right to a return on investment in case of a Liquidity Event and have no voting rights, except that a majority of Series C Units must approve any change in the Operating Agreement that would have a materially adverse effect on the terms of the Series C Units.

The Company intends to raise up to \$894,200, in the aggregate, via sales of Series B Units and Series C Units. The Series B Units are being offered pursuant to the Ohio Offering while the Series C Units are offered pursuant to this Offering.

Pursuant to this Offering, the Company is selling the Series C Units for \$100 per Unit with a minimum Unit-purchase of one (1) Unit. The minimum investment by a purchaser pursuant to this Offering is \$100. Holders of at least 250 Series C Units are able to convert the same to Series B Units at a one to one (1:1) **ratio after holding those Units for 6 months, through written notice to the Company.**

Please refer to the Esoteric Brewing Company, LLC Amended and Restated Operating Agreement (“Operating Agreement”) and the Section of this Offering Circular entitled “Key Features of Securities Being Offered” on page 15 for more information.

**RISK FACTORS**

*This Offering and any investment in the Company’s Series C Units involves a high degree of risk. All risks described below should be carefully considered before deciding whether to purchase the Units. If any of the following risks occur, the Company’s business, financial condition and results of operations could be harmed. Investors may lose all or part of their investment.*

**RISKS RELATING TO COMPANY AND INDUSTRY**

**The Company may be unable to get licensing critical to the proposed business.**

The Company requires federal and state permits to operate a brewery and taproom in Cincinnati, Ohio. As of the date of this Offering, the Company has not acquired any state or federal license to brew and sell beer. The Company’s location requires significant renovation in order for it to meet federal and state requirements for brewing and selling beer. If the Company does not make the appropriate renovations, it will be unable to acquire appropriate permits.

**The Company may have to change its name and marketing strategy.**

The Company has not federally registered the name “Esoteric Brewing” with the United States Patent Office. If another company in the same or similar line of business is using a similar name, that company could prevent the Company from marketing under the name “Esoteric.”

**The Series C Unit investors have no control in managing the Company.**

Although each Series C Unit purchased pursuant to this Offering represents a 0.00333% ownership interest in the Company, such ownership interest does not provide for any voting or management rights, except for the right to vote as a Class on any change to the terms of the Series C Units. If the Series C Unit holders do not like the direction of the Company, the investors will have no power to propose or implement changes. Brian Jackson, as both the Manager and owner of over a majority of the shares of the Series A Units of the Company, will be responsible for making all material decisions for the Company.

**Laws and regulations affecting the brewing industry are constantly changing which could negatively affect the Company’s operations.**

Crucial to the Company’s business plan is brewing beer, selling beer to the public, and distributing beer for retail sale. The state and federal laws and regulations that regulate both brewing and selling beer fluctuate regularly. Regulations governing environmental waste product or the rights of beer distribution companies are two examples of laws that regularly change and can have a large impact on the profitability of a brewery. The Company cannot predict the nature of future laws or regulations and cannot determine what effect they may have on the Company’s business.

**The Company will operate in a highly competitive industry and potential competitors could duplicate part of the Company’s business model.**

The brewing industry is highly competitive and constantly evolving. The brewing industry in Greater Cincinnati, in particular, has been expanding rapidly in recent years. This competition could negatively impact the Company’s business.

**Neither of the officers, Brian Jackson or Marvin Abrinica, have ever owned or operated a brewery.**

Though Manager, CEO, and President, Brian Jackson has over a year of experience working as a commercial brewer and Marvin Abrinica has experience owning and operating his own company, neither has managed or owned a brewery. This lack of experience could hamper and delay the growth of the Company in a highly competitive brewing industry.

**The success of the Company depends substantially on the continuing efforts of Brian Jackson and Marvin Abrinica, and the business may be severely disrupted if either of them leave.**

The Company’s success depends upon the continued services of Brian Jackson and Marvin Abrinica. If either would be unable or unwilling to continue in his present position, it could severely disrupt operations, and the Company may not be able to replace either of them easily or at all.

**The Company may not attract enough customers to be profitable.**

The Company’s success depends largely on attracting people to a brewpub in the Walnut Hills neighborhood of Cincinnati, Ohio. Though Walnut Hills is an up and coming neighborhood, and approximately ten minutes from downtown Cincinnati, the neighborhood already supports one local brewpub and there is no guarantee that the neighborhood will continue to grow. It is possible that the Company may not be able to attract enough business to be profitable. If the Company cannot make a profit, it will likely close.

**The Company may expose itself to legal liability due to its business model.**

If the Company incurs liability related to an injury of customer due to alcohol consumption, the Company may suffer adverse financial consequences. Also, if the Company is forced to endure extensive legal costs to defend against potential liability, the Company may have to close.

## RISKS RELATING TO THE COMPANY'S SECURITIES

**Series C Units have no rights to profit distributions, tax distributions, or to manage the Company. There are two other classes of securities authorized and outstanding – Series A Units and Series B Units - each of which have rights to profit distributions, tax distributions, and certain management rights.**

Brian Jackson and Marvin Abrinica hold all of the issued and outstanding Series A Units and, therefore, will have the authority to make nearly all of the decisions for the Company. The Company has offered 9,000 Series B Units pursuant to the Ohio Offering. As of August 5, 2008 Series B Units are outstanding. The Series A Units and the Series B Units each have the rights to a distribution of profits from the cash-flow of the Company. The Series A and Series B Units are also entitled tax distributions. The Series B Units, have rights to vote on certain major Company events, such as merger, dissolution or distributions. The Series C Units have no right to profit distributions and have no voting rights, except that it may vote as a Class on any change to the terms of the Series C Units. Although, the holders of at least 250 Series C Units, will have the right to convert into Series B Units at a 1:1 ratio, there is no other available path for Series C Unit-holders to obtain Series B Units.

**The Series C Units have no right to distributions and will only have a right to receive a return on their investments if there is a Liquidity Event, such as dissolution or merger.**

Series C Units, unlike the Series A and Series B Units have no right to receive distributions of profits from ordinary course of business operations. Holder of Series C Units will only have a right to receive a return on their respective investments in the case of a Liquidity Event such as dissolution, merger, or sale of substantially all of the assets.

**There may never be a public market for the Company's Series C Units and it will likely never trade on a recognized exchange. Therefore it may be difficult to transfer the Series C Units to liquidate any investment.**

The Company does not intend to list the Series C Units (or any other membership interest) on any exchange or quotation system. In the absence of any trading market, an investor may be unable to sell the Units and liquidate the investment.

**The Series C Units have various restrictions on transferability as set forth in the Company's Operating Agreement. One such restriction includes the Series A Members and Series B Members right of first refusal on any attempted transfer.**

The Series C Units are not freely transferable. The Company, the Series A Members, and the Series B Members are entitled to a right of first refusal on any Units that are attempted to be transferred. The Series C Units do not have any right of first refusal if the Series A or Series B Members attempt to transfer their respective Units.

**Series C Units are subject to Drag-Along Rights of the Majority of Members.**

"Drag-Along Rights" allow the Majority of Series A Members to require the other Members to sell their Membership Interests in accordance with their Percentage Interest as the Majority of Series A Units, if the Majority of Series A Units are intended to be transferred.

**More Units, including other classes of membership interests, may be issued by the Company in the future, which may have a dilutive effect and/or have an adverse impact on the rights of holders of Series C Units.**

In this Offering the Company will issue Series C Units. The future issuance of additional Series C Units and/or other classes of membership interests may dilute the value of the current Series C Units sold pursuant to this Offering. Future issuances of new classes of units or preferred units may be senior to those issued in this Offering and may be offered at any price. The Series C Units have no right to vote on the issuance of new Units that may dilute their ownership percentage.

**INVESTMENT IN THE SECURITIES ARE RISKY AND YOU MAY LOSE YOUR ENTIRE INVESTMENT.**

**RISKS RELATING TO THIS OFFERING**

**Brian Jackson and Marvin Abrinica arbitrarily determined the offering price.**

The Offering price of the Series C Units has been arbitrarily determined by Brian Jackson and Marvin Abrinica and may not bear any relationship to assets acquired or to be acquired or the book value of the Company or any other established criteria or quantifiable indicia for valuing the business. Neither the Manager nor the Company represent that the Series C Units have or will have a market value equivalent to their Offering price, or that the Series C Units can be resold at their original Offering price.

**Investors cannot withdraw funds once invested and will not receive a refund.**

Investors do not have the right to withdraw invested funds. Payments will be made to Esoteric Brewing Company, LLC. Once an investment is made, investors will not have the use or right to return of such funds.

**Money raised pursuant to this Offering, alone, will not complete the project. The Company is also dependent upon the sale of Series B Units and bank financing which has not yet been obtained.**

The Company anticipates requiring approximately \$1,250,000 in capital to complete the brewery project. The Company is in preliminary talks with a bank to obtain additional financing through a small business administration loan and that bank has signed a non-binding proposal to loan \$700,000 to the Company. There is no guarantee that bank financing will be obtained. If the Company cannot get the loan, the Company will have to pursue other financing options. Such financing option may include selling additional equity in the Company.

**There is no minimum threshold for this Offering and the investors are not entitled to receive any return of their investment, regardless of the amount of capital raised. If less than 51% of this Offering is raised pursuant to this Offering, the Company may have to change its operation plans.**

The Company anticipates being able to obtain an SBA loan of up to \$700,000 and has already raised \$195,000 pursuant to the Ohio Offering. That means that the Company must obtain the loan and raise at least an additional \$355,000 to complete the \$1.25 million project. For instance, if the Company raises 25% of its fundraising goal (\$174,800) it will eliminate the bottling line and associated capital costs, strategically reduce marketing and officer salaries, and operate with reduced working capital. This may impact brewing output in year one. If the Company raises 50% of its fundraising goal (\$349,600) the Company will need to operate with less working capital and smaller marketing budget, but its brewing output in year 1 should not be affected. If the Company raises 75% of its fundraising goal (\$524,400), it can complete the \$1.25 million project by utilizing a bank loan of \$530,600. If the Company raises the full \$699,200 it can complete the \$1.25 million project by utilizing a bank loan of \$355,800.

**The Company intends to obtain a bank loan to fund the project.**

The Company has had discussions with a local bank and received a non-binding, signed proposal letter approving a loan of up to a net of \$700,000 (after loan fee deductions). If the Company cannot obtain the loan described in the proposal letter or similar loan from a different financial institution, the Company will have to seek additional equity financing. If no bank loan or additional equity financing is obtained, the project may not go forward and the investors could lose their entire investment.

**The Company intends to get bank financing in addition to money raised in exchange of equity.**

The Company intends to get bank financing to get the brewery up and running. To obtain this financing, the Company will have to extend a lien on its significant assets, including the brewing equipment to whatever bank it works with to obtain the loan. Therefore, if the business is not successful, the investors in Series C Units would be unable to recoup any funds from the most valuable physical assets of the Company.

**The Company is conducting the Ohio Offering for Series B Units that have more rights than Series C Units.**

The Company is selling Series B Units to Ohio residents through the Ohio Offering. Series B Units have some management rights and have Profits Interest – which may entitle them to Distributions of profits during the normal operation of the Company. The Series C Units have no Profits Interest and have no voting rights, except for the right to vote as a class on any changes to the Operating Agreement that would change the terms of the Series C Units.

**The Company will issue certain perks to Series C Investors based upon level and timing of investment.**

As set forth in the Plan of Distribution on page 9, the Company will issue a series of perks, including glassware, coasters, keychains, beer caddies, bottle racks, private parties, private tours, the opportunity to brew with the founder, and a whiskey barrel to Series C investors based on the timing and amount of investment. Some investors will not be able to participate in these perks due to investing too late in the Company or due to investing too little money. Also the six Series B investors will receive perks as well, on the same terms.

**The investment in renovations and improvements to the building at 900 E. McMillan may not be recoverable by the investors.**

A significant amount of proceeds from this Offering will go to renovating or paying for renovations to the building at 900 E. McMillan St., Cincinnati, Ohio. The Company does not intend to own that building and will likely not have an option to purchase that building. This means that, if the Company were to fail, the investors will not be able to recover funds related to improvements to the building.

**The Company is selling the Series C Units without an underwriter and may be unable to sell any Series C Units.**

The Company will not engage the services of an underwriter to sell the Series C Units. The Company will sell these membership interests through its CEO, Brian Jackson and its Chief Marketing Officer, Marvin Abrinica, neither of whom will receive commissions. There is no guarantee Mr. Jackson and Mr. Abrinica will be able to sell any of the Series C Units. If they are unsuccessful, the Company may have to seek alternative financing to implement the business plan, such as offering additional Units.

**The tax liability of the Members may exceed cash distributions from the Company.**

The Company does not intend to allocate any undistributed profits to Series C Units. Regarding Series B Units, the Company intends to make distributions to cover any tax liabilities associated with profits. However, the Company will only make those distributions if it has enough cash on hand. If there is not enough cash on hand, the tax liability of the Members may exceed cash distributions from the Company. Therefore, if a Series C Unit holder converts to become a Series B Unit holder, such Series B Unit holder may incur tax liability that exceeds the cash distributions from the Company.

## DILUTION

Brian Jackson and Marvin Abrinica have been working for the Company without compensation to obtain financing, develop a business plan, locate real estate, define equipment specs, develop strategic relationships, and work on architectural plans. Both Brian Jackson and Marvin Abrinica have, collectively, paid only \$100 for 1,000 Series A Units in the Company. The Series A Units, collectively, hold an interest in the Company equal to 100% minus the Series B and Series C Units times 0.00333%. The disparity between the Offering price for the Series A Units, Series B Units, Series C Units and the price the officers have paid for the Series A Units is described below:

|                             | <b>Current<br/>Number of<br/>Units<br/>Outstanding<br/>and Owned</b> | <b>Cost of<br/>Acquiring<br/>Units<br/>Pre-Offering</b> | <b>Post-<br/>Offering<br/>Number of<br/>Units<br/>Outstanding<br/>that Can Be<br/>Purchased</b> | <b>Cost of<br/>Acquiring<br/>Units Post-<br/>Offering</b> | <b>Post-<br/>Offering<br/>Aggregate<br/>Percentage<br/>Ownership<br/>Interest</b> |
|-----------------------------|--|---|---|---|---|
| Brian Jackson               | 800 Series A Units   | \$ 80.00  | 800 Series A Units  | \$ 160.00   | 56.02%  |
| Marvin Abrinica             | 200 Series A Units   | \$ 20.00  | 200 Series A Units  | \$ 40.00  | 14.00%  |
| Investors in Series B Units | 2,008* Series B Units  | \$ 195,000  | 2,008 Series B Units  | \$ 195,000  | 6.69%   |
| Investors in Series C Units | 0  | \$ 00.00  | 6,992 Series C Units  | \$ 699,200  | 23.28%  |

\*The first 708 Series B Units were sold at a discount. The subsequent Series B Units were sold at \$100 per Unit.

## PLAN OF DISTRIBUTION

The Company has 1,000 Series A Units issued and outstanding prior to this Offering.

The Company has offered 9,000 Series B Units pursuant to the Ohio Offering, 2,008 of which are outstanding prior to commencement of this Offering.

If all of the Series C Units are sold, the Company will have an additional 6,992 Units issued and outstanding.

The Company intends to raise, pursuant to its Ohio Offering and this Offering a combined maximum of \$894,200.

The Company intends to issue perks pursuant to the Perks Agreement attached as Exhibit 6.4 and at the levels provided below:

| <b>Minimum<br/>Investment<br/>Required</b> | <b>Early Bird<br/>Investment<br/>Requirement</b> | <b>Perk Offered*</b>  |
|--|--|---|
| \$100                                      | First 250  | Branded 13 oz Goblets   |
| \$250                                      | First 200  | Set of Branded Tile Coasters  |
| \$500                                      | First 100  | Renovation and build-out for tap room                                 |
| \$1,000                                    | First 75   | Beer Caddy and Membership in to Early Bottle Release Club             |
| \$5,000                                    | First 50   | Decorative Bottle and Stemware Rack                                   |
| \$10,000                                   | First 20   | Private Pre-Opening VIP Party for 4                                   |
| \$25,000                                   | First 4  | Whiskey Barrel and Opportunity to Brew for a Day with Brian Jackson** |

\* Note that if an investor reaches the appropriate investment level and early bird requirements, such investor is entitled to each and every perk up to the amount of his investment. For instance, all of the first twenty individuals to invest between \$10,000 and \$24,999 will be entitled to every offered perk, save for the Whiskey Barrel and Founder Brewing Day; the first 200 individuals to invest between \$250 and \$499 will receive both Branded 13 oz goblets and a Set of Branded Tile Coasters; etc.

\*\* 6 Series B Investors will receive this perk for previous contributions of \$25,000.

**Subscriptions are non-refundable regardless of whether the Offering is fully subscribed.**

This Offering and sale of the Series C Units will be made to investors through the Company's prior preexisting relationships and through general solicitation.

The Company will not be utilizing an underwriter or broker-dealer for the sale. The Series C Units offered through this Offering is being made by the officers of the Company. There can be no guarantee the Series C Units will actually be sold. The Series C Units may be sold or distributed from time to time by the officers or directly to one or more purchasers utilizing general solicitation. The sale through this Offering may be effected by one or more of the following methods: internet, social media, or any other means of widespread communication but not limited to crowdfunding sites, direct sales to purchasers; in privately negotiated transactions; or any combination of the foregoing. This Offering Circular will be in electronic format and be made available on websites maintained by the Company.

Neither of the officers are registered broker-dealers pursuant to section 15 of the Exchange Act, but will rely upon exemptions under applicable federal and state laws.

**USE OF PROCEEDS**

If \$699,200 is raised in this Offering and the Company obtains an additional \$355,800 loan, it can complete the \$1.25 million project it envisions. The Company anticipates, however, being able to get the brewery up and running even if the Offering is not fully subscribed.

The Company has raised \$195,000 pursuant to the Ohio Offering and plans to use those funds as follows:

| <b>25% of total Offering</b>  | <b>50% of total Offering</b> | <b>75% of total Offering</b> | <b>100% of total Offering</b> | <b>Use Of Proceeds</b>           | <b>MAX %</b> |
|---|------------------------------|------------------------------|-------------------------------|----------------------------------|--------------|
| \$ 10,500   | \$ 10,500                    | \$ 10,500                    | \$ 10,500                     | Brewery equipment deposit        | 0.0%         |
| \$ 35,500   | \$ 35,500                    | \$ 35,500                    | \$ 35,500                     | Legal, accounting, fees          | 0.0%         |
| \$ 10,000   | \$ 10,000                    | \$ 10,000                    | \$ 10,000                     | Website design for offering      | 0.0%         |
| \$ 24,000   | \$ 24,000                    | \$ 24,000                    | \$ 24,000                     | Insurance                        | 0.0%         |
| \$ 52,000   | \$ 52,000                    | \$ 52,000                    | \$ 52,000                     | 3 months' rent                   | 0.0%         |
| \$ 63,000   | \$ 63,000                    | \$ 63,000                    | \$ 63,000                     | Money towards brewing equipment. | 0.0%         |
| <b>\$195,000 raised pursuant Ohio Offering to cover the expenses listed above</b> |                              |                              |                               |                                  |              |

The Company intends to use the proceeds from this Offering substantially in the order as described in the chart below.

| <b>25% of total Offering</b>  | <b>50% of total Offering</b> | <b>75% of total Offering</b> | <b>100% of total Offering</b> | <b>Use Of Proceeds</b>                                    | <b>MAX %</b> |
|---|------------------------------|------------------------------|-------------------------------|---|--------------|
| \$ 174,800  | \$ 291,000                   | \$ 291,000                   | \$ 291,000                    | Brewing equipment without bottling line                   | 41.6%        |
| \$ 0  | \$ 58,600                    | \$ 170,000                   | \$ 170,000                    | Architectural Services (contract attached as Exhibit 6.3) | 24.3%        |
| \$ 0  | \$ 0                         | \$ 63,400                    | \$ 100,000                    | Renovation and build-out for tap room                     | 14.3%        |
| \$ 0  | \$ 0                         | \$ 0                         | \$ 40,500                     | Inventory   | 5.8%         |
| \$ 0  | \$ 0                         | \$ 0                         | \$ 21,000                     | Perks   | 3.0%         |
| \$ 0  | \$ 0                         | \$ 0                         | \$ 52,500                     | Salaries  | 7.5%         |
| \$ 0  | \$ 0                         | \$ 0                         | \$ 24,200                     | Marketing and website maintenance                         | 3.5%         |
| <b>If 0% raised all proceeds above Company anticipates using a bank loan to pay for expenses above.</b> |                              |                              |                               |   |              |
| \$ 174,800  | \$ 349,600                   | \$ 524,400                   | \$ 699,200                    |   | 100.0%       |

If the Offering is fully subscribed the Company intends to take out a loan of \$355,800 to do additional renovation of the space (\$65,000), add a bottling line and inventory associated with bottling (\$75,000); add a truck for self-distribution off-site (\$25,000); add lab equipment for monitoring beer quality (\$15,000); invest in point of sale merchandise (\$50,000); and have working capital and contingency money (\$125,800).

Approximately \$52,500 of the proceeds will be used to compensate the member-officers for their work for the Company in 2018.

Approximately \$35,500 will be used to discharge indebtedness related to legal fees required to form the Company, establish an operating agreement, and pay for expenses related to this Offering. Another \$10,000 will be used for the website to aid in this Offering.

The Company has already raised \$195,000 selling Series B Units.

If the Company only raises 75% of this Offering (\$543,200), it will use the proceeds as described above and make up the difference via a secured bank loan of \$530,600 (versus \$355,800 if fully subscribed) to complete the \$1.25 million project.

If the Company only raises 50% of the funds (\$344,600) it seeks, it will take out a full \$700,000 bank loan, but will strategically reduce its marketing budget to account for the shortfall.

Should the Company raise only 25% of the funds (\$174,800) it seeks in this Offering, it will delay purchasing and installing a bottling line, while strategically cutting back on marketing, inventory, officer salaries, lab equipment, and labor cost. This may negatively impact year-end brewing output in its first year.

**The Company reserves the right to change the use of proceeds without notice.**

## **DESCRIPTION OF THE BUSINESS**

In 2019, the Esoteric Brewing Company intends to become a destination micro-brewery. The Company will serve distinctive beer styles inside an enlightening taproom experience. The Company will brew the high quality beers with an effort to source organic, local, and sustainable ingredients. Esoteric wants to showcase the finer side of craft beer and give consumers a five star experience. Esoteric's taproom will feature a refined and elegant decor, which stands in contrast to the typical breweries of today that can often feel like an industrial warehouse.

Esoteric will feature an array of traditional style craft beers including a core line-up of Belgian, English, and German style beers from Esoteric's brewmaster, Brian Jackson.

### Location Near Downtown Cincinnati

The Company has signed a lease for a space in the heart of an up and coming Walnut Hills neighborhood, which is one mile from downtown Cincinnati, OH. Walnut Hills is currently undergoing rapid growth and revitalization with new restaurants and retail. It's also located between two major universities and has direct access to a major interstate.

### Built-to-Scale

Esoteric will also have production and distribution in mind. The brewhouse will contain a three vessel 10-barrel craft brewing system capable of producing 15,600 barrels annually.

To get to capacity, the plan is to first launch a successful taproom to sustain a healthy gross margin business. Afterwards, Esoteric intends to leverage its production facilities to distribute locally and establish the brand for regional expansion.

Investment is required to rehab the building in Walnut Hills, purchase brewing equipment and provide working capital. To that end, the Company has developed strategic relationships to become part of a master plan that will rebound this historic corner of Walnut Hills. Other tenants on the block in Walnut Hills may include two retail stores and fifteen residential apartments.

### Founders

Brian Jackson and Marvin Abrinica will serve as the principal officers. Additionally, ten to fifteen other full-time or part-time employees will be hired to help manage on-site serving, bartending, and other administrative functions.

As of the date of this Offering, the Company has spent roughly 1,000 hours on research and development activities in an effort to bring Esoteric beers to the market. This research and development has included developing recipes through home brewing and commercial brewing, researching and identifying a location for the brewery, forming relationships with local developers, community development foundations, and architects, and developing a website.

The Company is not involved in any legal, bankruptcy, or receivership proceedings at this time.

#### The Craft Beer Industry

According to the Brewer's Association's website, 12.3% of the United States beer market in volume and nearly 22% of the dollar amount of sales is craft beer. In 2016, according to the Brewers Association, craft brewers, nationally, saw a 6 percent rise in volume sales and a 10 percent rise in retail dollar value.

The costs of raw materials for brewing beer, including the cost of hops, malt, water, and yeast can fluctuate severely from year to year and a smaller brewery, such as Esoteric, has less leverage to negotiate the rates of those raw materials. Moreover, as craft breweries proliferate in this region, state and federal regulators and politicians have taken and will continue to take a greater interest in the industry. This interest can have both positive and negative effects on the Company. Additionally, the Company expects environmental regulations, particularly those governing waste water, to impact the Company's operations.

#### **DESCRIPTION OF PROPERTY**

The Company has entered into a lease with Paramount Square Master Tenant, LLC to operate out of the historic Paramount Building located at 900 E. McMillan, Cincinnati – the heart of Walnut Hills in Cincinnati, Ohio. The lease is attached as Exhibit 6.1. The Paramount Building is a 1920's art deco style building on the National Register of Historic Places. The brewery intends to occupy 10,010 square feet of retail front with a public taproom and private party room. The lease has an initial term seven (7) years with two (2) five (5) year options to renew the Lease. The base rent is \$17,107 per month during the first year of the initial term of the Lease and annual base rent would increase \$0.50 per square foot per year during the initial term and 3% over the rent in each preceding year during the renewal terms, if exercised.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** The

Company was formed on February 11, 2013 by Manager Brian Jackson, with the purpose of forming a brewery. The Company has no revenue.

The Company's cash balance is \$37,400 as of February 28, 2018, all of which came from capital contributions from investors in exchange for Series B Units and the capital contributions of the member-officers in exchange for Series A Units. The Company has put in \$27,236 in deposits on brewing equipment. The brewing equipment contract is attached as Exhibit 6.2.

As of the date of this Offering, the officers have made only a nominal capital investment in the Company. The current cash balance is not sufficient to get the business up and running.

The Company is seeking \$1.25 million in capital to complete the project, which includes building a brewery and bar, installing a bottling line, self-distributing product off-site and operating the business with 12-months of contingency money and working capital.

The Company intends to obtain the funds through the following sources:

- A \$355,800 to \$700,000 small business administration loan that the Company anticipates being able to obtain based on preliminary discussions with a bank and a non-binding proposal letter signed by the bank;
- \$195,000 raised pursuant to the Ohio Offering; and
- \$355,000 to \$699,200 raised pursuant to this Offering.

How quickly the Company can implement its business plan is largely dependent on how quickly the Series C Units are sold in this Offering. The Company anticipates to use all funds raised to get the brewpub up and running as described in more detail in the "Use of Proceeds" section of this Offering.

As soon as possible, the Company plans to begin and complete necessary renovations of the building by November of 2018. The renovation will cost approximately \$270,000 of Company proceeds among construction and architectural services. The signed proposal for architectural services is attached as Exhibit 6.3.

In December of 2018, the Company intends to purchase and install approximately \$354,000 in brewing, lab, and auxiliary equipment, as well as a \$60,000 bottling line. The Company plans to begin brewing in early 2019 with approximately \$40,500 in inventory. If the Company meets this timeline, it will be able to open in April of 2019.

The brewing equipment includes a 10 barrel stainless steel brewing system with four 20-barrel fermenters and a 20 barrel and 10 barrel bright tank. In year one, this will allow the Company to brew 2,000 barrels of beer.

In the second year, the Company will look to increase its annual output to 2,100 barrels per year. From years three through six, the Company intends to use profits to add fermenters and bright tanks to increase capacity in order to produce roughly double the volume year over year, until it reaches a maximum of 15,600 barrels per year in brewing capacity.

If the Company subscribes anywhere from 51% to 100% of this Offering, its plans will remain unchanged, as it will be able to use loan proceeds to make up the difference. If the Company subscribes less than 51%, the Company will alter its plans. For instance, if only 50% of the goal is met, it will strategically reduce its marketing budget to make up the \$5,400 shortfall. If only 25% of the funding is subscribed pursuant to this Offering, the Company will eliminate the bottling line and those attendant working capital and inventory costs (\$75,000); eliminate plans to self-distribute in year 1 (\$25,000); reduce point of sale merchandise investment (\$45,000); cut back on labor costs (\$30,000); and cut back on certain lab equipment (\$5,300) to make up the additional \$180,200 shortfall. While this will not impact brewing capacity, it may impact brewing output as a reduction in working capital and labor costs may not allow the Company to brew at full capacity.

The Company may utilize funds from the officers to advance funds for the Offering, filing fees, and professional fees, renovations and any other fees as determined by the Company, that the Company will reimburse from the proceeds of this Offering. However, the Company plans to alleviate its liquidity deficiency through the funds raised pursuant to this Offering, the Ohio Offering, and bank financing.

Attached are the audited financials of the Company. Because the Company has no operating experience, the financial statements will be unlikely to be helpful in determining whether the Company will attain any future goals.

#### **DIRECTORS, EXECUTIVE OFFICERS, AND SIGNIFICANT EMPLOYEES**

| <b>NAME</b>      | <b>POSITION</b>                  | <b>AGE</b> | <b>TERM OF OFFICER</b> | <b>APPROXIMATE<br/>HOURS PER WEEK</b> |
|------------------|----------------------------------|------------|------------------------|---------------------------------------|
| Brian N. Jackson | Chief Executive Officer, Manager | 32         | April 2017 to present  | 80 (beginning September 2018)         |
| Marvin Abrinica  | Chief Marketing Officer          | 41         | July 2017 to present   | 25 (beginning September 2018)         |

Brian Jackson is the sole Manager and CEO of the Company. Marvin Abrinica is the Chief Marketing Officer. The Company plans to hire 10-15 full-time or part-time employees to assist in brewing, bartending, serving, and administrative duties.

**The exact date when Mr. Jackson and Mr. Abrinica will begin working the hours listed above is subject to change.**

#### **Brian Jackson, Manager, CEO and Treasurer**

Brian Jackson has a bachelor's degree in psychology from the University Cincinnati, but his years after college have been devoted to learning about and brewing craft beer. In 2009 he began working for an Ohio beer distributor specializing in craft beers. During his 6 years at the distributor, he worked both as warehouse manager and, later, purchaser, buying beer for a portfolio of over 4000 unique SKU's in 3 states.

Since 2009, Brian has brewed over 80 batches of homebrew and more than 25 various styles. Five times he has entered local homebrewing competitions, bringing home six medals in the process. In 2015 he attained certification of a beer judge with the nationally renowned Beer Judge Certification Program.

In 2015, Brian began brewing commercially with MadTree Brewing Company in Ohio and continues to work there as of the commencement of this Offering. The brewery is aware of and supports Mr. Jackson’s efforts to form this Company, and has in fact helped mentor him through the start-up brewery process. Mr. Jackson intends to leave MadTree Brewing Company in September of 2018 to focus on the Company full-time.

There are no legal proceedings against Mr. Jackson, nor have there been in the previous five years.

Mr. Jackson has no family relationship with any officer, director, or significant employee of the Company.

**Marvin Abrinica, Chief Marketing Officer**

After an 18-year career at Procter and Gamble, Mr. Abrinica set out on his own and became founder, owner and CEO of Thrivera – a branding company located in Downtown Cincinnati, Ohio. He also founded and runs Wunderfund, the first FINRA-registered crowdfunding site in southwestern Ohio. Marvin will develop a website for this Offering and manage marketing for Esoteric.

There are no legal proceedings against Mr. Abrinica, nor have there been in the previous five years.

Mr. Abrinica has no family relationship with any officer, director, or significant employee of the Company.

**COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

**In 2017, the officers received no compensation.**

| NAME            | POSITION                | ANTICIPATED<br>2018 CASH<br>COMPENSATION | ANTICIPATED<br>2018 OTHER<br>COMPENSATION | ANTICIPATED<br>2018 TOTAL<br>COMPENSATION |
|-----------------|-------------------------|--|---|---|
| Brian Jackson   | CEO, President          | \$ 36,250                                | 0 \$                                      | 36,250                                    |
| Marvin Abrinica | Chief Marketing Officer | \$ 16,250                                | 0 \$                                      | 16,250                                    |

The Company intends to pay Brian Jackson \$36,250 in 2018 with payments beginning in approximately September of 2018. The Company intends to pay Marvin Abrinica a salary of \$16,250 beginning in approximately September of 2018; but may pay Marvin as much as much \$31,250 if Marvin begins working for the Company full time. In 2019 Brian Jackson intends to take a salary of \$60,000 and Marvin Abrinica intends to take a salary of \$30,000. If Marvin Abrinica begins working full time for the Company, Marvin will have an increased salary no greater than \$60,000 in 2019.

**The salaries are subject to change after 2019.**

**SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITY HOLDERS**

| <b>TITLE OF CLASS</b> | <b>NAME AND ADDRESS OF BENEFICIAL OWNER</b>                 | <b>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP</b> | <b>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP ACQUIRABLE</b> | <b>PERCENT OF OWNERSHIP After the Fully Subscribed Offering</b> |
|-----------------------|---|--|---|---|
| Series A Units        | Brian Jackson<br>3713 Charloe Ct.<br>Cincinnati, OH 45227   | 800 Series A Units                               |   | 56.02%  |
| Series A Units        | Marvin Abrinica<br>3450 Madison Rd.<br>Cincinnati, OH 45209 | 200 Series A Units                               |   | 14.00%  |

**INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS**

No manager, officer, incorporator, promoter, or immediate family member has had a direct or indirect personal interest in any of the Company's transactions of over \$50,000 in the last two years.

**KEY FEATURES OF SECURITIES BEING OFFERED**

Below is a table that details the current members and their Membership Interests currently and after this Offering:

|                                 | <b>Current Aggregate Percentage Ownership Interest</b> | <b>Current Aggregate Percentage Voting Interest</b> | <b>Post-Offering Number of Units Outstanding</b> | <b>Post-Offering Aggregate Percentage Ownership Interest</b> | <b>Post-Offering Aggregate Percentage Voting Interest*</b> |
|---------------------------------|--|---|--|--|--|
| Existing Series A Units         | 93.31%   | 100%  | 1,000  | 70.02%   | 100%   |
| Existing Series B Units         | 6.69%  | 0%  | 2,008  | 6.69%  | 0%**   |
| Series C Units in this Offering | 0%   | 0%  | 6,992  | 23.28%   | 0%   |

\* *Voting Interest is defined as the right to vote on any matter before the Members in accordance with such Member's Voting Interest.*

\*\* *Series B Units have the right to vote in accordance with their Profits Interests on certain major decisions in accordance with their Profits Interest percentage, even though such Series B Units do not have "Voting Interest" as defined in the operating agreement.*

The Company has established three classes of membership interests designated as Series A Units, Series B Units, and Series C Units. An investor may only acquire Series C Units through this Offering, unless such investor holds 250 Series C Units and converts to Series B Units.

This Offering period will end on the earlier of 1) the Manager ending the Offering or 2) March 31, 2019, subject to the Manager's discretion to extend this Offering for up to an additional 180 days. The minimum Series C Unit purchase is one (1) with no maximum up to the remaining available Series C Units under this Offering. Though there is no maximum, the Company intends to sell in the aggregate 9,000 Series B and Series C Units.

The following discussion highlights the key features of the Series C Units and contrasts them with the Series A and Series B Units. This discussion is a summary only and does not purport to be a complete description of the Series C Units. The rights and interests of the Series C Unit investors are very detailed and can only be understood completely upon a thorough reading and understanding of the Operating Agreement, attached as Schedule 2.2, which is the legal document that establishes such rights and interests. Accordingly, prospective investors are urged to read the Operating Agreement in detail and this discussion is qualified in its entirety by reference to the Operating Agreement.

#### **Description of Units**

The **Series A Units** are held by the sole officers Brian Jackson and Marvin Abrinica. The Series A Units, collectively, hold total ownership interest equivalent to the following formula:  $100\% - (0.00333\%)(\text{Outstanding Series B Units} + \text{Outstanding Series C Units})$ .

The **Series B Units** are being offered pursuant to the Ohio Offering and are being sold for \$100 per Unit, with the caveat that 708 Units have been sold at approximately a 10% discount. Series B Units may also be obtained by holders of at least 250 Series C by converting them to Series B Units on a one to one (1:1) basis. The Series B Units, collectively, hold total ownership interest equivalent to the following formula:  $(\text{Outstanding Series B Units})(0.00333\%)$ .

The **Series C Units** are the units of ownership interest in the Company into which the investors in this Offering may acquire. The Series C Units, collectively, hold total ownership interest equivalent to the following formula:  $(\text{Outstanding Series C Units})(0.00333\%)$ .

#### **Voting Rights**

The holders of **Series A Units** hold all the Voting Interest of the Company. Brian Jackson, one of the Series A Members, is the sole Manager.

The holders of **Series B Units** hold no Voting Interest in the Company. However, for certain major issues, including distributions of profits, merger, and sale of the Company, the holders of Series A Units and Series B Units are permitted to vote in proportion to their respective Profits Interests in the Company.

The holders of **Series C Units** have no Voting Interest in the Company, and no other voting or management rights. However, a majority of Series C Units must approve change in the Operating Agreement that would change the terms of the Series C Units.

#### **Distribution Rights**

“Distribution Rights” are those rights to the Company’s distribution of assets apart from assets paid out or distributed in connection with a Liquidity Event.

At the discretion of the Manager, the holders of **Series A Units** will receive Distributions in proportion to their respective Capital Contributions, up to and until such Capital Contributions are repaid. After such repayment, the Series A Units will receive Distributions in accordance with their Profits Interest.

At the discretion of the Manager, the holders of **Series B Units** will receive Distributions in proportion to their respective Capital Contributions, up to and until an amount equal to such Capital Contributions are paid. After such repayment, the Series B Units will receive Distributions in accordance with their Profits Interest.

The holders of **Series C Units** are not entitled to Distributions of profits and, thus, have no Profits Interest (as defined in the Operating Agreement) in the Company.

#### **Liquidity Event**

In case of a Liquidity Event, such as the Company merging into another entity, selling substantially all the assets of the Company, or making an initial public offering, proceeds of such Liquidity Event will go to creditors, holders of yet-unissued membership interests senior to the issued Units, and to set up reserves for contingency payments. After the foregoing are satisfied, each Member holding **Series A Units, Series B Units, or Series C Units** shall receive distributions at the same priority in proportion and to the extent of their Capital Contributions (less Distributions already received); and, once an amount equal to such Capital Contributions are paid, the distributions will be in accordance with their Profits Interest in the Company. If Series A and Series B Units have already received an amount equal to their respective Capital Contributions, the Series C Units would be repaid first.

#### **Tax Distributions**

Holders of **Series A Units** and **Series B Units** are entitled to distributions to cover taxes associated with unpaid allocations.

**Series C Members** will have no right to distributions to cover taxes, but will only suffer a taxable event in the case of a Liquidity Event.

#### **Allocations**

**Series A Units** will receive allocations of profit or loss based on the profits or losses of the Company.

**Series B Units** will receive allocations of profit or loss based on the profits or losses of the Company.

Holders of **Series C Units** will not receive allocations of profit or loss based on the profits or losses of the Company. **Series C Units** will only receive allocations equal to the amount of distributions received, likely only in the case of a Liquidity Event.

#### **Additional Capital Contributions**

No Member shall be required to contribute additional capital to the Company. Any additional contributions shall be deemed to be loans to the Company with such interest rate and terms of repayment as the Manager and such contributing Members determine.

#### **No Pre-Emptive Rights**

Except for 250 Series A Units that may be issued and sold by the Company to employees or officers in exchange for services without being subject to preemptive rights (the "Option Pool"), **Series A Members** have the right to participate in any subsequent issuance of membership interests in accordance with their respective Profits Interest and on the same terms the Company plans to offer to third parties.

Except for the Option Pool, **Series B Members** have the right to participate in any subsequent issuance of membership interests in accordance with their respective Profits Interest and on the same terms the Company plans to offer to third parties.

**Series C Members** do not have pre-emptive rights with respect to any issuance or sale of any Units to any person.

### **Conversion Rights for holders of at least 250 Series C Units.**

Holders of at least **250 Series C Units** may convert all of their Units (but not less than all) to **Series B Units** at a one-to-one (1:1) ratio after holding the Series C Units for **6 months and upon written notice to the Company**.

### **Transfer Restrictions for Series C Units**

If the holder of **Series C Units** attempts to transfer Series C Units, if the holder of Series C Units attempt to transfer Series C Units, the transferring holder must give notice to the Company. At that point, the Company, the Series A Members and the Series B members will have the opportunity to purchase first on the same terms. Also, the Company may request a **Series C Member** to provide a legal opinion concerning the legality of such transfer.

### **Right of First Refusal**

Other than transfer among the Series A Members, **Series A Members** and **Series B Members** have the right to purchase any Units that are intended to be transferred (other than assignments of economic interest to Permitted Transferees) on the same terms as the proposed transfer.

The holders of **Series C Units** have no right of first refusal with regards to any Units that are transferred or proposed to be transferred. **If the holder of Series C Units attempt to transfer Series C Units, the transferring holder must give notice to the Company. At that point, the Company, the Series A Members and the Series B members will have the opportunity to purchase first on the same terms.**

### **Drag-Along Rights**

If the Majority of Series A Members attempts to transfer a Majority of Series A Units, the Majority of Series A Members has the right to require that the remaining Members, including holders of **Series B Units** and **Series C Units**, to transfer their respective Units to the proposed transferee on the same terms as the Majority of Series A Units.

### **How To Subscribe for Units**

The Series C Units are being offered pursuant to 17 C.F.R. section 230.251, *et seq.*, also known as Regulation A.

Under the terms and conditions of the Subscription Agreement, each investor agrees to subscribe for and purchase his or her Series C Units and to pay the purchase price for such Series C Units, as provided for in this Offering. The Subscription Agreement, together with the related subscription documents, accompanies this Offering Memorandum.

The Subscription Agreement contains a number of representations, warranties and acknowledgements as to restrictions on transferability of the Series C Units in accordance with applicable securities laws.

The Subscription Agreement and all other related documents as the Company may deem necessary must be signed and delivered to the Company in order to subscribe. Each prospective investor must aver that he or she is qualified under the terms of this Offering as detailed in the Subscription Agreement. Each prospective investor must also deliver with those documents a check, ACH, credit card, or wire transfer, in an amount of \$100 per Series C Unit purchased. The Company has the right to decline to accept any offer of subscription within the Manager's sole discretion.

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If you have any questions please contact Brian Jackson at [brian.jackson@esotericbrewing.com](mailto:brian.jackson@esotericbrewing.com).

**ESOTERIC BREWING COMPANY, LLC**

**BALANCE SHEET WITH  
INDEPENDENT AUDITOR'S REPORT**

**As of February 28, 2018**

# ESOTERIC BREWING COMPANY, LLC

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Certified Public Accountants and Business Advisors

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
Esoteric Brewing Company  
Cincinnati, Ohio

We have audited the accompanying balance sheet of Esoteric Brewing Company, LLC as of February 28, 2018, and the related notes to the balance sheet.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this balance sheet in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the balance sheet that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this balance sheet based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the balance sheet, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the balance sheet in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Esoteric Brewing Company, LLC at February 28, 2018 in accordance with accounting principles generally accepted in the United States of America.

*FRANZ CPAs, Inc.*

April 20, 2018  
Cincinnati, Ohio

# ESOTERIC BREWING COMPANY, LLC

## BALANCE SHEET

As of February 28, 2018

### ASSETS

#### CURRENT ASSETS

|                      |               |
|----------------------|---------------|
| Cash                 | \$ 37,400     |
| Total current assets | <u>37,400</u> |

#### OTHER ASSETS

|                    |               |
|--------------------|---------------|
| Deposits           | 27,236        |
| Total other assets | <u>27,236</u> |

|              |                  |
|--------------|------------------|
| TOTAL ASSETS | <u>\$ 64,636</u> |
|--------------|------------------|

### LIABILITIES AND MEMBERS' EQUITY

#### CURRENT LIABILITIES

|                           |          |
|---------------------------|----------|
| Accounts payable          | \$ -     |
| Total current liabilities | <u>-</u> |

|                   |   |
|-------------------|---|
| Total liabilities | - |
|-------------------|---|

#### MEMBERS' EQUITY

|   |              |
|---|--------------|
| Series A Units, 2,500 Units Authorized, 1,000 Units Outstanding | 100          |
| Series B Units, 25,000 Units Authorized, 705 Units Outstanding  | 65,000       |
| Series C Units, 12,000 Units Authorized, 0 Units Outstanding    | -            |
| Accumulated Deficit   | <u>(464)</u> |

|                       |               |
|-----------------------|---------------|
| Total members' equity | <u>64,636</u> |
|-----------------------|---------------|

|                                       |                  |
|---------------------------------------|------------------|
| TOTAL LIABILITIES AND MEMBERS' EQUITY | <u>\$ 64,636</u> |
|---------------------------------------|------------------|

See accompanying notes to balance sheet.

**ESOTERIC BREWING COMPANY, LLC**  
**NOTES TO BALANCE SHEET**  
**As of February 28, 2018**

**NOTE 1 – NATURE OF PLANNED OPERATIONS**

Esoteric Brewing Company, LLC (“the Company”) was formed on February 11, 2013 under the laws of the state of Ohio and will be engaging in the brewing and selling of craft beer. There were no activities in the Company from February 11, 2013 through October 1, 2017. The company is governed by its Amended and Restated Operating Agreement dated February 25, 2018.

On February 25, 2018 the Company issued 9,000 series B units pursuant to a private placement memorandum for additional fundraising.

The company also plans to sell series C membership units pursuant to a Regulation A+ (“Reg A”) offering. Reg A contains rules providing exemptions from the registration requirements, disclosed in the Securities Act of 1933, allowing some companies to use equity crowdfunding to offer and sell their securities without having to register the securities with the SEC.

The Company's activities are subject to significant risks and uncertainties, including being unable to secure additional funding that is needed to complete construction of their tap room and brewery.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

The company has elected to report financial results on the accrual method of accounting, but has yet to pick a report period; method of reporting gift cards; revenue recognition; determination of cash and cash equivalents; recording of vendor allowances, inventory, property and equipment, trademarks, other assets, rent expense and deferred rent expense, advertising costs, pre-opening costs, and contingencies.

**NOTE 3 – LEASES**

The Company has signed a letter of intent for a seven-year building lease with two renewal options of five years each on October 1, 2017 for 900 E. McMillian St, Cincinnati, OH. The lease does not yet have a commencement date. The annual payments by year are:

|        |              |
|--------|--------------|
| Year 1 | \$ 200,000   |
| Year 2 | 205,000      |
| Year 3 | 210,000      |
| Year 4 | 215,000      |
| Year 5 | 220,000      |
| Year 6 | 225,000      |
| Year 7 | 230,000      |
|        | <hr/>        |
|        | \$ 1,505,000 |

**ESOTERIC BREWING COMPANY, LLC**  
**NOTES TO BALANCE SHEET**  
**As of February 28, 2018**

**NOTE 4 – COMMITMENTS**

On January 29, 2018, management executed a contract for the purchase Model QTS 10-BBL brewing system for \$151,564. The equipment will be the basis for the brewery. A \$10,000 nonrefundable deposit was made toward the purchase of the equipment.

On January 4, 2018, management executed a contract for the purchase of architectural services for the design of the brewery and tap room for \$169,590. A \$17,236 nonrefundable deposit was made toward the purchase of the architectural services.

**NOTE 5 – MEMBERS' EQUITY**

On October 1, 2017 series A units of members equity included capital contributions from the initial members of the Company, Brian N. Jackson and Marvin J. Abrinica, who made a collective capital contribution of \$100. On January 2, 2018, member Allyn N. Kaufman purchased 273 series B units totaling \$25,000. On January 8, 2018 members Taylor M. Shockey and James J. Joyce purchased 435 series B units totaling \$40,000. The collective members' capital contributions are comprised of series A units of \$100 and series B units of \$65,000.

Only series A membership units have voting rights. Only series A and series B membership units will receive distributions proportional to their economic ownership interests.

**NOTE 6—SUBSEQUENT EVENT**

Management has evaluated subsequent events through April 20, 2018, the date which the balance sheet was available to be issued.

**NOTE 7—INCOME TAXES**

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. The Company's net income is allocated to the members in accordance with regulations of the Company. The Company is subject to various state and local taxes based on net income and gross receipts.

**ESOTERIC BREWING COMPANY, LLC**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2017 and 2016**

# ESOTERIC BREWING COMPANY, LLC

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# FRANZ CPAs, Inc.

Certified Public Accountants and Business Advisors

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
Esoteric Brewing Company  
Cincinnati, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of Esoteric Brewing Company, LLC (the Company), which comprise the balance sheets as of December 31, 2017 and 2016, the related statements of operations and other comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Esoteric Brewing Company, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*FRANZ CPAs, Inc.*

May 22, 2018  
Cincinnati, Ohio

# Esoteric Brewing Company, LLC

## BALANCE SHEETS

As of December 31, 2017 and 2016

| <b><u>ASSETS</u></b>  | <b><u>2017</u></b> | <b><u>2016</u></b> |
|---|--------------------|--------------------|
| CURRENT ASSETS:   |                    |                    |
| Cash  | \$ 25              | \$ 14              |
| Total current assets  | <u>25</u>          | <u>14</u>          |
| <br>  |                    |                    |
| TOTAL ASSETS  | <u>\$ 25</u>       | <u>\$ 14</u>       |
| <br>  |                    |                    |
| <b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>                   |                    |                    |
| CURRENT LIABILITIES   |                    |                    |
| Accounts payable  | \$ -               | \$ -               |
| Total current liabilities                                       | <u>-</u>           | <u>-</u>           |
| <br>  |                    |                    |
| Total liabilities   | -                  | -                  |
| <br>  |                    |                    |
| MEMBERS' EQUITY   |                    |                    |
| Series A Units, 2,500 Units Authorized, 2,104 Units Outstanding | 100                | 25                 |
| Series B Units, 800 Units Authorized, 65 Units Subscribed       | -                  | -                  |
| Series C Units, 0 Units Authorized, 0 Units Outstanding         | -                  | -                  |
| Accumulated Deficit   | <u>(75)</u>        | <u>(11)</u>        |
| <br>  |                    |                    |
| Total members' equity   | <u>25</u>          | <u>14</u>          |
| <br>  |                    |                    |
| TOTAL LIABILITIES AND MEMBERS' EQUITY                           | <u>\$ 25</u>       | <u>\$ 14</u>       |

See accompanying notes to the financial statements.

**Esoteric Brewing Company, LLC**  
**STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME**  
For the Years Ended December 31, 2017 and 2016

|  | <u>2017</u>    | <u>2016</u>    |
|--|----------------|----------------|
| NET SALES                                    | \$ -           | \$ -           |
| COST OF GOODS SOLD                           | <u>-</u>       | <u>-</u>       |
| Gross profit                                 | -              | -              |
| OPERATING EXPENSES                           | -              | -              |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | <u>64</u>      | <u>11</u>      |
| Operating loss                               | (64)           | (11)           |
| OTHER INCOME/EXPENSE:                        |                |                |
| Total other income/expense                   | <u>-</u>       | <u>-</u>       |
| NET LOSS                                     | <u>\$ (64)</u> | <u>\$ (11)</u> |
| OTHER COMPREHENSIVE INCOME                   |                |                |
| Total other comprehensive income             | <u>-</u>       | <u>-</u>       |
| COMPREHENSIVE LOSS                           | <u>\$ (64)</u> | <u>\$ (11)</u> |

See accompanying notes to the financial statements.

**Esoteric Brewing Company, LLC**  
**STATEMENTS OF MEMBERS' EQUITY**  
For the Years Ended December 31, 2017 and 2016

|   | <u>2017</u>      | <u>2016</u>      |
|---|------------------|------------------|
| Series A Units                            |                  |                  |
| Balance at beginning of year              | \$ 25            | \$ -             |
| Purchase of Series A Membership Units     | 75               | 25               |
| Balance at end of year                    | <u>100</u>       | <u>25</u>        |
| <br>Series B Units                        |                  |                  |
| Balance at beginning of year              | -                | -                |
| Subscription of series B membership units | 65,000           |                  |
| Subscription agreement receivable         | (65,000)         |                  |
| Balance at end of year                    | <u>-</u>         | <u>-</u>         |
| <br>Series C Units                        |                  |                  |
| Balance at beginning of year              | -                | -                |
| Balance at end of year                    | <u>-</u>         | <u>-</u>         |
| <br>Accumulated Deficit                   |                  |                  |
| Balance at beginning of year              | (11)             | -                |
| Net loss                                  | (64)             | (11)             |
| Balance at end of year                    | <u>(75)</u>      | <u>(11)</u>      |
| <br><b>TOTAL MEMBERS' EQUITY</b>          | <br><u>\$ 25</u> | <br><u>\$ 14</u> |

See accompanying notes to the financial statements.

**Esoteric Brewing Company, LLC**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2017 and 2016

|  | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |             |             |
| Net Loss   | \$ (64)     | \$ (11)     |
| Adjustments to reconcile net loss to net cash provided/(used) by operating activities: | -           | -           |
| Net cash used in operating activities  | (64)        | (11)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |             |             |
| Proceeds from sale of equity   | 75          | 25          |
| Net cash provided by financing activities  | 75          | 25          |
| Net increase in cash   | 11          | 14          |
| Cash at the beginning of the year  | 14          | -           |
| Cash at the end of the year  | \$ 25       | \$ 14       |
| <b><u>Supplemental Disclosure of Cash Flow Information:</u></b>                        |             |             |
| Cash paid during the year for interest   | \$ -        | \$ -        |
| Cash paid during the year for income taxes   | \$ -        | \$ -        |

See accompanying notes to the financial statements.

**ESOTERIC BREWING COMPANY, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2017 and 2016**

**NOTE 1 – NATURE OF PLANNED OPERATIONS**

Esoteric Brewing Company, LLC (“the Company”) was formed on February 11, 2013 under the laws of the state of Ohio and will be engaging the in the brewing and selling of craft beer. There were no material activities in the Company from February 11, 2013 through October 1, 2017. The company is governed by Operating Agreement dated November 15, 2017.

The company plans to sell series C membership units pursuant to a Regulation A+ (“Reg A”) offering. Reg A contains rules providing exemptions from the registration requirements, disclosed in the Securities Act of 1933, allowing some companies to use equity crowdfunding to offer and sell their securities without having to register the securities with the SEC.

The Company's activities are subject to significant risks and uncertainties, including being unable to secure additional funding that is needed to complete construction of their tap room and brewery.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

The company has elected to report financial results on the accrual method of accounting, but has yet to pick a report period; method of reporting gift cards; determination of cash and cash equivalents; recording of vendor allowances, inventory, property and equipment, trademarks, other assets, rent expense and deferred rent expense, advertising costs, pre-opening costs, and contingencies.

**NOTE 3 – LEASES**

The Company has signed a letter of intent for a seven-year building lease with two renewal options of five years each on October 1, 2017 for a building located at 900 E. McMillian St, Cincinnati, OH. The lease does not yet have a commencement date. The annual payments by year are:

|        |                     |
|--------|---------------------|
| Year 1 | \$ 200,000          |
| Year 2 | 205,000             |
| Year 3 | 210,000             |
| Year 4 | 215,000             |
| Year 5 | 220,000             |
| Year 6 | 225,000             |
| Year 7 | 230,000             |
|        | <u>\$ 1,505,000</u> |

**NOTE 4 – INCOME TAXES**

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. The Company's net income is allocated to the members in accordance with regulations of the Company. The Company is subject to various state and local income taxes based on net income and gross receipts.

**ESOTERIC BREWING COMPANY, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2017 and 2016**

**NOTE 5 – MEMBERS' EQUITY**

On October 1, 2017 series A units of members equity included capital contributions from the initial members of the Company, Brian N. Jackson (\$80) and Marvin J. Abrinica (\$20), who made a collective capital contribution of \$100.

On December 5, 2017, member Allyn N. Kaufman signed a subscription agreement for 25 series B units totaling \$25,000. On December 12, 2017, members Taylor M. Shockey and James J. Joyce signed a subscription agreement for 40 series B units totaling \$40,000.

Of the 800 Series B Non-Voting Units that are authorized, 650 Units are intended to be transferred to investors pursuant to the terms of a private placement offering. Any issued Non-Voting Units not transferred to an investor prior to the termination of the Offering shall be held by Initial Members Brian N. Jackson and Marvin J. Abrinica with 60% going to Brian N. Jackson and 40% going to Marvin J. Abrinica.

Only series A membership units have voting rights. Only series A and series B membership units will receive distributions proportional to their economic ownership interests.

**NOTE 6—SUBSEQUENT EVENT**

On January 2, 2018, member Allyn N. Kaufman paid \$25,000 for the 25 series B units subscription receivable.

On January 4, 2018, management executed a contract for the purchase of architectural services for the design of the brewery and tap room for \$169,590. A \$17,236 nonrefundable deposit was made toward the purchase of the architectural services in January 2018.

On January 8, 2018 members Taylor M. Shockey and James J. Joyce paid \$40,000 for the series B units subscription receivable.

On January 29, 2018, management executed a contract for the purchase Model QTS 10-BBL brewing system for \$151,564. The equipment will be the basis for the brewery. A \$10,000 nonrefundable deposit was made toward the purchase of the equipment in January 2018.

On February 25, 2018 management signed its Amended and Restated Operating Agreement which dictates the governance of the company.

On February 25, 2018 the Company issued additional series B units pursuant to a private placement memorandum for additional fundraising for a total of 9,000 series B units issued. The Company also converted the 2,104 outstanding series A units to 1,000 outstanding units. The Company also converted the 65 outstanding series B units to 708 outstanding units.

On March 5, 2018, member Todd J. Statt purchased 250 series B units totaling \$25,000.

On March 23, 2018, member Michael B. Williams, Jr. purchased 300 series B units totaling \$30,000.

Management has evaluated subsequent events through May 22, 2018, the date which the balance sheet was available to be issued.

---

## **PART III-EXHIBITS**

### **Index to Exhibits**

- 2.1 Esoteric Brewing Company, LLC Articles of Organization\*
- 2.2 Esoteric Brewing Company LLC Amended and Restated Operating Agreement\*
- 4.1 Subscription Agreement\*
- 6.1 Lease with Paramount Square Master Tenant, LLC\*
- 6.2 Brewing Equipment contract with Quality Tank Solutions, LLC\*
- 6.3 Proposal for architectural services agreement with New Republic Limited\*
- 6.4 Form of Perks Agreement\*
- 11.1 Signed Consent of independent accountant
- 12.1 Opinion of Graydon Head & Ritchey LLP\*

\* Available on Esoteric Website

Exhibit 2.1



| DATE:      | DOCUMENT ID  | DESCRIPTION                                     | FILING | EXPED | PENALTY | CERT | COPY |
|------------|--------------|---|--------|-------|---------|------|------|
| 02/12/2013 | 201304201845 | DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG (LCP) | 125.00 | .00   |         | .00  | .00  |

**Receipt**

This is not a bill. Please do not remit payment.

BRIAN NATHANIEL JACKSON  
3713 CHARLOE CT.  
CINCINNATI, OH 45227

# STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jon Husted

2172980

It is hereby certified that the Secretary of State of Ohio has custody of the business records for  
**ESOTERIC BREWING COMPANY, LLC**  
and, that said business records show the filing and recording of:

Document(s)  
**DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG**

Document No(s):  
**201304201845**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of  
the Secretary of State at Columbus,  
Ohio this 11th day of February,  
A.D. 2013.

Ohio Secretary of State



Form 533A Prescribed by:  
Ohio Secretary of State  
**JON HUSTED**  
Ohio Secretary of State

Central Ohio: (614) 468-3910  
Toll Free: (877) SOS-FILE (767-3453)  
[www.OhioSecretaryofState.gov](http://www.OhioSecretaryofState.gov)  
[BusServ@OhioSecretaryofState.gov](mailto:BusServ@OhioSecretaryofState.gov)

Mall this form to one of the following:

Regular Filing (non expedite)  
P.O. Box 670  
Columbus, OH 43216

Expedite Filing (Two-business day processing  
time requires an additional \$100.00).  
P.O. Box 1390  
Columbus, OH 43216

## Articles of Organization for a Domestic Limited Liability Company

Filing Fee: \$125

CHECK ONLY ONE (1) BOX

(1)  Articles of Organization for Domestic  
For-Profit Limited Liability Company  
(115-LCA)

(2)  Articles of Organization for Domestic  
Nonprofit Limited Liability Company  
(115-LCA)

Name of Limited Liability Company

Name must include one of the following words or abbreviations: "limited liability company," "limited," "LLC," "L.L.C.," "Ltd.," or "Ltd"

Effective Date  
(Optional)

mm/dd/yyyy

(The legal existence of the limited liability company begins upon the filing  
of the articles or on a later date specified that is not more than ninety days  
after filing)

This limited liability company shall exist for  
(Optional)

Period of Existence

Purpose  
(Optional)

**\*\*Note for Nonprofit LLCs**

The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit limited liability company secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided.

### ORIGINAL APPOINTMENT OF AGENT

The undersigned authorized member(s), manager(s) or representative(s) of

Esoteric Brewing Company, LLC

Name of Limited Liability Company

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the limited liability company may be served. The name and address of the agent is

Brian Nathaniel Jackson

Name of Agent

3713 Charloe Ct.

Mailing Address

Cincinnati

City

Ohio

State

45227

ZIP Code

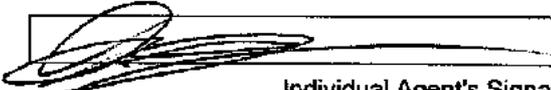
### ACCEPTANCE OF APPOINTMENT

The undersigned, named herein as the statutory agent for

Esoteric Brewing Company, LLC

Name of Limited Liability Company

hereby acknowledges and accepts the appointment of agent for said limited liability company



Individual Agent's Signature / Signature on Behalf of Corporate Agent

If the agent is an individual and using a P.O. Box, check this box to confirm that the agent is an Ohio resident.

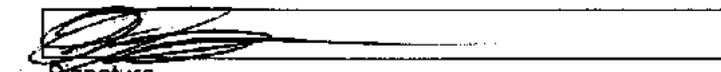
By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

**Required**

Articles and original appointment of agent must be signed by a member, manager or other representative.

If authorized representative is an individual, then they must sign in the "signature" box and print their name in the "Print Name" box.

If authorized representative is a business entity, not an individual, then please print the business name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print their name in the "Print Name" box.

  
Signature

By (if applicable)

Brian Nathaniel Jackson

Print Name

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

Exhibit 2.2

**First Amended and Restated Operating Agreement  
of  
Esoteric Brewing Company, LLC**

**An Ohio Limited Liability Company  
February 25, 2018**

**First Amended and Restated Operating  
Agreement  
of  
ESOTERIC  
BREWING COMPANY, LLC**

First Amended and Restated Operating Agreement of Esoteric Brewing Company, LLC ~  
Ohio Limited Liability Company, entered into by the Company and the Initial Members on  
February 25, 2018

**RECITALS**

- A. The Company was formed as a limited liability company under Ohio law via the filing of the Articles of Organization with the Secretary of State of Ohio on February 11, 2013.
- B. The Members and the Company entered into an Operating Agreement on November 14, 2017.
- C. The Initial Members and Manager agree to the terms and conditions of this Agreement and the Articles of Organization in consideration of the covenants contained in this Agreement and for other good and valuable consideration.

NOW THEREFORE the Members agree as follows:

**ARTICLE I- DEFINITIONS**

The following terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement.

- 1.1. “Act” means the statutes enacted in the state of Ohio pertaining to the operation of limited liability companies, including Chapter 1705 of the Ohio Revised Code and any successor statute, as amended.
- 1.2. “Agreement” means this Operating Agreement of Esoteric Brewing Company, LLC and any amendments.
- 1.3. “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 accounting period, after giving effect to the following adjustments:

(a) credit to such Capital Account any amount which such Member is obligated to restore pursuant to any provision of this Agreement or under Reg. § 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the next to last sentence of Reg. § 1.704-2(g)(1) and (i)(5), after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Reg. § 1.704-2(d)) and in the minimum gain attributable to any partner nonrecourse debt (as determined under Reg. § 1.704-2(i)(3)); and

(b) debit to such Capital Account the items described in Reg. § 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 Reg. § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.4. “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under Series A control with, the Person specified. For the purposes of this definition, “control” shall have the meaning specified as of the date of this Agreement for that word in Rule 405 promulgated by the Securities and Exchange Commission under the Securities Act.

1.5. “Articles of Organization” means the Articles of Organization filed by the Company on February 11, 2013 with the Office of the Secretary of State of the State of Ohio.

1.6. “Assignee” means a person who has acquired a Member’s Percentage Interest in the Company, but who has not become a Member.

1.7. “Assigning Member” means a Member who has transferred a Percentage Interest in the Company to an Assignee.

1.8. “Capital Account” means a separate account maintained and adjusted for each Member in accordance with **Article III, Section 3.2**.

1.9. “Capital Contribution” means the amount of the money, the forgiveness of any debt, and the fair market value of any services or property contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take “subject to” under IRC section 752) in consideration of Membership Interest. A Capital Contribution is not a loan.

1.10. “Code” or “IRC” means the Internal Revenue Code of 1986, as amended, and any successor provision.

1.11. “Company” means Esoteric Brewing Company, LLC, a limited liability company, and any successor limited liability company.

1.12. “Confidential Information” encompasses, but is not limited to, financial status, business plans, proprietary recipes, or other miscellaneous information; such term does not include knowledge, skills or information which is Series A to the trade or profession of the Person possessing such materials or information.

1.13. “Distribution Rights” means those rights defined in **Article IV, Sections 4.4 and Section 4.5**.

1.14. “Economic Interest” means a Member or Assignee’s Distribution Rights and a Member or Assignee’s rights to assets of the Company in case of a Liquidity Event as set forth in Section 9.3.

1.15. “Gross Asset Value” means the asset’s adjusted basis for federal income tax purposes except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset on the date of contribution, as determined by the contributing Member and the Company;

(b) The Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Managers, as of the following times: (1) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (2) the distribution by the Company to a Member of more than a de minimis amount of property of the Company as consideration for an interest in the Company, and (3) the liquidation of the Company within the meaning of Reg. § 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (1) and (2), above, shall be made only if the Managers reasonably determine that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company.

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution as determined by the distributee and the Company; and

(d) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Reg. § 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted to the extent the Members determine that an adjustment is not necessary or appropriate in connection with a transaction that would otherwise result in an adjustment. If the Gross Asset Value of an asset has been determined or adjusted, 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.

1.16. “Initial Members” mean Brian N. Jackson and Marvin J. Abrinica.

1.17. “Involuntary Transfer” means a transfer, whether by operation of law, pursuant to court order, foreclosure of a security interest, execution of a judgment or other legal process, or otherwise, including a purported transfer to or from a trustee in bankruptcy, receiver, or assignee for the benefit of creditors.

1.18. “Liquidity Event” means any transaction or event which results in the receipt by, or a distribution to, all Series A, Series B, and Series C Members of cash or marketable securities in exchange for, or in conversion, liquidation or redemption of all of such Series A, Series B,

or Series C Members, including the Company's merger into another entity, a sale of substantially all of the assets of the Company, or an initial public offering.

1.19. "Majority of Members" means a Member or Members whose Voting Interest represents more than 50 percent of the Voting Interest of all the Members.

1.20. "Manager" is defined in **Article V, Section 5.1**.

1.21. "Meeting" is defined in **Article V, Section 5.5**.

1.22. "Member" means the Initial Members or a Person who otherwise acquires a Membership Interest, as permitted under this Agreement, and who remains a Member.

1.23. "Membership Interest" means the total ownership rights held by a Member, and may also be referred to as a "Unit."

1.24. "Notice" means a written notice required or permitted under this Agreement, including by hand-delivery, overnight mail, or email, deemed given upon receipt.

1.25. "Percentage Interest" means the ownership interest of that Member set forth in **Section 7.7, 7.8, and 7.9**, and expressed as a percentage and set forth in Exhibit A; or the ownership interest of a Member of a certain class as determined by dividing the Member's Units by the total Units of that particular class.

1.26. "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity.

1.27. "Profits Interest" means the a Member or Assignee's Distribution Rights, but does not include any management rights, including the right to inspect the books and records of the Company or any Voting Interest; the Profits Interest of each Member is expressed via a percentage at Exhibit A

1.28. "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with IRC section 703 (a).

1.29. "Regulations" ("Reg") means the income tax regulations promulgated by the United States Department of the Treasury.

1.30. "Series A Member" means a Member that holds a Series A Unit.

1.31. "Series A Unit" means a Series A membership interest that consists of full Profits Interest and full Voting Interest.

1.32. "Series B Member" means a Member that holds a Series B Unit.

1.33. "Series B Unit" means a Series B membership interest that consists of Profits Interest but no Voting Interest, Series B Units only have voting rights as set forth in **Article IV, Section 4.4.**

- 1.34. "Series C Member" means Member that holds a Series C Unit.
- 1.35. "Series C Unit" means a Series C membership interest that consists of no Profits Interest and no Voting Interest. The Series C Units only have a right to receive a distribution of assets from the Company in the event of a Liquidity Event.
- 1.36. "Substituted Member" is defined in **Article VIII, Section 8.4**.
- 1.37. "Successor in Interest" means an Assignee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.
- 1.38. "Total Disability" means a physical or mental condition of a Member resulting from bodily injury, disease, or mental disorder which renders him or her permanently incapable of providing his or her usual and customary services to the Company. The Total Disability of a Member shall be determined in the sole and absolute discretion by the Manager based on the opinion of a licensed physician chosen by the Manager. However, if the affected Member is not satisfied with the Manager's decision, the Member must so notify the Company in writing within 10 days after such Member's receipt of written notice of such determination by the Manager, and must submit to examination by three competent physicians, one selected by the Company, one selected by the Member, and one selected by the two physicians so selected. The decision of a majority of these physicians shall supersede the Manager's decision and shall be final and conclusive.
- 1.39. "Unit" means total ownership interests held by a Member, may also be called "Membership Interest."
- 1.40. "Voting Interest" means, with respect to a Member, the right to vote a Membership Interest on matters presented to Members for a vote as expressly set forth in this Agreement. Voting Interest is expressed as a percentage as Exhibit A.

## **ARTICLE II- FORMATION**

- 2.1. Brian N. Jackson caused the Articles of Organization under the name of Esoteric Brewing Company, LLC to be filed in accordance with the Act. All business will be conducted under this name or some other name as determined by the Manager.
- 2.2. The principal office of the Company is 3713 Charloe Ct., Cincinnati, OH 45227 or such other place as may be determined by the Manager.
- 2.3. The purpose of the Company is to transact any and all lawful business, including engaging in the business of operating a brewery and bar.
- 2.4. The Statutory Agent shall be Brian N. Jackson, located at 3713 Charloe Ct., Cincinnati, Ohio 45227.

## **ARTICLE III- CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS**

3.1. Each Member has made a Capital Contribution to the Company in an amount to be set forth on Exhibit A. Additional Capital Contributions by any Member, or any new Member, will be set forth on Exhibit A. As such Exhibit A may be amended with valid changes by the Manager without approval of the Members.

3.2. An individual Capital Account shall be maintained for each Member consisting of that Member's Capital Contribution, (1) increased by that Member's share of Profits accrued, (2) decreased by the amount of cash or Gross Asset Value of property of the Company distributed to the Member pursuant to this Agreement, (3) decreased by such Member's distributive share of Losses, and (4) adjusted as required in accordance with applicable provisions of the Code, the Regulations, and this Agreement.

3.3. Except as provided in this Agreement, a Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions from the Company.

3.4. A Member shall not be bound by, nor be personally liable for, the expenses, liabilities, or obligations of the Company, except as otherwise provided in the Act, in this Agreement, or in a separate written agreement executed by such Member.

3.5. Except for the preferences expressly granted to the Members in this Agreement, no Member shall have priority over any other Member with respect to the return of a Capital Contribution or distributions or allocations of income, gain, losses, deductions, or credits thereof.

3.6. Any Member may lend funds to the Company in such amounts and on such terms as such Member and the Company may agree, subject to the Manager's approval. A loan by any Member to the Company shall not be considered a Capital Contribution to the Company.

## **ARTICLE IV: ALLOCATIONS AND DISTRIBUTIONS**

4.1. The Profits and Losses of the Company shall be allocated to each Member as follows:

(a) After giving effect to the Regulations and Regulatory Allocations as set forth in **Exhibit C**, Profits for any fiscal period shall be allocated in the following order:

(1) First to Distributions actually paid to Series C Members.

(2) Second, to the Series A Members and Series B Members in proportion to the Losses allocated to them by Sections 4.1(b)(1) and 4.1(b)(2) until the aggregate Profits allocated to the Series A Members and Series B Members pursuant to this

4.1(a)(2) are equal to the aggregate Losses allocated to the Series A Members pursuant to Sections 4.1(b)(1) and 4.1(b)(2).

(3) Next, to the Series A Members and Series B Members in proportion to their Capital Contributions, less non-Tax Distributions received, until an amount equal to such Series A Member's Capital Contribution has been allocated to the Members.

(4) The balance shall be allocated to the Series A Members and Series B Members in accordance with their Profits Interest.

(b) After giving effect to the Regulations, Losses for any fiscal period shall be allocated in the following order:

(1) First, to the Series A Members and Series B Members in accordance with their Profits Interests, except that Losses shall not be allocated pursuant to this Section 4.1(b)(1) to the extent such allocation would cause any Series A Member or Series B Member to have an Adjusted Capital Account Deficit at the end of such fiscal year.

(2) Second, any Losses that cannot be allocated to a Series A Member or Series B Member because it would create an Adjusted Capital Account Deficit shall, to the extent other Series A Members or Series B Members have a positive Capital Account balances, be allocated among the other Series A Members for whom the allocation would not create an Adjusted Capital Deficit in proportion to their relative Profits Interests.

(3) Finally, to the all Series A Members and Series B Members in accordance with their Profits Interests.

4.2. If any Member unexpectedly receives any adjustment, allocation, or distribution described in Reg. sections 1.704-1 (b)(2)(ii)(d)(4), 1.704-1 (b)(2)(ii)(d)(5), or 1.704-1 (b)(2)(ii)(d)(6), as same may be amended, or under any successor statutes thereof, items of Company gross income and gain shall be specially allocated to that Member in an amount and manner sufficient to eliminate any deficit balance in the Member's Capital Account created by such adjustment, allocation, or distribution as quickly as possible. Any special allocation under this Section 4.2 shall be taken into account in computing subsequent allocations of Profits and Losses so that the net amount of allocations of income and loss and all other items shall to the extent possible, be equal to the net amount that would have been allocated if the unexpected adjustment, allocation, or distribution had not occurred. The provisions of this Section 4.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Reg. sections 1.704-1(b) and 1.704-2, as same may be amended from time to time, or under any successor regulations thereof, and shall be interpreted and applied in a manner consistent with such Regulations.

4.3. In the case of a Transfer of a Percentage Interest during any fiscal year, the Assigning Member and Assignee shall each be allocated a share of Profits or Losses based on the number of days each held the Percentage Interest during that fiscal year.

4.4. To the extent the Company's cash on hand exceeds current and anticipated needs, including the need to fully satisfy any indebtedness, the Manager may, subject to the restrictions set forth in this Agreement, direct the Company to make distributions to the Series A Members and Series B Members. Such Distributions shall be made as follows:

- a. In proportion to the Series A Members and Series B Members' Capital Contribution, minus non-Tax distributions received pursuant to Section 4.5, until an amount equal to the Series B Members' Capital Contribution has been distributed to the Series B Members.
- b. Then to the Series A Members and the Series B Members in accordance with their Profits Interest.

4.5. Notwithstanding any other provision in this **Article IV**, to the contrary, to the extent the Company's cash on hand exceeds, as determined by the Manager, current and anticipated needs, including the need to fully satisfy any indebtedness, on or before April 10 of each year, the Company shall distribute to each Series A Member and Series B Member a cash amount ("Tax Distribution") for the purpose of offsetting the tax liability generated by that portion of the Company's Profits allocated to such Series A Member. The amount of each Series A Members' Tax Distribution shall be equal to the product of such Series A Member's apportioned Profits multiplied by the sum of (i) the highest marginal federal tax rate applicable to individuals and (ii) the highest marginal tax rate of the State of Ohio applicable to individuals. However, notwithstanding anything herein to the contrary, in no event shall the aggregate amount of any Tax Distributions exceed the Company's liquid cash on hand at the time the Tax Distribution amounts are determined, and in no event shall the Company be required to borrow funds or sell Property in order to make a Tax Distribution. Tax Distributions made pursuant hereto shall not reduce the amount of any other distribution preferences or other amounts distributable to the Members.

## **ARTICLE V: MANAGEMENT**

5.1. The business of the Company shall be managed by a Manager appointed by Brian N. Jackson for as long as Brian N. Jackson is a Member. Successor or additional managers may be elected by a Majority of Members. Unless explicitly set forth in this Agreement, all decisions concerning the operation and management of the Company's business shall be made by a majority of Managers (referred to in this Agreement as "Manager").

5.2. Notwithstanding any other provision in this agreement, the Manager may not take any of the following actions without first obtaining consent of a majority percentage of the Profits Interests of Series A Members and Series B Members, voting in the aggregate:

- a. Any distribution to the Members under **Section 4.4**;
- b. The creation of any new class or series of Membership Interests;
- c. Dissolution or liquidation of the Company;

- d. Any merger, consolidation, sale of substantially all of the Company's assets, or any other event that would result in a change of control in the Company.

5.3. The Manager appointed by Brian Jackson shall serve until the Manager's resignation, retirement, death, or Total Disability. Any additional Manager shall serve until that Manager's resignation, retirement, death, or Total Disability or (2) that Managers' removal by a vote of a Majority of Members.

5.4. The officers shall be appointed by the Manager, and shall exercise such duties as ordinarily required of those officers. The initial officers are indicated on **Exhibit B**.

5.5. No Member shall, (other than a Member serving as Manager) have any authority to bind the Company to any agreement or other obligation or to act or purport to act on behalf of the Company.

5.6. Neither the Members nor Managers are required to hold meetings. Decisions may be reached by written resolution among a Majority of Members or a majority of Managers as applicable. The lack of a written agreement shall not invalidate an otherwise valid decision made by the Managers or the Members.

5.7. Special meetings may be called by a Majority of Members or any Manager by providing written notice to all other Members and the Company not less than three (3) days and not more than sixty (60) days before the meeting, specifying the time, place and general purposes of the meeting. Notwithstanding the foregoing provisions, a Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or if such Member is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members representing a Majority of the Members constitutes a quorum.

## **ARTICLE VI: ACCOUNTS AND RECORDS**

6.1. All assets of the Company shall be held in the name of the Company.

6.2. All funds of the Company shall be deposited in at least one account with at least one recognized financial institution in the name of the Company, at such locations as shall be determined by the Manager. Withdrawal from such accounts shall require the signature of such persons the Manager designates.

6.3. Complete books of account of the Company's business shall be kept at the Company's principal office and shall be open to inspection by each Member or the Member's authorized representatives on reasonable Notice during normal business hours. The costs of such inspection and copying shall be borne by the Member requesting the same.

6.4. Financial books and records of the Company shall be kept in a manner determined by the Manager. The Manager may select an accountant to maintain such books and records.

6.5. The fiscal year of the Company shall be January 1 through December 31, unless otherwise determined by the Manager.

**6.6. Intentionally Left Blank.**

6.7. For purposes of this **Section 6.7**, unless otherwise specified, all references to provisions of the Code shall be to such provisions as enacted by the Bipartisan Budget Act of 2015 as such provisions may subsequently be modified.

(a) The Manager shall designate one of the Members to be the Company's designated "partnership representative" within the meaning of Code Section 6223 (the "Tax Representative") with sole authority to act on behalf of the Company for purposes of Subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws. If no such designation is made, the "partnership representative" shall be Marvin J. Abrinica.

(b) If the Company qualifies to elect pursuant to Code Section 6221(b) (or successor provisions) to have Subchapter C of Chapter 63 of the Code not apply to any federal income tax audits and other proceedings, the Tax Representative shall cause the Company to make such election.

(c) If any "partnership adjustment" (as defined in Code Section 6241(2)) is determined with respect to the Company, the Tax Representative shall promptly notify the Members upon the receipt of a notice of final payment adjustment, and shall take such actions as directed by the Manager in writing within 10 business days after the receipt of such notice, including whether to file a petition in Tax Court, cause the Company to pay the amount of any such adjustment under Code Section 6225, or make the election under Code Section 6226.

(d) If any "partnership adjustment" (as defined in Code Section 6241(2)) is finally determined with respect to the Company and the Tax Representative has not caused the Company to make the election under Code Section 6226, then (i) the Members shall take such actions requested by the Tax Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2); (ii) the Tax Representative shall use commercially reasonable efforts to make any modifications available under Code Section 6225(c)(3), (4) and (5); and (iii) any "imputed underpayment" (as determined in accordance with Code Section 6225) or partnership adjustment that does not give rise to an imputed underpayment shall be apportioned among the Members of the Company for the taxable year in which the adjustment is finalized in such manner as may be necessary (as determined by the Tax Representative in good faith) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment and any associated interest and penalties are borne by the Members based upon their interests in the Company for the reviewed year.

(e) If any subsidiary of the Company (i) pays any partnership adjustment under Code Section 6225; (ii) requires the Company to file an amended tax return and pay associated taxes to reduce the amount of a partnership adjustment imposed on the subsidiary, or (iii) makes an election under Code Section 6226, the Tax Representative shall

cause the Company to make the administrative adjustment request provided for in Code Section 6227 consistent with the principles and limitations set forth in Sections (c)-(e) above for partnership adjustments of the Company, and the Members shall take such actions reasonably requested by the Tax Representative in furtherance of such administrative adjustment request.

(f) The obligations of each Member or former Member under this **Section 6.7** shall survive the transfer or redemption by such Member of its Membership Interest and the termination of this Agreement or the dissolution of the Company.

6.8. Within 120 days after the end of each taxable year, the Company shall send to each Member all information necessary for the Members to complete their federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

## **ARTICLE VII: CLASSES OF MEMBERSHIP, DUTIES, RIGHTS, AND LIABILITIES**

7.1. No Member shall be personally liable to satisfy any obligation or liability of the Company solely by reason of being a Member. The debts, obligations and liabilities of the Company are solely the Company's. The failure of the Members to observe any requirements relating to the exercise of their powers or management of the Company's business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for the Company's liabilities.

7.2. The Company shall indemnify all Persons whom it may indemnify pursuant to the Act to fullest extent permitted.

7.3. Each Member acknowledges that as a result of the Member's participation in the Company, the Member may have access to Confidential Information which is the property of another Member or of the Company. Each Member agrees to protect the Confidential Information of the Company or any other Member. Each Member agrees that, during or after the period of association, membership, or employment with the Company, the Member will not use or divulge to others, any of the Confidential Information which the Member may obtain or learn about during or as a result of association with the Company, unless authorized to do so in writing by the Company.

7.4. No Member shall be restricted in owning an interest or engaging in any other business venture, unless such Member has entered into a separate noncompetition or nonsolicitation agreement with the Company.

7.5. Members who provide services to the Company may be entitled to receive reasonable compensation for such services as determined from time to time by the Manager. Any compensation paid to a Member for services shall constitute a guaranteed payment pursuant to Section 707(c) of the Code.

7.6. The Company has authorized 2,500 Series A Units, 25,000 Series B Units, and 12,000 Series C Units. 1000 Series A Units are issued and outstanding, held by the Initial Members. 9,000 Series B Units are issued pursuant to a private placement that commenced on February 25, 2018 (the “PPM”). Up to 9,000 Series B Units are intended to be sold to investors pursuant to the terms of the PPM. Up to 9,000 Series C Units shall be issued and intended to be sold pursuant to a Regulation A+ offering (the “Reg A”).

7.7. Initially, the Series B Units shall collectively hold Percentage Interests equal to the lesser of 1) 0.00333% multiplied by the number outstanding Series B Units or 29.97% collective Percentage Interests.

7.8. Initially, the Series C Units shall collectively hold Percentage Interests equal to the lesser of 1) 0.00333% multiplied by the number of outstanding Series C Units or 2) 29.97% collective Percentage Interests.

7.9. Initially, the Series A Units collectively equal Percentage Interests equal to 100% minus the Percentage Interests held, collectively, by the Series B Members and Series C Members, collectively. If any new Series A Units are issued or sold the Percentage Interest of the Series B Units and Series C Units shall not be affected.

7.10. If any additional Series B Units or Series C Units are issued and sold, the Series C Units will be diluted pro rata in accordance with their Percentage Interest.

7.11. Notwithstanding any other provision in this agreement, up to 250 Series A Units may be issued by the Company at any time as compensation for services provided to the Company, without being subject to the rights of Members under **Section 8.6**. Such 250 Series A Units will be known as the “**Option Pool**.”

7.12. Unless otherwise set forth in this Agreement, each Member entitled to vote on a given matter shall vote in proportion to their Voting Interest, as of the governing record date. Any action that may or must be taken by the Members shall be by a vote of a Majority of Members, unless otherwise required by the Act.

7.13. No Member shall have the right to withdraw as Member, or be repaid any capital contribution except as provided in this Agreement.

## **ARTICLE VIII: TRANSFERS OF MEMBERSHIP INTERESTS**

8.1. Upon the death or Total Disability of a Member who is also a Manager or Officer, such affected Member shall cease to be a Member of the Company. The affected Member or the affected Member’s personal representative shall tender all of the Membership Interest held by the affected Member within 60 days of such Member’s death or Total Disability. Within 60 days the Company shall have the option to purchase the tendered Membership Interest at a price equal to the Percentage Interest of the Appraised Value. The “Appraised Value” means the total enterprise value of the Company as a going concern, without any

minority ownership, lack of control, or lack of marketability discount, as determined by an independent business valuation expert with at least 5 years' experience in valuing businesses similar to the Company, selected by a Majority of Members not including the affected Member. After selection, the valuation expert shall have 30 days to inform the Company in writing of the "Appraised Value." Within 30 days of receiving the Appraised Value, the Company shall pay the greater of (i) life insurance or disability insurance proceeds received by the Company as a result of the death or Total Disability of the Member, or (ii) an amount equal to at least 10% of the purchase price at closing, and issue a promissory note for the balance of the purchase price (the "Purchase Price"). Any such promissory note shall bear interest at a rate equal to the applicable federal prime rate in effect for loans of similar amount and maturity. The principal shall be payable in equal annual installments over the term determined by the purchaser, but in no event shall the term be longer than 10 years. Interest shall be payable quarterly and if the federal prime rate in effect changes while principal or interest remains outstanding, the rate of interest payable under the note shall be adjusted quarterly. Upon receipt of the Purchase Price, the affected Member or affected Member's personal representative shall deliver to the purchaser(s) bills of sale for the Membership Interest being purchased, together with all other documents necessary to transfer such Membership Interest, free and clear of all claims. If the Company declines this option, the Units may be transferred as otherwise set forth in this Agreement.

8.2. Notwithstanding any other provision of this Agreement to the contrary, a Series A Member or Series B Member may transfer all or any portion of the Economic Interest associated with its Percentage Interest to any combination between or among another Member, the Member's spouse, and the Member's issue, or a revocable trust created for the benefit of any of the foregoing ("Permitted Transferees").

8.3. Except as expressly provided in this Agreement or approved by the Manager and a Majority of Members, a Member shall not transfer any part of the Member's Membership Interest in the Company, whether now owned or hereafter acquired unless:

- a. the transfer is due to death or Total Disability as set forth in **Section 8.1**;
- b. the transfer is a transfer of the Economic Interest associated with the Percentage Interest and the transfer is made to a Permitted Transferee as set forth in **Section 8.2**;
- c. the transfer is made between the Initial Members;
- d. the Company and the Members have exercised, or have declined to exercise, their respective rights to purchase the Member's Membership Interest pursuant to **Section 8.5**.

No Membership Interest may transfer when added to the total of all other Membership Interests transferred in the preceding 12 months, such transfer will cause the termination of the Company under the Code or the Act.

8.4. A prospective transferee of a Membership Interest may be admitted as a Member (a "Substituted Member") only 1) if the transferee is already a Member or 2) with approval of a

Majority of Members and the Manager. Any prospective transferee of a Membership Interest shall be deemed an Assignee until such prospective transferee has been admitted as a Substituted Member. Any person admitted to the Company as a Substituted Member shall be subject to all provisions of this Agreement.

8.5. (a) If a Member (for purposes of this **Section 8.5**, the “Proposed Transferor”) wishes to transfer Units pursuant to **Section 8.3(e)**, the Proposed Transferor shall do so only for cash, unsecured promissory notes or a combination of the foregoing, and shall first give written notice (for purposes of this **Section 8.5**, the “Offer Notice”) to the Company, identifying the Units proposed to be transferred (the “Offered Units”) and stating the price at which, and other material terms on which, the Proposed Transferor wishes to transfer the Offered Units. If the Proposed Transferor has received a written or oral expression of interest to purchase the Offered Units from a third party and proposes to transfer all or any portion of the Offered Units to such third party, the price, form of consideration and other material terms stated in the Offer Notice shall be substantially identical to those offered by such third party.

(b) Delivery of an Offer Notice to the Company shall constitute an offer to transfer the Offered Units, in whole but not in part (for purposes of this **Section 8.5** the “Offer”), first to the Company, then to the non-transferring Members at the price and on the other material terms described in the Offer Notice.

(c) Within five calendar days after it receives an Offer Notice, the Company will deliver a copy of the Offer Notice to each Series A Member and Series B Member.

(d) The Company shall have the first right to accept the Offer with respect to all or any portion of the Offered Units by providing written notice to the Proposed Transferor not later than 14 calendar days after the Company received the Offer Notice.

(e) If the Company does not elect to purchase all of the Offered Units, the Company shall notify all Series A Members and Series B Members of their right to purchase the remaining Offered Units (the “Remaining Offer”), specifying the pro rata share of the remaining Offered Units which may be acquired by each such Series A Member and Series B Member.

(f) If the Company refuses to purchase any portion of the Units of the transferring Member, then the non-transferring Series A Members and Series B Members shall have the right to purchase such Units pro rata among them. The pro rata portion is calculated by including only the Units of those Series A Members and Series B Members electing to purchase under this **Section 8.5(f)**. Such election must be made by written notice to the Company within 15 days of receiving notice of the Remaining Offer.

(g) If the Company and/or non-transferring Series A Members and Series B Members do not accept, in the aggregate, an Offer in its entirety, then, at the option of the Proposed Transferor, all acceptances made, if any, shall be null and void and without effect, and the Proposed Transferor may Transfer all of the Offered Units (subject to the provisions of this Agreement other than this **Section 8.5(h)** and subject to any other agreements binding on the Proposed Transferor) at any time within the period of 90

calendar days beginning on the date the Company received the Offer Notice on the terms and conditions, including price, set forth in the applicable Offer Notice (and only to the third party named in such Offer Notice, if and as applicable). The provisions of this **Section 8.5** shall again apply to any transfer of Offered Units not transferred within such period.

8.6. Other than new issuances under **Section 7.11**, the provisions of this **Section 8.6** shall apply to the issuance of any new Membership Interests.

(a) Each Series A Member and Series B Member shall have the right (its “Participation Right”) to purchase up to its pro rata share of any new Membership Interests that the Company may from time to time propose to sell and issue (at the price and upon the general terms specified in the New Issue Notice (as defined below) regarding such new Units and otherwise on the terms of this **Section 8.6**).

(b) Whenever the Company proposes to issue and sell any new Units, the Company shall give each Series A Member and Series B Member written Notice (a “New Issue Notice”) describing the type and amount of new Units proposed and the price and general terms upon which the Company proposes to issue such new Units, specifying a proposed closing date at least 10 days after the date all Series A Members and Series B Members shall have received the New Issue Notice.

(c) Each Series A Member and Series B Member may exercise its Participation Right with respect to any proposed new Units through notice to the Company, given within 5 days after such Member received the New Issue Notice describing the new Units. The pro rata portion is calculated by including only the Units of those Series A Members and Series B Members electing to purchase under this **Section 8.6(c)**.

(d) The Company may sell the new Units not committed for by Series A Members or Series B Members pursuant to the foregoing provisions of this **Section 8.6** at a price and upon general terms no more favorable to the purchasers than those specified in the New Issue Notice with regard to such new Units, at any time during the 365 days following the expiration of the period specified in **Section 8.6(c)** above.

(e) If the Company does not sell, or obtain binding agreements to purchase, all of the proposed issue not committed to be purchased by Series A Members and Series B Members within the period specified in **Section 8.6(d)**, the Company shall not be obligated to sell any of such new Units.

(f) The sale of any new Units to Members shall be closed on the same terms, at the same place as, and simultaneously with, the sale of any such new Units to any other purchasers, if any (provided that the closing shall not take place earlier than the proposed closing date specified in the applicable New Issue Notice without the consent of all Participants).

8.7. (a) If at any time a Majority of Members propose to transfer (a “Proposed Transfer”) a Majority of Membership Interests (a “Proposed Transaction”), a Majority of Members shall have the right (the “Drag-Along right”) to require all (but not less than all) of the

remaining Membership Interests (“Minority Members”) to sell in the Proposed Transaction all of the Membership Interests then owned by the Minority Members on the same terms and conditions as are obtained by a Majority of Members. Each Member shall take all reasonable steps necessary to enable such Member to comply with the provisions of this **Section 8.7**, including executing and performing a purchase and sale, merger, or other applicable acquisition agreement on the same terms as a Majority of Members. A Majority of Members shall keep each Minority Member advised in writing of, and consult on a timely basis with, each Minority Member concerning any transfer with respect to which the Majority of Members have exercised the Drag-Along Right

(b) To exercise the Drag-Along Right, the Majority Members shall give each Minority Member and the Company a written notice (“Drag-Along Notice”) containing (1) confirmation that the Proposed Transferee proposes to acquire all the then outstanding Membership Interests, (2) the name and address of the Proposed Transferee and (3) the proposed purchase price, terms of payment and other material terms and conditions of the Proposed Transferee’s offer. Each Minority Member shall thereafter be obligated to sell all (but not less than all) of its Membership Interest as provided in such Drag-Along Notice, provided, that the transaction is consummated within 180 days of delivery of the Drag-Along Notice. If the sale is not so timely consummated, then each Minority Member shall no longer be obligated to sell its Membership Interest pursuant to that specific Drag-Along Notice, but shall remain subject to the provisions of this **Section 8.7** with respect to any subsequent transfer to which the Drag-Along Right would apply.

8.8. The sale of Membership Interests in the Company to the Members is being offered pursuant to exemption under the Securities Act of 1933 at Section (3)(a)(11) and Rule 147 and/or the Ohio Revised Code at R.C. 1707.03(O) and/or 17 CFR section 230.251. The Units have not been qualified or registered under the securities laws of any state, or registered under the Securities Act of 1933, in reliance upon exemptions from the registration provisions of those laws. Other than set forth above, no attempt has been made to qualify the offering and sale of Membership Interests in Ohio or any other state. Notwithstanding any other provision of this Agreement, Membership Interests may not be transferred or encumbered unless registered or qualified under applicable state and federal securities law or unless, in the opinion of legal counsel to the Member satisfactory to the Company, such qualification or registration is not required. The Member who desires to transfer a Membership Interest shall be responsible for all legal fees incurred in connection with such opinion.

8.9. Each Series C Member holding at least 250 Series C Units shall have the right exercisable at any time by delivering written notice of such exercise to the Company, to convert all Series C Units to Series B Units on a one-to-one conversion rate (“Series B Unit Conversion Right”).

8.10. Each party hereby agrees that money damages would not be sufficient remedy for breach of this **Article VIII** and all parties agree that each party shall be entitled to specific performance and injunctive or other equitable relief as remedy for such breach. Such equitable remedies are in addition to all other remedies.

## **ARTICLE IX: DISSOLUTION WINDING UP, AND LIQUIDITY EVENTS**

9.1. The Company shall be dissolved on the first to occur of the following events:

(a) The written agreement of a Majority of Members and the Manager to dissolve the Company.

(b) The sale or other disposition of substantially all of the Company assets.

(c) The entry of a decree of judicial dissolution by any Ohio Court.

9.2. Upon dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Manager shall wind up the affairs of the Company. The Manager shall give written Notice of the commencement to all known creditors and claimants against the Company whose addresses appear in the records of the Company. The assets of the Company shall be distributed or applied as set forth in **Section 9.4**.

9.3. Upon occurrence of dissolution or a Liquidity Event, the assets of the Company shall be distributed as follows:

(a) To creditors in satisfaction of the Company's liabilities, including establishment of reasonable reserves for contingent liabilities in amounts and for periods reasonable determined by the Manager");

(b) To the Members, in proportion to and to the extent of their respective Capital Contribution, minus non-tax distributions already paid.

(c) To all Members in accordance with their Percentage Interests.

Liquidation proceeds shall be paid within 60 days of the end of the taxable year, or, if later, within 90 days after the date of liquidation.

9.4. Each Member shall look solely to the assets of the Company for the return of the Member's Capital Contribution, and if the Company property remaining after the payment or discharge of all prior debts and obligations is consumed in full, then such Member shall have no recourse against any other Members for indemnification, contribution, or reimbursement.

## **ARTICLE X - GENERAL PROVISIONS**

10.1. This Agreement constitutes the entire agreement of the Members and the Company with respect to the subject matter of this Agreement, and it shall not be modified in any respect except by a written instrument executed and approved both by Members with, collectively, a 55% Voting Interest and the Manager, provided that if any modification that

would have a materially adverse effect on a class of Membership Interests, a Majority of Members of that Class must approve such amendment. This Agreement supersedes all prior written and oral agreements by and among the Members or the Company.

10.2. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10.3. This Agreement shall be construed and enforced in accordance with the laws of the State of Ohio. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall if possible, be construed as though more narrowly drawn if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall to the extent of such invalidity, illegality or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect. The intent of the parties is that the Company is recognized as a limited liability company under the Code, and all provisions herein are to be interpreted under Ohio law to conform to such intent.

10.4. Whenever used in this Agreement the singular shall include the plural, the plural shall include the singular, and the neuter gender shall include the male and female as well as a trust, firm, company, or corporation, and as the context and meaning of this Agreement may require.

10.5. The parties to this Agreement shall promptly do all acts reasonably necessary to perform their respective obligations under this Agreement and to carry out the intent of the Members.

10.6. Each Member represents and warrants to the other Members that the Member has the capacity and authority to enter into this Agreement.

10.7. The article, section, and paragraph titles and headings contained in this Agreement are inserted as matter of convenience and for ease of reference only and shall be disregarded for all other purposes.

10.8. Each Member acknowledges that the Member may have access to trade secrets.

10.9. Each Member appoints the Managers its attorney for it to sign or execute any documents that may be appropriate, and to sign or execute any documents as may be necessary or advisable to reflect the exercise by the Manager.

**[Signatures on following page.]**

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement.

**INITIAL MEMBERS**

**Brian N. Jackson**

/s/Brian N. Jackson

Date 2/20/18

**Marvin J. Abrinica**

/s/ Marvin J. Arbinica

Date 2/24/18

**MANAGER**

**Brian N. Jackson**

/s/ **Brian N. Jackson**

Date 2/20/18

**EXHIBIT "A"**  
**to Operating Agreement of**  
**Esoteric Brewing Company, LLC**

**Membership Interests and Contributions**

**Names and Addresses of Initial Members**

| <u><b>Member</b></u>   | <u><b>Initial Capital Contributions</b></u> | <u><b>Series A Units</b></u> | <u><b>Total Percentage Interests</b></u> | <u><b>Total Profits Interests</b></u> | <u><b>Total Voting Interests</b></u> |
|--|---|------------------------------|--|---------------------------------------|--------------------------------------|
| Brian N. Jackson<br>3713 Charloe Ct.<br>Cincinnati, OH 45227<br>Brian.jackson@esoteric.com | \$80.00                                     | 800                          | 75.99%                                   | 75.99%                                | 80.00%                               |
| Marvin J. Abrinica<br>3450 Madison Rd.<br>Cincinnati, OH 45209<br>Marvin@thriviera.io      | \$20.00                                     | 200                          | 19.00%                                   | 19.00%                                | 20.00%                               |

| <u>Members</u>  | <u>Capital Contributions</u> | <u>Series B Units</u> | <u>Total Percentage Interests</u> | <u>Total Profits Interest</u> | <u>Total Voting Interest</u> |
|---|------------------------------|-----------------------|-----------------------------------|-------------------------------|------------------------------|
| Allyn N. Kaufman<br>935 Spruce Glen<br>Morrow, OH 45152   | \$25,000.00                  | 273                   | 0.91%                             | 0.91%                         | 0%                           |
| Taylor M. Shockey<br>James J. Joyce<br>1365 Burdett Ave.<br>Cincinnati, OH 45206  | \$40,000.00                  | 435                   | 1.44%                             | 1.44%                         | 0%                           |
| Todd Joseph Statt<br>9413 Daly Rd.<br>Cincinnati, OH 45231<br>Grimelowe@gmail.com   | \$25,000.00                  | 250                   | 0.83%                             | 0.83%                         | 0%                           |
| Michael Brian Williams, Jr.<br>2853 Lawndale Ave.<br>Cincinnati, OH 45212<br><a href="mailto:MIKEBWILLIAMS@gmail.com">MIKEBWILLIAMS@gmail.com</a> | \$30,000.00                  | 300                   | 1.00%                             | 1.00%                         | 0%                           |
| Susan Morales<br>Wilfredo Morales, Jr.<br>829 Oak Forest Dr.<br>Morrow OH, 45152  | \$25,000.00                  | 250                   | 0.83%                             | 0.83%                         | 0%                           |

**EXHIBIT "B"**  
**to Operating Agreement of Esoteric Brewing Company, LLC**

**Officers**

Brian N. Jackson                      Chief Executive Officer and President

Marvin J. Abrinica                      Chief Marketing Officer

## EXHIBIT "C"

C.1 Special Allocations. The following allocations, which supersede those of **Section 4.1**, shall be made in the following order:

(a) Company Minimum Gain Chargeback. Notwithstanding any other provision of **Article IV** or this Exhibit C, if there is a net decrease in Company Minimum Gain during any fiscal year of the Company, each Member shall be specially allocated items of gross income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Reg. § 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Reg. § 1.704-2(f)(6) and 1.704-2(j)(2). "Company Minimum Gain" has the meaning ascribed to "partnership minimum gain" as set forth in the Reg. § 1.704-2(d). This Section 1(a) is intended to comply with the minimum gain chargeback requirement in Reg. § 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain. Notwithstanding any other provision of this Agreement except Section 1(a) above, if there is a net decrease in Member Minimum Gain attributable to Member Funded Debt (as defined in Section 1(f)(1) below) during any fiscal year of the Company, each Member who has a share of the Member Minimum Gain attributable to such Member Funded Debt, determined in accordance with Reg. § 1.704-2(I)(i)(5), shall be specially allocated items of gross income and gain for such year (and, if necessary, subsequent years) in accordance with the provisions of Reg. § 1.704-2(I)(4). Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each member pursuant thereto. The items to be so allocated shall be determined in accordance with Reg. § 1.704-2(I)(i)(4) and 1.704-2(j)(2). "Member Minimum Gain" has the meaning ascribed to "partner minimum gain" as set forth in Reg. § 1.704-2(I)(i)(3). This Section 1(b) is intended to comply with the minimum gain chargeback requested in Reg. § 1.704-2(I)(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member receives adjustments, allocations or distributions described in Reg. § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by Regulations, any Adjusted Capital Account Deficit, as quickly as possible, provided that an allocation pursuant to this Section 1(c) shall be made only to the extent that each Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if this Section 1(c) were not in this Agreement. This provision is intended to comply with the qualified income offset requirement contained in Reg. § 1.704-1(b)(2)(ii)(d)(3) and shall be construed in accordance with the provisions thereof.

(d) Chargeback. In the event any Member has a deficit Capital Account at the end of any Company fiscal year, each such Member shall be specially allocated items

of Company income and gain in the amount of such deficit as quickly as possible, provided that an allocation pursuant to this Section 1(d) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this **Article IV** have been tentatively made as if this Section 1(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in proportion to their Profits Interests. For the purposes of this Agreement, “Nonrecourse Deductions” shall have the meaning set forth in Reg. § 1.704-2(b)(1).

(f) Member Funded Deductions. Any Member Funded Deductions for any fiscal year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Funded Debt to which such Member Funded Deductions are attributable in accordance with Reg. § 1.701-2(i).

(1) “Member Funded Debt” has the meaning ascribed to “partner nonrecourse debt” as set forth in Reg. § 1.704-2(b)(4).

(2) “Member Funded Deductions” has the meaning ascribed to “partner nonrecourse deductions” as set forth in Reg. § 1.704-2(i)(2).

(g) Basis Adjustments. To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Reg. § 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

C.2 Regulatory Allocations. The Regulatory Allocations set forth in Section 1 of this Exhibit C are intended to comply with certain requirements of the Regulations promulgated under Code Section 704(b)(2). Notwithstanding any other provisions of Article 4 and this Exhibit C, (other than the Regulatory Allocations), all remaining Profits and Losses (including items of income, gain, loss and deduction) shall be allocated among the Members in proportion to their Profits Interests so that, when combined with the Regulatory Allocations, the net allocations of Profits and Losses (including items of income, gain, loss and deduction) shall, to the greatest extent possible, be equal to the net allocations that would have been made pursuant to Section 1 of this Exhibit C had no such Regulatory Allocations been required. Notwithstanding the preceding sentence, the special allocation of Member Funded Deductions pursuant to Section 1(f) of this Exhibit C shall not be taken into account until and only to the extent that there is a net decrease in Member Minimum Gain.

**ESOTERIC BREWING COMPANY, LLC**

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**SUBSCRIPTION AGREEMENT**

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To: Esoteric Brewing Company, LLC  
3713 Charloe Ct.  
Cincinnati, Ohio 45227

From: \_\_\_\_\_  
(Full name of Subscriber) **(Please print the exact name; must be same person or entity signing this Agreement).**

Number of Series C Units requested: \_\_\_\_\_

Price per Unit: \$100

Ownership Percentage per Unit: 0.0333%

Total purchase price (\$100 x number of Series C Units requested): \$\_\_\_\_\_

(The minimum acceptable subscription is 1 Series C Units, or \$100.)

**Once you have completed and signed this Subscription Agreement, including the Investor Questionnaire, please return the complete package to us with total purchase price made payable to “ESOTERIC BREWING COMPANY, LLC,” as soon as possible.**

## **SUBSCRIPTION AGREEMENT**

### Section 1. **Subscription: Irrevocability: Certain Conditions.**

(a) The undersigned subscriber (the “Subscriber”) hereby irrevocably subscribes for and agrees to purchase \_\_\_\_\_ Series C membership interests (the “Series C Units”) of Esoteric Brewing Company, LLC, an Ohio limited liability company (“Company”), for the total purchase price of \$\_\_\_\_\_ (the “Purchase Price”).

(b) The Subscriber acknowledges and agrees that, except as otherwise set forth in this Subscription Agreement, this subscription will become irrevocable at the time of its submission to Company and that this subscription may not be withdrawn by the Subscriber unless Company rejects this Subscription Agreement.

(c) The Subscriber acknowledges and agrees that this subscription may be accepted or rejected by Company, in whole or in part, in its sole and absolute discretion and that the Subscriber will be obligated, upon acceptance of this subscription by Company, to purchase the Series C Units to the extent this subscription is accepted by Company.

(d) The Subscriber acknowledges and agrees that it is a condition to Company’s acceptance of this subscription that the Subscriber execute and deliver with this Subscription Agreement.

### Section 2. **Payment of the Purchase Price; Delivery of the Series C Units.**

(a) The Subscriber is delivering with this Subscription Agreement duly completed, together with payment for the Purchase Price, to Company.

(b) If Company determines to accept this subscription for less than all of the subscribed Series C Units, Company will return to the Subscriber the portion of the Purchase Price, without interest or deduction, as exceeds \$100 multiplied by the number of Series C Units for which Company will accept this subscription. If Company determines to reject this subscription in whole, Company will return the full amount of the Purchase Price, without interest or deduction, to the Subscriber. The Subscriber acknowledges that it will have no right return of any of the Purchase Price unless and until Company determines to accept this subscription for less than all of the subscribed Series C Units or to reject this subscription in whole. The portion of the Purchase Price which represents payment for Series C Units which Company will issue to the Subscriber will be paid to Company.

Section 3. **Representations, Warranties and Covenants of the Subscriber.** In order to induce Company to accept this subscription and to issue the Series C Units to the Subscriber, the Subscriber hereby represents and warrants to, and covenants and agrees with, Company as follows:

(a) The Subscriber has received and carefully reviewed the Offering Circular and the Exhibits attached, and has relied only on the information contained therein. The Subscriber acknowledges that all documents, records and books of Company requested by the Subscriber have been made available for inspection by it and its purchaser representatives, attorneys, financial advisors and accountants. The Subscriber and its advisors had a reasonable opportunity to

ask questions of and receive answers from the officers of Company concerning Company and the terms and conditions of the offering of the Series C Units, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense by the Manager of Company, necessary to verify the accuracy of the information in the Offering Circular and other information provided by Company. All such questions have been answered to the full satisfaction of the Subscriber.

**(b) At least one of the following apply to the Subscriber (check all that apply):**

**Subscriber is an accredited investor as defined in Rule 501(a) by the Securities Exchange Commission.**

**the total purchase price is not greater than 10% of Subscriber's net worth, or, if an entity, not greater than 10% of Subscriber's net assets.**

**the total purchase price is not greater than 10% of Subscriber's net annual income, or, if an entity, not greater than 10% of Subscriber's net revenues.**

(c) The Subscriber (i) has adequate means of providing for its current liabilities and possible contingencies, (ii) has no need for liquidity in connection with a purchase of the Series C Units, (iii) is able to bear the economic risks associated with a purchase of the Series C Units for an indefinite period, and has the capacity to protect its own interests in connection with a purchase of the Series C Units, and (iv) can afford the complete loss of its Purchase Price for the Series C Units.

(d) The Subscriber is 18 years or older and has full power and authority to acquire and hold its interest in the Company's Securities and to execute and deliver this document.

(e) The Subscriber recognizes that a purchase of the Series C Units involves a high degree of risk, including without limitation those risks factors set forth in the Offering Circular. The Subscriber has obtained, in the Subscriber's judgment, sufficient information relating to Company and its business to evaluate the merits and risks of this investment.

(f) The Subscriber understands that (i) neither the offering nor the sale of the Series C Units has been registered or qualified under the Act or under any state's securities laws in reliance upon exemptions from the registration and qualification provisions of the Act and states' securities laws, which exemptions are based upon the private or limited nature of the offering or the eligibility or qualifications of the purchasers, (ii) the Series C Units purchased by the Subscriber may be transferred by the Subscriber only if the sale or transfer is registered under the Act or an exemption from registration is available, (iii) Company is under no obligation to register any Series C Units on the Subscriber's behalf or to assist the Subscriber in complying with any exemption from registration, and (iv) Company will rely upon the representations, warranties, covenants and agreements made by the Subscriber in this Subscription Agreement in order to establish the exemption from the registration provisions of the Act and state securities laws.

(g) The Series C Units are being purchased solely for the Subscriber's own account and not for the account of any other person.

(h) The Subscriber realizes that it may not be able to sell or dispose of the Series C Units as there will be no public market for the Series C Units in the foreseeable future.

(i) The Subscriber understands that all forecasts provided by, or on behalf of, Company are based on various estimates and assumptions of Company and are subject to the limitations and qualifications set forth in such materials and described in the Offering Circular.

(j) The foregoing representations, warranties, covenants and agreements and all other information which the Subscriber has provided concerning the Subscriber and the Subscriber's financial condition are true and accurate as of the date hereof. If there is any materially adverse change in such information, representations, warranties, covenants or agreements, or they are not true and accurate as of the date of issuance of the Series C Units to Subscriber, the Subscriber will give written notice of such fact to Company, specifying which information, representations, warranties, covenants or agreements are changed and the reasons therefor.

(k) The Subscriber understands that neither the Securities and Exchange Commission nor any state securities commission or other state regulatory agency has made any finding or determination relating to the fairness for public investment of the Series C Units to be purchased by Subscriber and that no such commission or agency has recommended or endorsed or will recommend or endorse the purchase of the Series C Units.

Section 4. **Investment Intent; Restrictions on Transfers.**

(a) The Subscriber represents and warrants to Company that the Subscriber is purchasing the Series C Units for investment purposes only and not with a view to, or for resale in connection with, a distribution of the Series C Units.

(b) The Subscriber covenants and agrees not to sell, assign, transfer or otherwise dispose of the Series C Units except in accordance with the Operating Agreement and if such transfer is (i) registered under the Act and applicable state securities laws, or (ii) is exempt from registration under the Act and such state securities laws. The Subscriber further acknowledges and agrees that this restriction on transfers is imposed in part to satisfy the requirements of exemptions from the registration provisions of the Act and state securities laws and the transfer restrictions contained in the Operating Agreement are reasonable.

Section 5. **Indemnification.** The Subscriber will indemnify, defend and hold harmless Company and its officers, managers, members, agents, accountants, attorneys, affiliates, successors and assigns, from and against any actions, claims, demands, judgments, settlements, losses, damages, liabilities, costs or expenses (including without limitation reasonable attorneys' fees) arising out of or resulting from any inaccuracy in or breach of any of Subscriber's representations, warranties, covenants or agreements contained in this Subscription Agreement.

Section 6. **Miscellaneous.**

(a) The Subscriber may not transfer or assign this Subscription Agreement, or any of the Subscriber's rights, duties or interests herein, to any other person or entity without the prior written consent of Company.

(b) The Subscriber agrees that the Subscriber may not cancel, terminate or revoke this Subscription Agreement (except as otherwise specifically permitted under applicable securities laws or this Subscription Agreement), and that this Subscription Agreement shall survive the death or disability of the Subscriber and shall be binding upon the Subscriber's heirs, estate, legal representatives, permitted successors and assigns.

(c) This Subscription Agreement and the documents described herein constitute the entire agreement between the parties hereto with respect to the subject matter hereof. This Subscription Agreement may be amended only by a writing executed by both of the parties hereto.

(d) This Subscription Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Ohio, regardless of the principles of conflicts of laws applied by any other jurisdiction.

(e) Within five days after the receipt of a written request from Company, the Subscriber agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any laws or regulations to which Company or may be subject.

(f) The representations, warranties, covenants and agreements of the Subscriber set forth in this Subscription Agreement shall survive the sale of the Series C Units to the Subscriber indefinitely.

(g) Any pronoun used in this Subscription Agreement shall be deemed to cover all genders. The words "hereof," "hereby," "herein," "hereunder" and the like refer to this Subscription Agreement as a whole and not to particular sections, paragraphs or clauses of this Subscription Agreement.

All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, certified or registered first-class mail, electronic mail, telecopier or courier guaranteeing overnight delivery: (i) if to the Subscriber, at the address on the attached signature page, or (ii) if to Company, at the following address: Brian N. Jackson, 3713 Charloe Ct., Cincinnati, OH 45227, [brian.jackson@esotericbrewing.com](mailto:brian.jackson@esotericbrewing.com).



My annual income<sup>2</sup> as an individual from all sources was in excess of \$\_\_\_\_\_ (you may indicate \$200,000+, if applicable) for each of the last two years and I reasonably expect my individual income to be in excess of \$\_\_\_\_\_ (you may indicate \$200,000+, if applicable) for the current year.

**OR**

Our joint annual income (my spouse and me) was in excess of \$\_\_\_\_\_ (you may indicate \$300,000+, if applicable) for each of the last two years and I reasonably expect our joint income to be in excess of \$\_\_\_\_\_ (you may indicate \$300,000+, if applicable) for the current year.

**B. TO BE COMPLETED BY ALL INVESTORS THAT ARE CORPORATIONS, LIMITED LIABILITY COMPANIES, BUSINESS TRUSTS OR PARTNERSHIPS (“INVESTING ENTITIES”)**

1. Name: \_\_\_\_\_  
Tax I.D. No.: \_\_\_\_\_
  
2. Business Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone No.: \_\_\_\_\_
  
3. Legal Status of Investing Entity:
  - (a) \_\_\_\_\_ Corporation
  - \_\_\_\_\_ Limited Liability Company
  - \_\_\_\_\_ Partnership: general \_\_\_ limited \_\_\_
  - \_\_\_\_\_ Business Trust
  - \_\_\_\_\_ Other (please specify) \_\_\_\_\_
  - (b) Year of organization: \_\_\_\_\_
  - (c) State of organization: \_\_\_\_\_
  
4. Number of equity holders \_\_\_\_\_ or beneficial owners \_\_\_\_\_ of the Investing Entity as of \_\_\_\_\_, \_\_\_\_.
  
5. Net Assets as of \_\_\_\_\_, \_\_\_\_: \$ \_\_\_\_\_
  
6. The Investing Entity has total assets of at least \$5,000,000 and was not formed for the purpose of acquiring the Offering Entity’s securities.  
True \_\_\_\_\_ False \_\_\_\_\_

<sup>2</sup> One measure of “individual annual income” is “adjusted gross income,” as reported for U.S. federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse and increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse, if applicable): (i) the amount of any tax-exempt interest income received, (ii) the amount of losses claimed as a limited partner in a limited partnership, (iii) any deduction claimed for depletion, (iv) alimony paid, and (v) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to Section 1202 of the Internal Revenue Code.

Each equity holder or beneficial owner of the Investing Entity is an accredited investor.\*

True \_\_\_\_\_ False \_\_\_\_\_

**\*If the Investing Entity is accredited only because each equity holder and/or each beneficial holder is an accredited investor, then each equity holder and/or each beneficial holder must fill out an Investor Questionnaire.**

C. The undersigned hereby represents that:

1. The undersigned understands that the Offering Entity will rely on the information provided in this Investor Questionnaire in determining whether there is an exemption from any requirement to register and/or qualify the Offering Entity's securities under Federal and/or state law.
2. The above answers are true, correct and complete to the best of the undersigned's knowledge and, if there occurs any material change in any statement set forth herein, the undersigned agrees to notify the Offering Entity immediately.

**NATURAL PERSON SIGNATURE**

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

\_\_\_\_\_  
Type or Print Name:

\_\_\_\_\_  
Type or Print Name:

**INVESTING ENTITY SIGNATURE**

Name of entity:

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

By \_\_\_\_\_  
Type or Print Name:  
Title:

By \_\_\_\_\_  
Type or Print Name:  
Title:

**ACCEPTANCE OF SUBSCRIPTION**

The foregoing subscription is hereby accepted with respect to \_\_\_\_\_ Series C Units.

**ESOTERIC BREWING COMPANY, LLC**

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

Printed/Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_

## LEASE

This Lease ("Lease") is entered on **March 16<sup>th</sup>, 2018** by and between **Paramount Square Master Tenant, LLC**, an Ohio limited liability company ("Landlord"), having its address for notice purposes at 2170 Gilbert Avenue, Suite 100, Cincinnati, OH 45206 and **Esoteric Brewing Company, LLC** an Ohio limited liability company d/b/a Esoteric Brewing ("Tenant") having its address for notice purposes at 3713 Charloe Ct., Cincinnati, Ohio 45227.

**1. LEASE.** Landlord leases to Tenant and Tenant leases from Landlord a space of approximately **10,264 square feet** located on the first floor of 900 E. McMillan Avenue, Cincinnati, Hamilton County, Ohio 45206 (the "Building") indicated on the attached **Exhibit A** (the "Premises").

Tenant shall also have the nonexclusive right to use the common areas in and around the Building, subject to all easements, covenants, conditions and restrictions of record.

Tenant represents to Landlord that the Tenant Information Sheet attached hereto as **Exhibit B** accurately reflects current information about Tenant and any guarantors.

Tenant shall use and occupy the Premises for the following purpose only and for no other purpose: Production Brewery, Tap Room, restaurant and related retail. Any significant changes to the overall concept and theme at the Premises shall be subject to Landlord's approval.

The Premises will be delivered to Tenant in the condition specified in **Exhibit C** attached to this Lease and made a part of this Lease. Landlord will have the right to approve the Schedule of Work for Build Out prior to construction and to inspect the Premises at all reasonable times. Any subsequent alterations to the Premises will be subject to prior approval by Landlord, in Landlord's sole discretion.

Tenant acknowledges that (i) Landlord is the master tenant under that certain Master Lease dated as of November \_\_, 2017 (as amended from time to time, the "Master Lease") made by and between Landlord and Paramount Square, LLC, an Ohio limited liability company (together with its successors and assigns, "Master Landlord"), the owner of the Premises, and that (ii) this Lease is a sublease, subject in all respects to the terms and conditions of the Master Lease.

**2. INITIAL TERM.** The original term of this Lease shall be for a period of seven (7) years (the "Base Term") unless sooner terminated as provided in this Lease. Said term, and Tenant's obligations hereunder, shall commence on the first to occur of the following dates (such date hereinafter being referred to as the "Commencement Date"): the day the space receives Certificate of Occupancy from the City of Cincinnati.

In the event the Commencement Date shall occur on a day other than the first day of the month, then the term shall commence on the first day of the month next succeeding. However, Tenant shall pay any rent due in advance for the fractional month prior to the commencement of the term on a per diem basis (calculated on the basis of a thirty (30) day month) until the first day of the month when the term commences; and thereafter the rent shall be paid in equal monthly installments in advance on the first day of each month during the term of this Lease. Also, commencing on the Commencement Date, Tenant shall

be responsible for maintaining insurance as required to be maintained by Tenant during the term by this Lease, and otherwise to comply with all obligations imposed upon Tenant by the terms of this Lease.

Upon the written request of Landlord or Tenant, the parties shall enter into a written memorandum setting forth the Commencement Date and Lease termination date in such form as shall be provided by Landlord. The parties hereto acknowledge that certain obligations under various provisions hereof may commence prior to the commencement of the Term, and the parties agree to be bound by such provisions prior to the Commencement Date.

3. **OPTION TERM.** Provided that Tenant is not in default under the terms of this Lease beyond any applicable cure periods, Tenant shall have the right, privilege and option to renew this Lease for two (2) additional terms of five (5) years (each an "Option Term" and together, the "Option Terms"). The Base Term together with the Option Terms, if any, shall be the "term of the Lease" or "Lease Term" or "Term."

This Option Term is offered to the original Tenant only. If at any time the business is sold, or the lease sold or assigned, the offer of an Option Term is void.

All of the terms and conditions as set forth in this original Lease shall apply for the Option Term which is hereinafter set forth, and Landlord shall have no obligation to further improve the space. In the event the Tenant elects to renew this Lease, it shall notify the Landlord of its intention to renew no later than 180 days prior to the expiration of the then-existing Term, said notification to be in writing. Tenant's failure to properly exercise such option shall represent a waiver of this option.

Should Tenant not exercise timely its option to renew, Landlord will have the right to place "for rent" signs on the Premises during the last one hundred twenty (120) days of the Lease Term.

See Exhibit E for further detail regarding the Option Term.

4. **RENT.** During the Initial Term, Tenant shall pay as rent for the Premises to Landlord, in installments, in advance, on a monthly basis on the first day of each month, at the following rates for the time period indicated:

| 10,264 SF |         |              |             |
|-----------|---------|--------------|-------------|
| Months    | Rent/sf | Monthly Rent | Annual Rent |
| 1-12      | \$20.00 | \$17,107     | \$205,280   |
| 13-24     | \$20.50 | \$17,534     | \$210,412   |
| 25-36     | \$21.00 | \$17,962     | \$215,544   |
| 37-48     | \$21.50 | \$18,390     | \$220,676   |

|       |         |          |           |
|-------|---------|----------|-----------|
| 49-60 | \$22.00 | \$18,817 | \$225,808 |
| 61-72 | \$22.50 | \$19,245 | \$230,940 |
| 73-84 | \$23.00 | \$19,673 | \$236,072 |

**Option Term:** Rent for the Option Term shall increase 3% over the rent in each preceding year, beginning with Month 85 (Year 8).

**Rent Reduction:** At the end of the Base Term and the first Option Term, Tenant shall have the option of retiring all or part of the remaining balance of the Greater Cincinnati Redevelopment Authority loan that was made to the Landlord affiliate as part of the project financing. In the event Tenant chooses to retire the full remaining balance, rent will be reduced by \$5.00/SF from the then-current rate. Should Tenant choose to retire a portion of the remaining balance, rent will be reduced accordingly.

5. **SECURITY DEPOSIT/RENT DEPOSIT.** Upon mutual execution of the Lease, Tenant will deliver to Landlord a "Security Deposit" in an amount equal to one month's rent (\$17,107.00). Landlord will hold the Security Deposit during the Lease Term including any renewal as security for the performance of this Lease by Tenant. In the event Landlord pays for any Tenant obligations during the Lease Term, Tenant is obligated to replenish the Security Deposit to its initial amount. Landlord may apply the Security Deposit to reimburse Landlord for any damages or expenses arising from a failure by Tenant to follow the provisions of this Lease, including expenses Landlord incurred for design planning, pre-construction services, legal fees or other expenses relating to this transaction. The Security Deposit will not be deemed liquidated damages. If Tenant has followed the provisions of this Lease, Landlord will return the Security Deposit to Tenant after the end of the entire Lease Term.

6. **OTHER CHARGES.** The parties intend that this be a "gross lease," such that (except for the cost of gas, electricity, and water & sewer consumed in the Premises and such other costs as may be expressly set forth herein as being Tenant's obligation), Tenant's share of Building utility costs, maintenance, repair and replacement costs, the cost of insurance maintained by Landlord, real estate taxes and assessments accruing against the Building, and any and all other costs associated with ownership, operation, management and servicing of the Building and the real estate of which it is a part, are included in the annual rent amount set forth above in Section 4 and Landlord at its sole expense shall be responsible for payment of all such amounts as and when due and not bill or pass through the same to Tenant in any way.

From the date the Lease Term begins and continuing through the Lease Term, Tenant's gas and electric usage will be separately metered and service contracted directly by Tenant. The cost of water and sewage consumed in the Premises shall not be passed through to Tenant, except that the Premises may be submetered for water/sewer at Landlord's cost and option, in which case Landlord reserves the right to invoice Tenant for its actual water and sewage costs (as measured by such submeter).

Tenant also shall be responsible for cleaning and janitorial services in the Premises, at its cost, as well as the cost of trash removal, grease trap cleaning and servicing, scrubber cleaning and maintenance, servicing of the cooking exhaust hood filters, if applicable, and any telephone, cable or other telecommunication charges.

Landlord and Tenant acknowledge that a new, customized HVAC system shall be installed with the Tenant improvements. Tenant shall procure an HVAC maintenance contract reasonably acceptable to Landlord. Each party's obligations hereunder shall be contingent upon mutually agreeing to an annual cap on repair and replacements costs related to the HVAC system (the "HVAC Maintenance Cap") within thirty (30) days after Tenant has delivered to Landlord final HVAC plans. Tenant shall be responsible for repairs up to the HVAC Maintenance Cap annually. Repairs and/or replacement of the HVAC system in excess of the HVAC Maintenance Cap annually shall be the responsibility of Landlord, except to the extent caused by Tenant's negligence or willful misconduct.

**7. DESIGN AND CONSTRUCTION.** Tenant will select and engage, with Landlord's approval, an architectural firm to prepare space plans, finish selections and design drawings. Landlord, Tenant and the architect will work together to create the design which shall lead to an aesthetically-pleasing interior that fits the image of the Project, at a reasonable cost.

All designs are subject to the mutual approval of Landlord and Tenant, including the space plan, entrance, and all interior décor such as millwork, furniture, fixtures and all decorations.

Landlord will deliver the Premises, at Landlord's sole expense, with a minimum of 200 amps of electric delivered to the panel, plumbing stubbed to usable location, heating and cooling installed, but not distributed, and fluorescent lights installed. The bathroom is to be framed, dry walled and rough plumbed at Landlord's expense. The remaining finish of the Premises is the responsibility of Tenant with Landlord contributing a Tenant Improvement Allowance, as hereinafter defined.

Landlord will be responsible for obtaining all permits, licenses, inspections, and fees paid to the City's Building Department, and will construct the Improvements including tap and impact fees, if any. Tenant will be responsible for all governmental approvals, licenses, permits, and fees as required for the intended use.

Landlord will contribute \$850,000.00 to the cost of the build-out of the Premises (the "Tenant Improvement Allowance"). Tenant is directly responsible for expending and managing necessary hard and soft cost expenditures not included in the Tenant Improvement Allowance. Tenant is responsible for funding all of these costs including any that are in excess of the Tenant's Budget, except in the case where cost overruns are a direct result of existing conditions of the Building and/or Premises.

**8. MAINTENANCE AND REPAIR.** Tenant will maintain the Premises in good condition and repair (including any necessary replacements), including, without limitation, interior and exterior doors, plate glass, windows, all plumbing and sewage facilities serving only the Premises, electrical systems, all fixtures, hot water heaters, heating, ventilating and air conditioning serving the Premises (whether or not located in the Premises), sprinkler systems, non-structural walls, floors and ceilings, meters serving the Premises, and further excepting any damage caused by the intentional or negligent act or omission of Landlord as to which Landlord will be responsible for the cost of any repair. Tenant will receive the benefits of any warranties that apply.

Tenant will comply with all laws, ordinances, rules and regulations applicable to the Premises and Tenant's business in the Premises. Landlord is not responsible for damage to any property of Tenant or

others located in the Premises, however caused. Landlord at its costs will maintain in good condition and repair the windows of the Premises, all common areas of the Building, the foundation, exterior walls and other load-bearing walls and roof of the Building and the structural portions of the Premises, excepting those items to be maintained by Tenant, and further excepting any damage caused by the intentional act or negligence of Tenant as to which Tenant will be responsible for the cost of any repair. Tenant will not permit any mechanic's or similar lien to attach to the Premises as a result of any action or inaction of Tenant.

Tenant shall deliver up and surrender to Landlord possession of the Premises upon the expiration or earlier termination of the Term, broom clean, free of debris, in good order, condition and state of repair (except as may be Landlord's obligation under this Lease, and ordinary wear and tear), and shall deliver the keys to Landlord at the address to which notices to Landlord are to be sent. If not earlier terminated as herein provided, this Lease shall terminate at the end of the Term without the necessity of notice from Landlord to terminate the same.

**9. INSURANCE.** Tenant will maintain so-called "all risk" insurance covering all trade fixtures, merchandise and personal property in the Premises in an amount sufficient to avoid the application of any co-insurance provision. Tenant will also maintain liability insurance on an occurrence basis with contractual liability coverage naming Landlord and Master Landlord, as additional insureds with limits of not less than One Million Dollars (\$1,000,000) combined single limit (or equivalent) or other amount reasonably acceptable to Landlord. General Liability policy should contain a waiver of subrogation in favor of the landlord, and apply on a primary and non contributory basis, with respect to the landlord and master landlord, as additional insureds. If Tenant is required to maintain Worker's Compensation insurance under Ohio law, Tenant will maintain Worker's Compensation insurance at the minimum statutory amount, naming Landlord and Master Landlord as additional insureds. Tenant will also maintain plate glass insurance in the amount of one hundred percent (100%) of the replacement cost of windows and doors in the Premises, naming Landlord and Master Landlord as loss payee. All deductible amounts under Tenant's insurance policies will be subject to Landlord's approval, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that in no instance shall Landlord require deductible amounts over \$10,000.

If Tenant fails to maintain the insurance required under this Lease, Landlord may do so and Tenant will reimburse Landlord for the cost of such insurance together with interest at a per annum rate of 10% (the "Default Rate"). Tenant will not use the Premises for any purpose that would increase the cost of Landlord's insurance. Policies of insurance for General Liability and Property will be subject to Landlord's approval, which shall not be unreasonably withheld, delayed or conditioned. Tenant will deliver a certificate of the insurance required under this Lease to Landlord prior to Landlord's delivery of possession of the Premises to Tenant and prior to the expiration of any policy of insurance evidenced by such certificate of insurance. Tenant is required to submit proof of insurance to landlord on an annual basis. Proof of insurance can be emailed to mreckman@modelgroup.net and should be submitted on tenant's policy effective date. The certificate of insurance will state that the insurance will not be cancelled or amended below required limits except upon thirty (30) days prior written notice by the insurance company to Landlord. All such insurance policies will be primary coverages.

At all times during the term of the Lease, Landlord at its sole cost will maintain (a) so-called "all risk" insurance covering the Buildings (but not Tenant's trade fixtures, merchandise or personal property therein)

in an amount not less than its full replacement value; and (b) liability insurance on an occurrence basis with limits of not less than One Million Dollars (\$1,000,000.00) combined single limit (or equivalent).

Tenant will indemnify, defend and hold Landlord harmless from and against all matters whatsoever arising out of or in any way from: (a) any failure by Tenant to perform Tenant's obligations under this Lease, (b) any misrepresentation or misstatement by Tenant in this Lease, or (c) the use of the Premises by Tenant in a manner not authorized in this Lease, unless the loss or damage is caused by the sole negligence or willful act of Landlord. For the purposes of the immediately preceding sentence, only, the term "Tenant" will include Tenant, Tenant's agents, employees, contractors, licensees, assigns and invitees, and the term "Landlord" will include Landlord, Landlord's agents, employees, contractors, licensees, assigns, invitees and all of Landlord's lessors (including Master Landlord and the Port of Greater Cincinnati Development Authority).

Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby expressly waive and release all claims (including all rights of subrogation) against each other, and against the agents and employees of each other, for any loss or damage sustained by each other to the extent such claims are or could be insured against under any standard broad form policy of fire and extended coverage insurance, or under any fire and extended casualty insurance policy maintained by Tenant or Landlord under this Lease or required to be maintained by Tenant or Landlord under this Lease, regardless of whether such policy is in effect at the time of the loss and assuming a zero deductible in all cases, unless the loss or damage is caused by the sole negligence or willful acts of Landlord or Tenant, whichever is applicable. Tenant and Landlord will cause the applicable insurance carriers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with damage to the Premises or any portions thereof or any personal property thereon; provided, however, that failure to obtain such endorsements shall not affect the release hereinabove given. In addition to the foregoing, all such waivers of any claim, action, or cause of action shall also be effective to any person claiming by, through, or under either Landlord or Tenant.

**10. CASUALTY AND CONDEMNATION.** If the Premises is destroyed by casualty or taken by condemnation, at the discretion of the Landlord, the Lease Term will end on the date of such occurrence. Tenant will have no interest in any condemnation award made in connection with a condemnation of the Premises. If the Premises is damaged by casualty and such casualty is covered by Landlord's insurance, then Landlord using the proceeds of such insurance may restore the Premises (excepting Tenant's property and improvements) to substantially the condition of the Premises immediately before such event. Landlord will have no obligation to restore casualty damage to the Premises if: (a) the damage is not covered by Landlord's insurance, (b) the damage occurs during the last year of the Lease Term, (c) the damage to the Premises cannot in Landlord's reasonable judgment be restored within one hundred eighty (180) days from the date of the casualty; or (d) Landlord or Master Landlord's lender elects to apply the insurance proceeds against the debt secured by the Premises. If Landlord elects not to repair casualty damage to the Premises, then Tenant may terminate the Lease Term by giving written notice to Landlord within one hundred eighty (180) days following the date of the casualty. Should Landlord elect to repair, this Lease will remain in full force and Tenant will repair, restore or replace all of Tenant's trade fixtures, decorations, signs and contents in the Premises to a condition equal at least to that existing before the casualty. If a casualty causes the Premises to be wholly or partially unusable, and Tenant ceases use of the Premises or a part of the Premises, a proportionate reduction of the Rent will be given from the date of the casualty until the date when the Premises becomes substantially useable or until the effective date of termination of the Lease

Term by Landlord, such allowance will be based on the area of the Premises which is unusable.

**11. ASSIGNMENT AND SUBLEASING.** Tenant will not assign, transfer or encumber this Lease or sublet or allow any other person to occupy the Premises without Landlord's prior written approval, which may not be unreasonably withheld, delayed or conditioned by Landlord. Tenant agrees that Landlord's rejection of any proposed assignment or subletting will not be deemed unreasonable if such assignment or subletting would cause Landlord, in Landlord's reasonable discretion, to fail to be in compliance with the provisions of the Master Lease or with any other agreements relating to the financing of the Premises or the Building, or if such assignment or subletting is not approved by Master Landlord. Unless a corporate tenant's stock is listed on a nationally recognized public stock exchange, a transfer of any of Tenant's or Guarantor's stock or a transfer or change of "control" of Tenant or Guarantor, if Tenant or Guarantor is a corporation, or a change in the composition of the persons or entities owning any interest in any non-corporate tenant will be deemed an assignment for the purposes of this section. Tenant will give Landlord any information regarding the proposed assignment or sublease as Landlord may reasonably require. The approval of Landlord to one assignment or subletting will not be deemed an approval to a further assignment or subletting. Landlord may condition Landlord's approval to an assignment or subletting on such matters as Landlord deems appropriate and in the best interests of the Landlord and the Premises' adjacent tenants. Tenant will reimburse Landlord for all expenses incurred by Landlord in connection with a proposed assignment or subletting. No assignment or subletting will release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay rent and to perform all other obligations to be performed by Tenant hereunder.

**12. DEFAULT.** Tenant will be in default under this Lease if: (a) Tenant fails to make any payment of any amount owed to Landlord under this Lease within five (5) business days after the same is due, (b) Tenant fails to comply with any other provision or covenant of this Lease and does not cure such failure within fifteen (15) days after written notice from Landlord, provided, however, that if the term, condition, covenant or obligation to be performed by Tenant is of such nature that the same cannot reasonably be performed within such fifteen (15) day period, such default shall be deemed to have been cured if Tenant commences such performance within a fifteen (15) day period and thereafter diligently undertakes to complete the same, and does so complete the required action within a reasonable time, (c) Tenant deserts, abandons or vacates any substantial portion of the Premises or ceases business for thirty (30) days or longer, except in the event of casualty or as otherwise permitted under this Lease; (d) Tenant makes an assignment for the benefit of creditors or admits Tenant's inability to pay Tenant's debts as they become due, (e) a receiver is appointed for all of Tenant's assets, (f) if Tenant files or has filed against it any proceeding relating to bankruptcy or insolvency that, in the case of any involuntary action, is not dismissed within sixty (60) days, (g) Tenant delays any and all processes associated with the build out of the space and such delay continues thirty (30) days after Tenant received written notice of said delay from Landlord, (h) Tenant fails to make selections regarding exterior or interior tenant finishes for build-out of the Premises as and when required by Landlord's contractor and such failure continues fifteen (15) days after written notice from Landlord or Landlord's contractor and delays the build-out process, or (i) Tenant violates any use restriction set forth in Section 22 of this Lease and such violation continues ten (10) days after Tenant receives written notice of same from Landlord j) If Tenant's liquor license is terminated or put on hold and Tenant is not diligently pursuing re-instatement of said liquor license within ten (10) days after termination or the date Tenant's liquor license has been put on hold. Upon the occurrence of any default by Tenant, Landlord will have the right to pursue all lawful remedies, in law or at equity, including, without limitation,

termination of this Lease, termination of Tenant's right of occupancy without termination of this Lease, suit for specific performance of this Lease by Tenant, and/or an action for rent due and damages. Landlord's remedies will be cumulative in all events. The listing of the remedies available to Landlord will not be deemed to limit the lawful remedies of Landlord. The prevailing party in any litigation or other proceeding to enforce such party's rights under this Lease will be entitled in such litigation or proceeding to an award of the costs of such litigation or proceeding, including attorney's fees and expenses. No failure or delay in exercising any right or remedy by Landlord will operate as a waiver of such right or remedy or preclude further exercise of such right or remedy. Acceptance of rent and/or other charges payable by Tenant to Landlord will not be deemed to be a waiver of any right or remedy of Landlord. Any installment of rent or other charges payable by Tenant to Landlord in arrears thirty (30) days after the same is due will bear interest at the Default Rate.

**13. SUBORDINATION.** Subject to the terms herein, this Lease is subordinate to any mortgage, deed of trust or other lien, whether presently existing or hereafter placed on the Premises, and to any renewals, refinancing, extensions and replacements of such mortgage, deed of trust or other lien. Tenant will acknowledge and recognize any purchaser of the Building at a foreclosure or any other sale as the Landlord under this Lease; provided, however, such subordination shall be upon the express condition that the validity of this Lease shall be recognized by the purchaser, and that Tenant's possession and right of use under this Lease in and to the Premises shall not be disturbed by such purchaser unless and until Tenant shall breach any of the provisions hereof, which breach remains uncured following any applicable cure periods, and this Lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this Lease. The subordination of this Lease pursuant to this section will be self-operative. Tenant will give the holder of any mortgage or deed of trust on the Building notice by certified mail of any notice of default delivered by Tenant to Landlord, provided that Tenant has been notified by Landlord or by such holder of the address of such holder. Such holder will have thirty (30) days after receipt of such notice within which to cure such default or such reasonable time as may be necessary to cure such default, if longer than thirty (30) days.

If (i) the holder of a mortgage, any successor, assignee or designee thereof, or any purchaser of the property in a foreclosure or otherwise shall become the owner of the Building, whether through possession or foreclosure action or otherwise, (ii) the Master Lease is terminated and such party succeeds to the rights of Landlord under this Lease (such party so succeeding to Landlord's rights (herein sometimes called "Successor Landlord"), and (iii) this Lease is not extinguished by such foreclosure or other action, then Tenant shall attorn to and recognize Successor Landlord as Tenant's Landlord under this Lease subject to the terms herein. Upon such attornment, this Lease shall continue in full force and effect as, or as if it were, a direct lease between the Successor Landlord and Tenant upon all of the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment, except as set forth in this Section. In the event of such attornment, Tenant recognizes such Successor Landlord shall not be liable for, subject to, or bound by (a) any payment of Rent more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease, but only to the extent such prepayments have been delivered to such Successor Landlord, (b) any amendment of this Lease made without the consent of the holder of each mortgage or deed of trust existing as of the date of such amendment, (c) damages for any breach, act or omission of any prior landlord; provided, however, that this provision does not excuse Successor Landlord for its own acts or omissions in violation of this Lease to the extent any such act or omission is continuing after the date Successor Landlord succeeds to the interest of

Landlord under this Lease, provided that Successor Landlord shall have a reasonable opportunity to cure the event giving rise to the liability, but in no event more than thirty (30) days; (d) any offsets or defenses which Tenant might have against any prior landlord, except for those offset rights which (i) are expressly provided in this Lease, (ii) relate to periods of time following acquisition of the Premises or other interest in the Lease by Successor Landlord, and as to which (iii) Tenant has provided written notice to Successor Landlord and provided Successor Landlord a reasonable opportunity to cure the event giving rise to such offset event, but in no event more than thirty (30) days; (e) any obligations with respect to construction or completion of any improvements for Tenant's use and occupancy, or following any fire or casualty, the restoration or repair of any improvement upon the demised Premises, except for Landlord's obligation to pay the Tenant Improvement Allowance (as defined below); (f) [intentionally deleted], or (g) any assignment or subletting by Tenant made in a manner not expressly permitted under this Lease, unless such assignment or sublease was made with the consent of the holder of each mortgage or deed of trust existing as of the date of such assignment or sublease.

**14. NOTICES.** All notices will be made by personal service (against signed receipt), certified mail, or nationally recognized overnight courier service. All notices will be deemed delivered on the date of personal delivery or on the date of first attempt to deliver (as evidenced by the records of the carrier). All notices will be to the addresses set forth at the beginning of this Lease. Either party may change its address for notices by giving notice to the other party as stated in this section.

**15. EFFECT.** This Lease may be changed only in writing signed by the parties or their respective successors. This Lease will be binding on the parties and inure to the benefit of the legal representatives, successors and permitted assigns of the parties. This Lease constitutes the entire agreement of the parties with respect to the subject matter of this Lease and supersedes any prior written or oral agreements relating to the subject matter of this Lease. Section headings are not a part of this Lease.

**16. LANDLORD'S LIABILITY.** Tenant will look solely to Landlord's interest in the Building, including but not limited to any Insurance proceeds relating to the Building, for the collection of any judgment (or other order) requiring the payment of money by Landlord to Tenant, and no other assets of Landlord will be subject to levy, execution or other judicial process for the satisfaction of any claim by Tenant against Landlord.

**17. LEASE CONFIRMATION STATEMENT.** No more than once per annum, Tenant will, within fifteen (15) days after requested by Landlord, sign and deliver to Landlord a statement prepared by Landlord certifying that this Lease is unmodified and in full force and effect (or, if there have been any modifications, that this Lease is in full force and effect as so modified); that Tenant has no defenses, offsets or counterclaims against Tenant's obligations under this Lease; that there are no uncured defaults of Landlord or Tenant (or, if there are any alleged defenses, counterclaims or defaults, setting them forth in reasonable detail); and the dates to which Rent and the other charges payable by Tenant under this Lease have been paid, which statement may be relied upon by any prospective purchaser or lender. Tenant also shall furnish to Landlord all reports and information requested from time to time by Landlord, upon thirty (30) business days prior written request, for purposes of complying with the Master Lease or with the financing of the Building. Tenant will be liable for all loss and expense resulting from any failure by Tenant to sign any such statement or any material misrepresentation contained in such statement.

18. **QUIET ENJOYMENT.** Landlord covenants that it has the full right and authority to make this Lease and that if Tenant pays the rent and performs all of the terms of this Lease, Tenant shall peaceably and quietly enjoy and possess the Premises throughout the term, subject only to the conditions set forth in this Lease.

19. **FORCE MAJEURE.** If either Landlord or Tenant is prevented or delayed from performing any obligation or satisfying any condition under this Lease in a timely manner by reason of any condition beyond the reasonable control of such party, then the time to perform such obligation or satisfy such condition will be extended on a day by day basis for the period of delay caused by such event; provided, however, that this section will not apply to the obligations of Tenant to pay the Rent to Landlord under this Lease.

20. **REAL ESTATE COMMISSIONS.** Landlord and Tenant each represent that they have not dealt with any broker in connection with the negotiation, execution and/or delivery of this Lease.

21. **SURVIVAL.** The obligations of the parties which are to be performed during the Lease term, if not performed prior to the expiration or sooner termination of this Lease or which apply to time periods after termination or expiration of this Lease, as well as the indemnities made by Tenant, will survive termination or expiration of this Lease.

22. **PROHIBITED USES.** In addition to the use restrictions set forth elsewhere in this Lease, Tenant will not: (a) permit in or from the Premises any objectionable odor or noise or any nuisance, except for such odor and/or noise that is reasonable and customary for the operation of a brewery; (b) commit waste; (c) permit the Premises to be used for an auction, fire, bankruptcy or going out of business sale; (d) cease active conduct of Tenant's business in the Premises for more than thirty (30) days without the prior written consent of Landlord, not to be unreasonably withheld; (e) use any portion of the Premises as residential rental property; (f) engage in any trade or business consisting of the operation of, or otherwise permit the use of any portion of the Premises for, any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the retail carry-out sale of alcoholic beverages for consumption off premises, excluding the sale of bulk beverages brewed or otherwise produced on the Premises; (g) permit the development or holding of intangibles for sale or license; or (h) use, store, manufacture, dispose of or discharge any hazardous materials in, at or from the Premises. As used in this section, "hazardous materials" means any substances or materials the use, transportation, storage, manufacture or disposal of which is governed by laws treating the quality of the environment, and will include asbestos and petroleum products. Use of hazardous materials in accordance with law in amounts appropriate to and necessary for the use of the Premises permitted by this Lease will be permitted. Accordingly, Tenant agrees to indemnify Landlord and hold it harmless for any costs and/or liabilities including without limitation reasonable attorneys' fees, arising from Tenant's release of any hazardous materials or failure to comply with applicable environmental laws. Tenant first shall obtain the written consent of Landlord prior to (i) expanding the area of the Premises associated with the sale of alcoholic beverages for off-premises

consumption beyond 5% of the total square footage of the Premises, (ii) expanding Tenant's sales of alcoholic beverages for off-premises consumption beyond 10% of total sales from the Premises during any calendar year, or (iii) selling lottery tickets on the Premises. Consent is subject to Landlord's sole and absolute discretion.

Tenant shall not (i) carry on any activity that could cause any part of the Premises or the Building to be "tax-exempt use property" (as that term is used in Section 168(h) of the Internal Revenue Code) or "residential rental property" (as defined in Section 168 of the Internal Revenue Code) or (ii) use the Premises or the Building to engage in the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack, off-track betting facility or other facility used for gambling; or any store the principal business of which is the retail carry-out sale of alcoholic beverages for consumption off premises, excluding the sale of bulk beverages brewed or otherwise produced on the Premises, or fireworks; farming (within the meaning of Section 2032A(e)(5)(A) or (B) of the Code and the related Treasury Regulations), or any one or more of the following activities: shooting gallery, adult bookstore or facility selling or displaying obscene or pornographic books, literature or videotapes or movies (materials shall be considered "adult", "obscene" and "pornographic" for such purposes if the same are not generally available for sale, rental or display to human persons under 18 years old because they explicitly deal with or depict human sexuality or are otherwise intended to appeal to prurient interests); any establishment that provides striptease or topless entertainment; bingo or similar games of chance (excluding such games conducted by a charitable organization as part of a fundraising activity); video game or amusement arcade, except as an incidental part of another primary business; pawn shops or establishments, a primary business or service of which is cashing checks; any marijuana dispensary, so-called "head shop" or store that sells bong, roach clips or other drug paraphernalia; a flea market; any political campaign or party office; or any illegal use (collectively, (i) and (ii) in this paragraph, and all other prohibited uses set forth in the preceding paragraph of this Section 22, are referred to as the "Use Restrictions"). Any violation of the Use Restrictions shall constitute an event of default of this Lease and shall permit Landlord to immediately terminate this Lease to the extent permitted by applicable law, including any minimum notice requirements thereof.

**23. SIGNAGE.** All signs and window displays will require the prior written approval of Landlord, which shall not be unreasonably withheld, delayed or conditioned, and will comply with Landlord's sign criteria, applicable ordinances and other governmental restrictions. The determination of such requests and the prompt compliance will be the responsibility of Tenant.

Tenant may install one exterior sign for each entrance of a design to be approved by Landlord, said approval to be not withheld unreasonably. Cost of sign installation will be included as part of the Tenant Improvement Allowance. Tenant shall be responsible for all governmental permits relative to signage, but Landlord agrees to cooperate with Tenant in seeking such permits.

Tenant will be responsible for the cost of properly repairing all damage to the Building or Premises storefront caused by the installation and removal of signage.

**24. TRASH REMOVAL.** Tenant shall be responsible for all trash removal from the Premises. Trash dumpster locations will be chosen by the Landlord. Dumpster locations will be located no further than two blocks from the Premises. Tenant may be subject to a proportionate fee for additional trash removal services.

25. **RECORDING.** Landlord or Tenant may record a Memorandum of this Lease upon written notice to the other.

26. **LANDLORD CONTINGENCY.** This Lease is contingent upon satisfactory review of Tenant's and Guarantor's financial statements, business and personal tax returns, creditworthiness and background check; provided however, that if Landlord does not deliver written notice of termination of this Lease based upon failure of this contingency within fifteen (15) days after the Lease is mutually executed, this contingency shall be deemed satisfied and forever waived.

27. **OWNERSHIP.** The parties acknowledge that Landlord does not own fee simple title to the Premises, but instead has sole use and occupancy and control of the Premises, including but not limited to the right to enter into this Lease, pursuant to certain master leases (the "Master Leases"). Landlord shall not take any action under the Master Leases that would impair or jeopardize this Lease or the rights of Tenant hereunder.

28. **PARKING.** Landlord shall provide unreserved parking sufficient to meet applicable zoning and/or building code provisions and as required for Tenant's intended use.

29. **TENANT EXCLUSIVE.** Landlord shall not lease any space in the Building for operation of a brewery, distillery, tap room, restaurant or other establishment serving alcohol. Additionally, neither Landlord nor its affiliates (including Model Group and/or any subsidiaries) shall develop, lease or operate any space within five (5) miles of the Premises for a brewery, distillery or tap room.

30. **LANDLORD'S RIGHT OF ENTRY AND USE.** Upon at least 24 hours prior verbal or written notice to Tenant (except in an emergency, in which event no advance notice shall be required), Landlord and its agents, representatives, and contractors may enter into or upon any part of the Premises at any reasonable time to inspect the condition, occupancy or use thereof and to make repairs to the Premises and the Building, including any spaces adjoining the Premises; provided, however, Landlord agrees to enter the Premises with due regard for Tenant's business operations and at times and in a manner that minimizes disturbance thereto.

**IN WITNESS WHEREOF** the parties and the Guarantors have executed this Lease as of the day and year first above set forth.

**SIGNATURE PAGE FOLLOWS**

SIGNATURE PAGE FOR LEASE  
Between  
Paramount Square Master Tenant, LLC  
And  
Esoteric Brewing Company, LLC

LANDLORD:

Paramount Square Master Tenant, LLC

By: Paramount Square Associates, LLC, its managing member

By: [Signature]  
Name: Robert L. Maly  
Title: Senior Vice President

STATE OF OHIO, COUNTY OF HAMILTON, ss:

The foregoing instrument was acknowledged before me this 16th day of May, 2018, by Robert L. Maly, the Senior Vice-President of Paramount Square Associates, LLC, the managing member of Paramount Square Master Tenant, LLC, on behalf of the limited liability company.

[Signature]  
Notary Public

TENANT:

Esoteric Brewing Company, LLC

By: [Signature]  
Name: Brian Jackson  
Title: Owner

KELLY A. CLARK  
Notary Public, State of Ohio  
My Commission Expires 02-22-2022



STATE OF OHIO, COUNTY OF HAMILTON, ss:

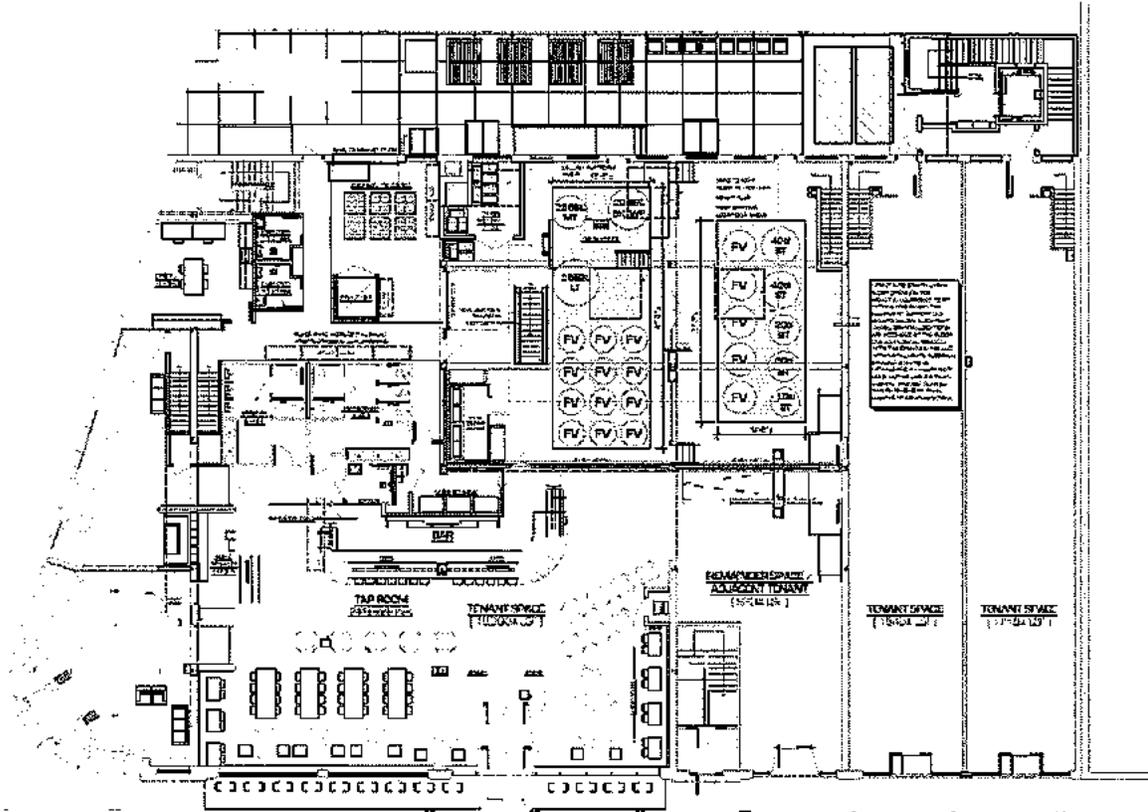
The foregoing instrument was acknowledged before me this 14th day of May, 2018, by Brian Jackson, the Owner of Esoteric Brewing Company, LLC, on behalf of the limited liability company.

[Signature]  
Notary Public

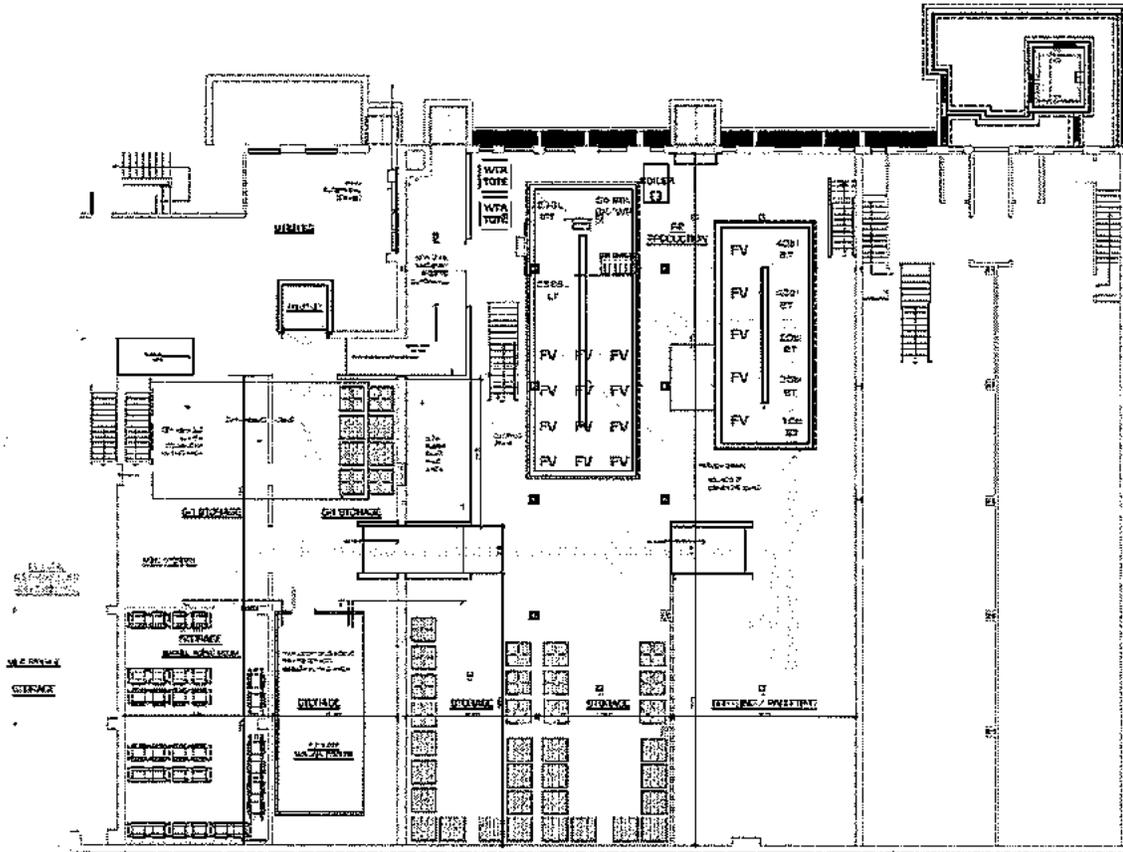
MICHAEL YOSAFAT  
Notary Public, State of Ohio  
My Comm. Expires 09/19/2021



**EXHIBIT A**  
**DEPICTION OF THE PREMISES (TAPROOM)**



**EXHIBIT A**  
**DEPICTION OF THE PREMISES (BASEMENT)**



**EXHIBIT B**  
**TENANT INFORMATION**

**Tenant #1**

A. Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Social Security #: \_\_\_\_\_  
Home Address: \_\_\_\_\_ Driver's License #: \_\_\_\_\_  
How long at this address? \_\_\_\_\_ Own: \_\_\_\_\_ Rent: \_\_\_\_\_  
Mortgage Co.: \_\_\_\_\_ Landlord: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Phone #: \_\_\_\_\_

B. Previous Address: \_\_\_\_\_

How long at this address? \_\_\_\_\_ Own: \_\_\_\_\_ Rent: \_\_\_\_\_

C. Employer Name: \_\_\_\_\_ Phone #: \_\_\_\_\_  
Address: \_\_\_\_\_ Position: \_\_\_\_\_ How long employed? \_\_\_\_\_  
Contact? \_\_\_\_\_ Yes \_\_\_\_\_ No

D. Bus. Name: \_\_\_\_\_ Phone #: \_\_\_\_\_  
Bus. Type: \_\_\_\_\_ How long in business? \_\_\_\_\_  
Address: \_\_\_\_\_ How long at this address? \_\_\_\_\_

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**TENANT OPERATING ENTITY**

A. Corp. Name: \_\_\_\_\_ Phone #: \_\_\_\_\_  
Bus. Type: \_\_\_\_\_ How long in business? \_\_\_\_\_  
Address: \_\_\_\_\_ How long at address? \_\_\_\_\_ Own: \_\_\_\_\_ Rent: \_\_\_\_\_  
Mortgage Co.: \_\_\_\_\_ Landlord: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Phone #: \_\_\_\_\_

**B. Corporation Officers:**

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Home Phone #: \_\_\_\_\_

Home Phone #: \_\_\_\_\_

**REFERENCES**

**A. Credit References:**

Name of Reference: \_\_\_\_\_

Name of Reference: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Phone #: \_\_\_\_\_

Acct. # and Type: \_\_\_\_\_

Acct. # and Type: \_\_\_\_\_

**B. Banking References:**

Name Account: \_\_\_\_\_

Name Account: \_\_\_\_\_

Name of Reference: \_\_\_\_\_

Name of Reference: \_\_\_\_\_

Phone #: \_\_\_\_\_

Phone #: \_\_\_\_\_

Acct. # and Type: \_\_\_\_\_

Acct. # and Type: \_\_\_\_\_

**Background Check:**

I hereby authorize all corporations, companies, credit agencies, government agencies, and persons to disclose information they may have about me to Paramount Square Master Tenant, LLC, and/or its agents or assigns, and release all persons or companies from liability or responsibility for doing so. Further I authorize the procurement of a consumer report and/or credit check and understand that such reports may contain information about my background, character and personal reputation.

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Co-Tenant

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Co-Tenant

**EXHIBIT C**  
**BUILDOUT OF THE PREMISES**

Landlord will provide Tenant a Tenant Improvement Allowance of up to \$850,000.00 ("Tenant Improvement Allowance"). Tenant Improvement Allowance shall be disbursed only in accordance with monthly construction draws. Tenant agrees to cover any costs that exceed the Tenant Improvement Allowance. Landlord shall have a lien on all fixtures.

Landlord will not be responsible for any cost overruns caused by changes in scope directed by Tenant. If the construction costs total less than \$850,000.00, then the Tenant Improvement Allowance shall be reduced accordingly. The Tenant Improvement Allowance is to be used on the following conditions.

*Both Landlord and Tenant agree that their investment amounts are based on the Construction Budget attached hereto as Exhibit D.*

Tenant Improvement Allowance may be used for the following:

- A. Hard Cost Improvements:
  - 1. Hard construction of improvements, including signage but not including Tenant furniture, fixtures and equipment
  - 2. Equipment that is attached and fixed to the space-
- B. Soft Cost Improvements:
  - 1. Architectural Fees
  - 2. Permits
  - 3. Contingency

Landlord and Tenant further agree to the following:

1. Landlord will deliver the Premises, at Landlord's sole expense, with a minimum of 200 amps of electric delivered to the panel, plumbing stubbed to usable location, heating and cooling installed, but not distributed, and fluorescent lights installed. Bathroom to be framed, dry walled and rough plumbed at Landlord's expense.

2. Tenant shall provide Landlord with final Construction Documents including all working drawings, specifications, selections, etc. that describe the full scope of work included in the Tenant Improvements. Landlord and Tenant must approve final plans and specifications. Landlord reserves the right to make changes and adjustments to the specifications and working drawings, with approval of Tenant, provided however that said changes and adjustments shall not unreasonably delay, prevent or condition Landlord's final approval of said plans and specifications.

3. Tenant will select, with Landlord approval, and engage an architectural firm to prepare space plans, finish selections and design drawings. Landlord, Tenant and the architect will work together to create and design which shall lead to an aesthetically-pleasing interior that fits the image of the Project, at a reasonable cost. The parties will endeavor to ensure that the cost of contractors, subcontractors, and materialmen participating in the Tenant improvements are at competitive market rates.

4. All designs are subject to the mutual approval of Landlord and Tenant, including the space plan, entrance, equipment selection, and all interior décor such as millwork, furniture, fixtures and all decorations.

5. Tenant Improvement Allowance will be applied toward obtaining all permits, licenses, inspections, and fees paid to the City's Building Department. Tenant will be responsible for all governmental approvals, licenses, permits, fees, etc. relating to any other governmental entity and appropriate and required to open for business.

6. Unless additional costs are delegated in writing by one party to the other, and such delegation is accepted in writing, each party will be wholly and solely responsible for its designated portion of the costs and neither party will have recourse to the other in the event of overruns and/or shortfalls. Nor will either party have the right to specify, without the consent of the other party, more expensive items that may cause budget overruns to occur.

7. INTENTIONALLY OMITTED.

8. Construction of Improvements are subject to the terms and conditions contained herein, Landlord and Tenant will work together to construct the Improvements in accordance with (i) the Improvement Plans (as approved by Landlord in accordance with this Agreement), (ii) the requirements of this Agreement, and (iii) the laws and regulations relating to the State of Ohio and Federal Historic Tax Credits, and (iv) the requirements of applicable federal, state and local laws, including the ordinances and regulations of the City of Cincinnati. Landlord cannot be held responsible for revisions to plans, subsequent to initial Landlord approval, that are required to remain in compliance with historic preservation standards.

9. The construction will be performed by the Landlord and/or Landlord's assigns. The Tenant's contribution toward the hard costs, if any, will be paid out by Tenant as the Landlord invoices the Tenant for his share of the hard costs. The Tenant will make checks payable to the Landlord within fifteen (15) days of receipt and Landlord will make payment to the contractor.

10. Tenant's contractors, if any, must be approved by Landlord prior to the start of Tenant's construction, which approval shall not be unreasonably withheld, delayed or conditioned.

11. All work will be done in accordance with all laws, statutes, ordinances, rules and regulations of every governmental entity having jurisdiction over the Premises.

12. Landlord and Tenant's contractors, if any, will make no penetrations through the floor or roof membrane without Landlord's prior written consent which shall not be unreasonably withheld, delayed or unconditioned. If consent is granted, Contractor will use Landlord's original contractor of the building to perform the work.

**EXHIBIT D  
CONSTRUCTION BUDGET**

Budget will be provided to Tenant by Landlord upon completion of initial concept design and estimating by Landlord's construction provider.

**EXHIBIT E**  
**RENEWAL**

Tenant will have the right to renew the Lease Term for the renewal term(s) ("Option Term(s)") on the following conditions:

1. Tenant must give written notice of Tenant's intent to renew at least 180 days before the expiration of the initial Lease Term or the Option Term then in effect, as the case may be.
2. Tenant shall not be in default beyond any applicable cure periods as of the date of exercise of the right to renew and on the date any Option Term begins.
3. The number of Option Terms is Two (2). The Option Terms are for a period of five (5) years each beginning on the first day following the initial Lease Term, or the Option Term, as the case may be.
4. All of the provisions of the Lease will apply to an Option Term except:
  - A. Landlord has no obligation to improve the Premises.
  - B. The Rent during the Option Term will be as follows:

| Option Term(s) 10,264 SF |         |              |              |
|--------------------------|---------|--------------|--------------|
| Months                   | Rent/sf | Monthly Rent | Annual Rent  |
| Option Term 1            |         |              |              |
| 85-96                    | \$23.69 | \$20,262.85  | \$243,154.16 |
| 97-108                   | \$24.40 | \$20,870.13  | \$250,441.60 |
| 109-120                  | \$25.13 | \$21,494.53  | \$257,934.32 |
| 121-132                  | \$25.88 | \$22,136.03  | \$265,632.32 |
| 133-144                  | \$26.66 | \$22,803.19  | \$273,638.24 |
| Option Term 2            |         |              |              |
| 145-156                  | \$27.46 | \$23,487.45  | \$281,849.44 |
| 157-168                  | \$28.28 | \$24,188.83  | \$290,265.92 |
| 169-181                  | \$29.13 | \$24,915.86  | \$298,990.32 |
| 182-193                  | \$30.00 | \$25,660.00  | \$307,920.00 |
| 194-205                  | \$30.90 | \$26,429.80  | \$317,157.60 |

- C. No additional rights to renew will be given by the exercise of the right to renew.

5. If Tenant attempts to assign the Lease or sublet the Premises without Landlord's prior approval, the Lease and any right to renew will lapse and become void.

**EXHIBIT F**  
**Guaranty**

The undersigned ("Guarantors") are the Managing Members of the Tenant in the foregoing Lease and in order to induce the Landlord to enter in the Lease and to rent the premises to the Tenant, and in consideration of the Landlord doing so, which directly benefits Guarantor in Guarantor's relationship to Tenant, Guarantor hereby unconditionally and irrevocably guarantees the Tenant's performance of all of its obligations under the Lease during the Base Term and only the Base Term, including its obligation to pay rent. Guarantor agrees that this is a guaranty of payment and not of collection. Guarantor understands that if the Tenant fails to pay any rent or other amounts due to the Landlord, Guarantor will be personally responsible for paying such amounts to the Landlord.

The Guarantor consents and agrees that, without notice to the Guarantor and without affecting or impairing the obligations of the Guarantor hereunder, Tenant and Landlord may amend or alter the terms of the Lease, extend or renew the term, modify Tenant's obligations under this Lease, and make any other changes to the Lease to which Landlord and Tenant agree.

In the case of the death of the Guarantor, or if Guarantor files or is adjudicated to be bankrupt, or upon an assignment for the benefit of Guarantor's creditors, or Guarantor admits its inability to pay debts as they become due, or a receiver is appointed for Guarantor's assets, then if a substitute Guaranty acceptable to Landlord is not provided to Landlord within 30 days of such event, it shall be deemed an event of default under the Lease.

This Guaranty has been delivered and accepted at and will be deemed to have been made at Cincinnati, Ohio and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the State of Ohio. Guarantor hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Hamilton County, Ohio, to bring an action or otherwise exercise a right or remedy, and Guarantor waives any objection based on forum non conveniens and any objection to venue of any such action or proceeding. Guarantor hereby irrevocably consents that all service of process be made by certified mail directed to Guarantor at its address set forth herein for.

**WAIVER OF JURY TRIAL: GUARANTOR WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE OR THE OBLIGATIONS UNDER THE LEASE. GUARANTOR REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLING AND VOLUNTARILY GIVEN.**

**Signatures on Following Page**

EXHIBIT E

Signature Page  
Guaranty

Guarantor's Signature [Signature]  
March 3, 2023  
My Commission Expires  
Notary Public, State of Ohio  
**GAIL BUNNELL**



Date 5/30/18

STATE OF OHIO, COUNTY OF HAMILTON, ss:

The foregoing was acknowledged before me this 30<sup>th</sup> day of May, 2018,  
by MARINA; Guarantor of the Lease provided above.

MARINA

[Signature]  
Notary Public

Guarantor's Signature [Signature]  
Brian Jackson

Date 05/31/18

STATE OF OHIO, COUNTY OF HAMILTON, ss:

The foregoing was acknowledged before me this 31<sup>st</sup> day of May, 2018,  
by BRIAN JACKSON, Guarantor of the Lease provided above.



MICHAEL YOSAFAT  
Notary Public, State of Ohio  
My Comm. Expires 09/19/2021

[Signature]  
Notary Public



**LETTER OF PROPOSAL**

*January 4, 2018 REVISED*

Mr. Brian Jackson  
Esoteric Brewing Company, LLC  
3713 Charloe Ct.  
Cincinnati, OH 45227

**RE: Proposal of Professional Architectural and Engineering Services**

architecture  
planning  
urbanism

Esoteric Brewery & Taproom  
900 E. McMillan St.  
Cincinnati, OH 45206  
Walnut Hills Neighborhood  
NR Project No: 2017-039

Dear Brian.

In accordance with the Terms and Conditions stipulated in this Proposal, New Republic Limited, d.b.a. New Republic Architecture (NR, Architect), is pleased to have the opportunity to propose the following professional architectural and engineering services to Esoteric Brewing Company, LLC (Client) for the above referenced project.

**PROJECT DESCRIPTION**

Based upon our previous discussions, this Proposal will provide professional services for the management and preparation of Design and Construction Documents, as well as provision of limited services during Construction, for the Esoteric Brewing project to be in Cincinnati, Ohio.

This Proposal is based on the proposed project program that is understood to include the following:

- Project is a microbrewery and tap-house to be in approximately 2/3 of the first floor of the Paramount Building at 900 E. McMillan St.
- Project Space is approximately 10,000 SF in size on first floor, plus approximately 9,000 SF of usable space in the Basement, including the existing Boiler room
- The project shall be done concurrently with a historic renovation project for the entire building and will be subject to limited historic requirements, review and comment.
- Floor conditions are understood as follows:
  - Basement gradually steps between chambers from west (high) to east (low), with exception of old Boiler room in NW corner which is lower than all spaces
  - First Floor has one twenty-seven inch (27") step that is in line with existing demising partition that aligns with existing stair fronting McMillan St.
- The scope of this Proposal extends to 5 feet outside the building line, unless specifically noted otherwise herein. Grade gradually falls from west to east across project space along McMillan (1.5%±) and across rear service court (2.25%±). Gilbert Ave frontage shall be considered level.
- Design type is to be considered a "custom tenant improvement"
- This Proposal presumes normal site geotechnical conditions for the project site unless specifically addressed otherwise including a Site Classification "D" or better, that the building foundation design



will be accommodated by standard spread footings, and further assumes that Occupancy Category II and Seismic Design Category "C" or better as defined by the building code will be assigned to the building. Existing soil conditions requiring more extensive foundation systems or any other factors which lead to a more severe classification than Site Classification "D", occupancy Category II, or Seismic Design Category "C" may entail additional services

- Based on previously completed Test Fit / Concept Design diagrams prepared by NR and shared with Client dated 06.21.2017
- Building shell construction is understood as: load-bearing CMU, interior steel carrying beams/columns, and wood framed floor/ceiling and roof assemblies
- Building mechanical systems are to be new packaged rooftop units for the offices and tap-house area; plus heating and ventilation equipment for production and storage areas
- Interior finish level is presumed as: "light industrial" finishes for office, production and storage areas, and "art-deco" inspired finishes for the tap-house area, including interior and exterior furniture recommendations
- This Proposal presumes that the project will be built "as-drawn." Any modifications to the Program, or documents relative to "value engineering" proposals from the Client or his contractors, after completion of the Design Phase shall be an Additional Service
- Client acknowledges and agrees that due to variable field conditions and construction tolerances, Architect will be permitted, at its discretion, to provide architectural designs, specifications, and documentation that reasonably exceed code compliant minimum standards, and that if the Client, for any reason, directs the Architect to provide minimum code compliant standards, the Client will indemnify and hold the Architect harmless for any resulting claim, damage, or expense.
- Construction delivery mode is presumed to be <design/build, design/bid/build, turn-key, etc.>
- This Proposal presumed that the Client will negotiate a contract of Construction to with a General Contractor prior to the completion of the Design Phase
- This Proposal presumes that construction will begin around January/February, 2018 and can be completed in approximately 8 months (in conjunction with Building Renovation project timeline)
- Both the Client and the Architect shall endeavor to produce a design that preserves the Architect's original (or subsequent) design intent, notwithstanding any review, comment, or value engineering changes. The Client acknowledges the Architect's interest in preserving its professional reputation and will cooperate with the Architect to reach a mutually agreeable solution in the event that any review, comment, or value engineering modification is deemed by the Architect to significantly compromise the aesthetic, functional, or operational intent of the design
- Presumed construction budget of approximately \$1,500,000± hard costs plus \$500,000± for finishes, furnishings & equipment (FF&E)
- This Proposal presumes that the proposed space will require a partial change of occupancy for the business/office and production areas and potentially for storage areas (depending on items to be stored)
- This Proposal presumes that the proposed project site is zoned appropriately for the intended use without variance(s) required
- This Proposal presumes that the required building utilities are readily available at the property line, in capacities needed to meet the required service loads of the proposed uses
- The Architect presumes and the Client agrees that the Project Description information is accurate and that substantial deviation from this information may require adjustment to the project's budget, schedule, Scope of Services, and compensation

#### DESIGN TEAM

In addition to the principal Architect participants, Consultants in structural engineering, plumbing/mechanical/electrical engineering, code consultation and interior design will be retained by the

[newrepublicarchitecture.com](http://newrepublicarchitecture.com)

404 E 12th Street, Suite C1

cincinnati, ohio



Architect and included as part of the Design Team. The following Architect's Consultants are proposed for this project:

**Structural Engineering**

Schaefer  
Cincinnati, OH

**Plumbing, Mechanical and Electrical Engineering**

Engineered Building Systems (EBS)  
Newport, KY

**Interiors Consultant**

Amy Youngblood Interiors (AYI)  
Cincinnati, OH

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*Alternate Interiors Consultant*  
*New Republic Architecture*  
*Cincinnati, OH*

**Code Consultant (as needed)**

The Preview Group, Inc.  
Cincinnati, OH

**APPROACH + METHODOLOGY**

Our approach to the Project will be to offer a phased process relying upon the close involvement and interaction with the Client. The Scope of Services outlined below informs and allows the Client to regularly evaluate and approve the status of each phase of the project's development with the Architect.

**SCOPE of SERVICES**

**Basic Services**

The Scope of Basic Services proposed by the Architect for the successful completion of this Project shall include, and be limited to the following scope as outlined below:

**Design Phase Services**

- Architectural design services including but not limited to:
  - Coordination and review of Client supplied data
  - Additional field verification of existing facility conditions targeted towards the approved Concept diagram and proposed uses of programmed spaces.
  - Review and Development of previously prepared Concept programming to full program for documentation and construction
  - Building code due diligence review and analysis
  - Zoning code due diligence review and analysis
  - Evaluation of Client's project budget and schedule
  - Development of previously prepared Concept Design diagrams into Design Development documentation
  - *3<sup>rd</sup> party Code Consultation (from Preview Group) may likely be required in this Phase. If so, it will be provided as an Additional Service*
- Structural engineering design evaluation services including but not limited to:
  - Review of Client provided data regarding equipment weights and tare weights of pallets and equipment for on-site processing & storage
  - Load analysis of existing structure, including potential improvement scenarios or limited replacement recommendations
  - Schematic sizing of equipment platforms and floor opening details
- Plumbing/Mechanical/Electrical engineering design services including but not limited to:



- Schematic Design / Systems description for each discipline
- Systems / Piping Engineering coordination with Client's Vendor
- Interior Design consult services
- Building materials research and specification development
- Regular correspondence with Client's representatives (phone, email, etc.) as required by the project scope
- Attendance/Participation in up to four (4) 2-hour Client/Consultant coordination and review meetings or teleconferences
- A Design Progress Set of documents will be coordinated and submitted to the Client and Landlord for review and initial pricing at end of Design phase, with review comment revisions incorporated into the document set during Construction Documentation

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#### Construction Documentation Phase Services

- Preparation of Construction Documents, including architectural and engineering drawings and written technical specifications that, when combined with items provided by the Client, will be sufficient for bidding, permitting, Client review, and construction.  
Construction Documentation shall include a minimum of the following drawings:
  - Title and project data sheets
  - Architectural site reference plan
  - Floor plan(s)
  - Reflected ceiling plan(s)
  - Exterior elevations
  - Interior elevations
  - Sections, Details & Schedules
  - Statements of Special Inspections documentation (if required by the approved program)
  - Technical Specifications
  - *3<sup>rd</sup> party Code Consultation (from Preview Group) may likely be required in this Phase. If so, it will be provided as an Additional Service*
- Coordination of Architectural Documents with Engineering Consultants and Client's Vendors
- Regular correspondence with Client's representative (phone, email, etc.) as required by the project scope
- Attendance/Participation in up to four (4) 2-hour Client/Consultant coordination and review meetings or teleconferences

#### Building/Permitting/Review Phase Services

- Provide Construction Documents to the Client and Landlord for technical review (Client) and bidding (Landlord)
- Address questions received in writing from identified and qualified bidders and provide clarifications in response to submitted written Requests For Information (RFIs) during bidding
- Coordinate and submit Construction Documents to the local authorities having jurisdiction (AHJ) for a general building permit, including preparation of the permit applications, coordination of Consultants' documents for submittal and provision of signed, sealed document sets as required to obtain a general building permit. Subsequently, revise of the Construction Documents as required to address building department plan review comments, to obtain their approvals
- Regular correspondence with the Client's representative (phone, email, etc.) as required by the work
- Attendance/Participation in regular Client/Contractor/Landlord coordination and review meetings and teleconferences with the Project Team

#### Construction Phase Services

- Preparation of supplemental architectural documentation/clarification as determined to be necessary by the Architect during the Construction Phase



- Review services for Contractor product submittal/shop drawing in accordance with requirements denoted in the plans and specifications
- Biweekly site visits (1 visit per every two weeks) during Construction Phase
- Review and certification of Contractor prepared payment applications
- Interpretations, decisions, and response to Contractor's reasonable Requests For Information (RFIs) as necessary during Construction
- Review and consult of Contractor prepared Changes in the Work during Construction
- Assistance with Project close-out procedures, including assistance with the preparation and field review of punch-list(s), which are dependent upon Client and Contractor coordination (2 site visits included as part of this task)
- Regular correspondence with Client's representative (phone, email, etc.) as required by scope of the Work
- Attendance/Participation in regular Client/Contractor/Landlord coordination and review meetings and teleconferences with the Project Team

#### **Additional Services**

Services not included in the Architect's Scope of Basic Services as outlined herein, but which may be provided by the Architect as an Additional Service if requested and authorized by the Client, include:

- 3<sup>rd</sup> party Code Consultation (from Preview Group)
- Changes and modifications to the program and/or documents resultant to Historic organizations' review and comment *(required and outside the control of the Architect)*
- Preparation of site surveys and/or geotechnical reports
- Preparation of Architectural renderings, models, and presentation drawings/materials
- Construction cost estimating
- Assistance with bidding procedures, preparation of bid packages to pre-qualified general construction bidders, review of submitted bids and construction contract award
- Preparation of separate, expedited structural bid/review/permit packages (e.g. foundations, structural steel, etc.)
- Construction phasing plans or alternate bid packages
- LEED certification reviews, design or related services
- Program changes after the Design phase
- Value engineering review services and document revisions
- Revisions to documents inconsistent with previous instructions or approvals by the Client
- Revisions to documents due to changes required from Client's inability to render decisions in a timely manner
- Meetings and/or presentations with the city building/zoning officials
- Permit costs/fees
- Special inspections and related reports, as required by governing agencies, during the Construction Phase
- Preparation and distribution of site visit reports with photo documentation
- Construction administration & management procedures and processes
- Consultation concerning repair/replacement of Work damaged or installed incorrectly during Construction
- Preparation of project record drawings
- Professional project photography
- Maintenance and operational programming
- Project startup assistance
- Warranty review
- Facility operations and performance meeting
- Post contract evaluation



**CLIENT PROVISIONS**

At the Client’s request, the Architect’s Basic Services provides limited Construction Phase Services. The Client and Contractor shall be responsible for administering the project and regularly observing the Work beyond the Architect’s scope as defined herein. The Client therefore assumes partial responsibility for discovering, correcting or mitigating errors, inconsistencies, or omissions in the Work.

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At the Client’s request, the design services listed below are not provided by the Architect and may be provided by the Client under separate agreement. Unless otherwise indicated, those services shall be performed by a licensed professional consultant, who shall affix their seals on the appropriate documents prepared by them. The contracts between the Client and the Client’s consultants shall require the consultants to coordinate their drawings and other instruments of service with those of the Architect and to advise the Architect of any potential conflict. The Architect shall have no responsibility for the components of the Project designed by the Client’s consultants. Review by the Architect of the Client’s consultant drawings and other instruments of service are solely for consistency with the Architect’s design concept for the Project. The Architect shall be entitled to rely on the technical sufficiency and timely delivery of documents and services, and shall not be required to review or verify those computations or designs for the compliance with the applicable laws, statutes, ordinances, building codes, and rules and regulations. The Client shall indemnify and hold harmless the Architect, the Architect’s consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorney’s fees, arising out of the services performed by other consultants of the Client.

Professional design services which are not provided by the Architect and which may be provided by the Client under a separate contractual Proposal for this project include:

- Civil engineering design services
- Site lighting design services
- Applicable fire protection system design services (alarm and/or sprinkler)
- Food services and laundry equipment design services

As a condition of this Proposal, the Client agrees to provide the following:

- Access to the Project site for field verification as needed *(via Landlord)*
- Geotechnical engineering services & environmental testing reports (if required)
- Other engineering services, if required but not identified herein
- Shop drawings, product data, samples, etc. as required by Construction Documents (via Client’s Contractor)
- Construction contract with qualified Contractor including AIA standard document ‘A201 - General Conditions for Construction’ as part of the contract
- Written agreements with Client-held consultants

**PROJECT SCHEDULE**

Based upon our current workload, staffing, and project schedules, the Architect team will be prepared to work on this project immediately upon the execution of a signed Proposal and receipt of Client-provided items and payment for prior services for Test Fit / Concept Design.

We anticipate that the Project could be complete per the schedule listed below pending timely Client reviews and approvals:

|   |             |
|---|-------------|
| Design Phase Services.....                              | 4-6 weeks*  |
| <i>*dependent of resolution of Project Program</i>      |             |
| Construction Document Phase Services.....               | 4 weeks     |
| Bidding/Permitting and Review Phase Services.....       | 4-8 weeks** |
| <i>**Subject to City of Cincinnati review processes</i> |             |



Construction Phase Services.....8± months\*\*\*  
 \*\*\*subject to coordination and synchronization with Building Renovation project timeline

**CONSIDERATION / FEES**

**Basic Services**

The Design Phase and Construction Document Phase services are proposed as a stipulated sum, to be billed monthly by percentage of work completed or at completion of a Phase's defined Basic Services.

The Bidding/Permit/Review Phase and the Construction Phase services are proposed to be billed hourly, per the Architect's 'Professional Service Fee Schedule' herein, for actual services rendered. An estimate for these services, based on the outlined Scope of Basic Services and our professional experience has been provided for budgetary purposes.

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The compensation for each of the defined Phases is as follows:

|   |             |                     |
|---|-------------|---------------------|
| Design Phase Services.....                        | \$48,175.00 | (Stipulated Sum)    |
| Construction Document Phase Services.....         | \$78,375.00 | (Stipulated Sum)    |
| Bidding/Permitting and Review Phase Services..... | \$4,740.00  | (Hourly, Estimated) |
| Construction Phase Services.....                  | \$38,300.00 | (Hourly, Estimated) |

**Estimated Total Project Fees for Basic Services .....\$169,590.00 ±**

An upfront payment of \$17,236.00, ten percent (10%) of the Estimated Total Project Fees, shall be made upon execution of this Proposal and prior to commencing services, and shall be credited to the Client's account at the initial invoice.

Reimbursable expenses, such as printing/plotting costs, photographic prints, *etc.*, are not included in the base fees enumerated above and shall be billed in accordance with the attached Terms and Conditions.

This Proposal shall remain valid for a period of thirty (30) days from the date of issue.

The Professional Service Fees applicable to the Scope of Services as defined herein shall be understood to be hourly. The Architect shall periodically advise the Client of the accrued balance so that both parties can monitor billing amounts. Invoices for services and reimbursable expenses shall be submitted, at the Architect's option, either upon completion of the services for a given Phase or on a monthly basis. Invoices shall be payable within 30 days after the invoice date. A service charge of 1.5% (or the maximum legal rate) per month will be applied to the unpaid balance after 30 days from the invoice date. The Architect shall have the right to suspend/terminate services if payment is not received within 30 days after the invoice date and the Architect shall have no liability for any resultant delays or damages incurred by Client as a result of such suspension/termination. Retainers, if applicable, shall be credited on the final invoice. The Client agrees to pay all costs of collection, including reasonable attorney's fees. The Architect reserves the right to adjust hourly rates at the end of each calendar year.

The Client explicitly understands and agrees that the Architect's fees for professional services for this project are payable per the terms stated herein and are not dependent upon funding for the project, approval by agencies, or the construction of the project. The Architect will not issue complete contract documents for the purpose of bidding or permit application if the Client's account is not current.

**PROFESSIONAL SERVICE FEE SCHEDULE**

The Architect's standard schedule of professional service fees is as follows:

newrepublicarchitecture.com  
 404 E 12th Street, Suite C1  
 cincinnati, ohio



**Fee Schedule**

Designer .....\$50/hour  
Architect.....\$75-\$100/hour  
Principal.....\$125/hour

**Additional Services**

The proposed scope of services and related professional service fees are based upon the Architect's understanding of the Project at the time of this Proposal and are based upon the project program, site information, discussions with the Client, and other Client provided information. Changes in the project scope determined after this date may entail additional professional services.

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In addition, Additional Services, if requested by the Client, will be provided on an hourly basis based per the Architect's 'Professional Service Fee Schedule' above and will be provided only upon authorization from the Client.

**Reimbursable Expenses**

Not included in the above listed services are out-of-pocket reimbursable expenses such as those listed below:

- CAD plotting, printing, and photo copy reproduction costs
- Project professional photography
- Postage and courier delivery services
- Mileage costs at the prevailing Internal Revenue Service rate
- Out of town travel expenses
- Third party consulting fees not included in Basic Services
- Liability insurance premiums/costs, in excess of that normally carried by the Architect, specific to the Project as requested by the Client

Reimbursable expenses shall be invoiced with a mark-up of no greater than 15% (1.15x).

We appreciate the opportunity to submit this Proposal to you and Esoteric Brewing and we look forward to your favorable response. If you have any questions, or if we can be of further assistance, please call at your earliest convenience.

If this Proposal is acceptable to you, please execute the attached Project Proposal Approval Form and return to Architect along with any other upfront items required herein. This Proposal may stand as our Agreement; or, if desired by one of the parties, a Standard AIA Client/Architect Agreement may be prepared including a copy of this Proposal as Exhibit A, fully incorporated and attached thereto. In such case, a fully executed version of this Proposal will serve as our Agreement until an AIA Standard Form of Agreement has been successfully executed.

We look forward to the possibility of working with you, and the successful completion of this Project.

Sincerely,

Graham Kalbli, AIA, LEED AP  
Principal

newrepublicarchitecture.com  
404 E 12th Street, Suite C1  
cincinnati, ohio



## TERMS and CONDITIONS

### FEES/ BILLINGS/PAYMENTS

The Professional Service Fees applicable to the Scope of Services as defined herein shall be understood to be both stipulated sum and hourly, depending on the eservice rendered. The Architect shall periodically advise the Client of the accrued balance so that both parties can monitor billing amounts. Reimbursable expenses shall be invoiced with a mark-up of no greater than 15% (1.15). Invoices for services and reimbursable expenses shall be submitted, at the Architect's option, either upon completion of the services or on a monthly basis. Invoices shall be payable within 30 days after the invoice date. A service charge of 1.5% (or the maximum legal rate) per month will be applied to the unpaid balance after 30 days from the invoice date. The Architect shall have the right to suspend/terminate services if payment is not received within 30 days after the invoice date and the Architect shall have no liability for any resultant delays or damages incurred by Client as a result of such suspension/termination. Retainers, if applicable, shall be credited on the final invoice. The Client agrees to pay all costs of collection, including reasonable attorney's fees. The Architect reserves the right to adjust hourly rates at the end of each calendar year.

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### CLIENT AGREEMENTS

The Client shall provide and timely supplement the Architect with all agreements, which may relate to or affect the project's programming, design, construction and/or administration prior to the Architect beginning any professional service, or at the time an agreement becomes available.

### CLIENT PERFORMED WORK

Client agrees that any self-performed work will not interfere with the Architect's services, or affect the Architect's standard of care. The Client shall timely coordinate all self-performed work to allow the Architect's services to proceed as agreed. Client's failure to coordinate its work, timely act, and/or timely disclose all material information related to the project may constitute substantial non-performance under this Agreement. During the Construction Phase the Client acknowledges and agrees to accept all Client directed/performed deviations from the Contract Documents, as noted by the Architect. Further the Client agrees to indemnify and hold Architect harmless for any claim, damage, or expense resulting from these deviations.

### MUTUAL COOPERATION

The Client shall cooperate fully with the Architect, to proceed with the project on the basis of trust and good faith, and to perform its responsibilities, obligations and work in a manner that allows the Architect to timely and efficiently perform its services.

### RISK ALLOCATION

In recognition of the relative risks, rewards and benefits of the Project to both Client and the Architect, the risks have been allocated such that Client agrees to limit the Architect's liability for any and all claims, losses, costs, expenses and/or damages of any nature whatsoever, including reasonable attorney's fees and costs and expert witness fees and costs, so that the total aggregate liability of the Architect shall not exceed the amount of the Architect's available insurance proceeds/fee, or, if then outstanding, such portion of the fee actually paid by Client. It is intended that this limitation shall apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### CERTIFICATIONS/GUARANTEES/WARRANTIES

The Architect shall not be required to author or execute any document that would certify, guarantee or warrant the existence of conditions that the Architect has not been contracted to ascertain, over which the Architect has no control, or which were affected by another's actions or conduct, or which fail to comply with the Contract Documents.

### FIDUCIARY OFFERING

The Architect, the Architect's consultants, and their agents or employees have not offered any fiduciary service to Client and no fiduciary responsibility shall be owed to Client.

### TERMINATION/SUSPENSION/ABANDONMENT

In the event of termination, suspension or abandonment of the Project by the Client, the Architect shall be compensated for services performed, including all reimbursable expenses, and reasonable termination expenses. The Client's failure to make payments under this Agreement shall be deemed substantial nonperformance and sufficient cause for the Architect to suspend or terminate services. The Architect may terminate this Agreement, after seven days written notice, if the Project is suspended for more than 90 days, or if Client substantially fails to perform under this Agreement.

### RELATIONSHIP OF THE PARTIES

All services provided by Architect are for the sole use and benefit of the Client. Nothing in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or the Architect.

*The Owner and Consultant acknowledge and agree that nothing herein contained is intended to constitute them as employer/employee, joint venturers or partners, it being their intention that Consultant is an independent Consultant. The*



*Owner and Consultant acknowledge and agree that the personnel employed by Consultant in performing the Work shall remain at all times employees of Consultant, and Consultant shall remain solely liable for all aspects of the employment of such persons including, recruitment, termination, training, promotion, compensation, benefits, F.I.C.A., payroll taxes and all other deductions or payments to be made by employers for or on behalf of employees.*

**UNAUTHORIZED CHANGES**

If the Client, or anyone for whom the Client is contractually responsible, makes or permits to be made any changes to the documents/ construction documents prepared by the Architect and its sub-consultants without obtaining the Architect's prior written consent, the Client shall assume full responsibility for the consequences of the unauthorized changes, waives any claim against the Architect and its sub-consultants, and releases the Architect and its sub-consultants from any liability arising directly or indirectly from such changes. The Client further agrees to compensate the Architect and its Sub-Consultants for all Additional Services required to modify, correct or adjust the Construction Documents and coordinate them in order to meet the Client's scheduling requirements because of the Client's decision to construct the project in a fast-track manner.

**PROJECT DUE DILIGENCE**

The Client agrees that services performed under this agreement are conceptual in nature and are a part of the Client's due diligence period. These services are part of other due diligence tasks to be performed by the Client during this phase. The Client agrees that services performed under this agreement may include, but are not limited to, conceptual design, programming and preliminary building code review, and therefore the Client agrees not to make Project decisions or financial commitments to the Project based solely on the preliminary services performed by the Architect under this Agreement.

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**GOVERNANCE**

This Agreement is to be governed by and construed in accordance with the laws of Ohio, without regard to its conflict of law principles. Any action brought under this Agreement shall be brought only in a court of competent jurisdiction located in Hamilton County, Ohio. The parties consent to the exclusive jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to them.

**STANDARD OF CARE**

In providing services under this Agreement, the Architect will endeavor to perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. The Architect will perform its services as expeditiously as is consistent with professional skill and care and the orderly progress of the Architect's part of the Project. Regardless of any other term or condition of this Agreement, the Architect makes no express or implied warranty of any sort. All warranties, including warranty of merchantability or warranty of fitness for a particular purpose, are expressly disclaimed.

**CONSEQUENTIAL DAMAGES**

Notwithstanding any other provision to the contrary, and to the fullest extent permitted by law, neither the Client nor the Architect shall be liable to the other for any incidental, indirect or consequential damages arising out of or connected in any way to the Project or this Agreement. This mutual waiver of consequential damages shall include, but not be limited to, loss of use, loss of profit, loss of business or income or any other consequential damages that either party may have incurred from any cause of action whatsoever.

**HIDDEN CONDITIONS**

A condition is hidden if concealed by existing finishes or is not capable of investigation by reasonable visual observation. If the Architect has reason to believe that such a condition may exist, the Client shall authorize and pay for all costs associated with the investigation of such a condition. If (1) the Client fails to authorize such investigation after such due notification, or (2) the Architect has no reason to believe that such a condition exists, the Architect shall not be responsible for the existing conditions or any resulting damages or losses resulting therefrom.

**HAZARDOUS MATERIAL/MOLD**

The Architect shall have no responsibility for the discovery, presence, handling, removal, disposal or exposure of persons to hazardous materials of any form including mold. The existing or constructed building may, as a result of post-construction, use, maintenance, operation or occupation, contain or be caused to contain mold substances which can present health hazards and result in bodily injury, property damage and/or necessary remedial measures and costs for which the Architect shall have no responsibility.

**IDEMNIFICATIONS**

The Client agrees, to the fullest extent permitted by law, to indemnify and hold the Architect and its subconsultants harmless from and against any and all damage, losses or cost (including reasonable attorneys' fees and defense costs) caused in whole or in part by its acts, errors or omissions and those of anyone for whom they are legally liable. The Architect further agrees to indemnify the Client for damages to the extent arising from its own negligent errors acts or omissions.

**CONTINGENCY**

The Client acknowledges that additional costs may result due to the imperfect nature of the design and construction process and that the final design cost and/or construction cost of the project may exceed the design budget and/or construction budget. The Client should prepare and plan for clarification and modifications which may impact both the cost and schedule of the project.



#### **OWNERSHIP OF DOCUMENTS**

All documents produced by the Architect under this Agreement, including electronic files, shall remain the property of the Architect and may not be used by this Client for any other purpose without the written consent of the Architect. Any such use or reuse shall be at the sole risk of Client who shall defend, indemnify and hold the Architect and its subconsultants harmless from any and all claims and/or damages arising therefrom. Electronic files are not contract documents and cannot be relied upon as identical to contract documents because of changes or errors induced by translation, transmission, or alterations while under the control of others. Use of information contained in the electronic files is at the user's sole risk and without liability to the Architect and its consultants.

#### **DEFECTS IN SERVICE**

The Client shall promptly report to the Architect any defects or suspected defects in the Consultant's services. The Client further agrees to impose a similar notification requirement on all contractors in its Client/Contractor contract and shall require all subcontracts at any level to contain a like agreement. Failure by the Client and the Client's contractors or subcontractors to notify the Consultant shall relieve the Consultant of the costs of remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

#### **DISPUTE RESOLUTION**

*With respect to any dispute involving the interpretation or application of this Agreement, prior to instituting litigation the parties will use their reasonable best efforts to resolve such dispute. If the parties cannot resolve such dispute within thirty (30) days after one party notifies the other, any claim or dispute between the Client and the Architect shall be submitted to non-binding mediation, subject to the parties agreeing to a mediator(s). If the Parties cannot agree upon a mediator, the claim or dispute shall be submitted to the American Arbitration Association (AAA) for mediation in accordance with the Construction Arbitration and Mediation Rules of the AAA then in effect. Unless otherwise specified, the laws of the State of Ohio shall govern this agreement.*

#### **FAST TRACK CLAUSE**

In consideration of the benefits to the Client of employing the "fast-track" process (in which some of the Architects design services overlap the construction work and are out of sequence with the traditional Project delivery method), and in recognition of the inherent risks of fast-tracking to the Architect and its Sub-Consultants, the Client agrees to waive all claims against the Architect and its Sub-Consultants for design changes and modification of portions of the Work already constructed due to the Client's decision to employ the fast-track process.

#### **HISTORIC PRESERVATION TAX CREDITS**

The Client acknowledges that due to the subjective nature of both the Federal and State Tax Credit programs the Architect cannot guarantee the approval of the Project for either or both tax credit awards. The Architect will make reasonable efforts to optimize the Project's chance at a successful application, and the Client agrees that the final decision on the tax credit award lies with both the Ohio Development Advisory Services office and the National Park Service.

#### **BETTERMENT**

If a required item of the Project is omitted from the Architect's documents, the Architect shall not be responsible for paying the cost required to add such item to the extent that such item or component would have been included or required in the Architect's original documents. In no event will the Architect be responsible for any costs or expense that provides betterment or upgrades or enhances the value of the Project.

#### **CERTIFICATE OF MERIT**

The Client shall make no claim for professional negligence, either directly or by way of a cross complaint against the Consultant, unless the Client has first provided the Consultant with a written certification executed by an independent consultant currently practicing in the same discipline as the Consultant and licensed in the State where the services are performed. This certification shall: (a) contain the name and license number of the certifier; (b) specify the acts or omissions that the certifier contends are not in conformance with the standard of care for a consultant performing professional services under similar circumstances; and (c) state in detail the basis for the certifier's opinion that such acts or omissions do not conform to the standard of care. This certificate shall be provided to the Consultant not less than thirty (30) calendar days prior to the presentation of any claim or the institution of any arbitration or judicial proceeding. This Certificate of Merit clause will take precedence over any existing state law in force at the time of the claim or demand for arbitration.

#### **CONFIDENTIALITY**

*The Owner may disclose to Consultant or its personnel information that is confidential or proprietary to the Owner and/or one or more of its Affiliates ("Confidential Information"). Confidential Information includes information and Materials related to the business, affairs and/or procedures of the Owner, or to the designs, programs, flowcharts and documentation of the Owner's information technology, whether or not owned by the Owner. Confidential Information does not include any information that is: (a) in or enters into the public domain through no wrongful act of Consultant; (b) rightfully received from a third party without restriction and without breach of this Agreement; (c) approved for release by written authorization of the Owner; or (d) already in Consultant's possession as evidenced by its records and is not the subject of a separate nondisclosure agreement.*

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Consultant will not, and will cause each of its employees, agents, subcontractors and Affiliates not to, either during or after the term of this Agreement: (a) disclose any Confidential Information to any third party (except as required by applicable law, regulation or legal process, but only after compliance with this Section 8.2) or to any employee, agent, subcontractor or Affiliate of Consultant other than on a "need to know" basis; or (b) use Confidential Information for its own advantage, other than in the performance of this Agreement. Consultant will hold in confidence the Confidential Information and will use Confidential Information solely to provide the Work. Consultant will take all reasonable precautions necessary to safeguard the Owner's Confidential Information that is within Consultant's control or knowledge. Upon the Owner's request, Consultant will return all Confidential Information. In the event that Consultant or any of its employees, agents, subcontractors or Affiliates is required by applicable law, regulation or legal process to disclose any Confidential Information, Consultant will (a) notify Owner immediately so that Owner may seek a protective order or other appropriate remedy and (b) exercise all reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.

Consultant agrees not to disclose to any third party the nature or content of the Work which Consultant performs for the Owner pursuant to this Agreement.

**OWNERSHIP OF MATERIALS**

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Consultant acknowledges and agrees that all original materials produced by Consultant pursuant to this Agreement, whether in finished or incomplete form, including all drawings, renderings, CAD files, and print and audio-visual materials such as design, photographs, lay-outs and art work (the "Materials") are works-made-for-hire and shall belong exclusively to the Owner. The Consultant hereby irrevocably assigns all copyrights and any other intellectual property or proprietary rights in such Materials to the Owner. No rights are reserved to the Consultant.

Consultant agrees not to install or use any proprietary software of a third party on the Owner's computer system, premises or other tangible property unless Consultant has obtained, in writing, the software owner's permission or license to do so and the Owner's written agreement to do so.

**NON-SOLICITATION**

The Owner and Consultant mutually agree to refrain from hiring or soliciting for hire any employee or personnel of the other who is assigned to the Work during the term of this Agreement and for a period of one (1) year from the termination hereof. Consultant also agrees that during the term of this Agreement neither Consultant nor any entity or other person affiliated with Consultant shall, directly or indirectly, induce or permit, any employee of the Owner to perform services of any kind for Consultant, or any such entity or other person (whether during such employee's normal working hours or otherwise), for which such employee is compensated in any manner by Consultant, or such entity or other person.

**USE OF NAME**

Consultant shall not use the name, trade name, service marks, trademarks, trade, dress or logos of the Owner (or any of its Affiliates) in publicity releases, advertising or any other publication without the Owner's prior written consent

**ASSIGNMENT**

Consultant will not assign this Agreement, in whole or in part, without the Owner's prior written permission.

**NOTICES**

All requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given (a) when received, if delivered in person, or (b) when sent, if sent by facsimile with receipt confirmed, or (c) three (3) Business Days following the mailing thereof, if mailed by certified first class mail, postage prepaid, return receipt requested, in any such case.

**BINDING EFFECT**

This Agreement shall be binding upon and shall inure to the benefit of the Owner and Consultant, their respective successors and assigns; provided, however, that Consultant may not transfer or assign its rights or obligations under this Agreement without the prior written consent of the Owner.

**ENTIRE AGREEMENT, AMENDMENTS**

The provisions, terms and conditions of this Agreement (including its schedules) represent the entire agreement of the parties with regard to the subject matter of this Agreement and supersede any prior oral or written matter not included herein. No waiver, modification, change or amendment of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom such claimed waiver, modification, change or amendment is sought to be enforced.



**PROJECT PROPOSAL APPROVAL FORM**

**CLIENT** Esoteric Brewing Company, LLC  
3713 Charloe Ct.  
Cincinnati, OH 45227

**PROJECT NAME** *Esoteric Brewery & Taproom*  
900 E. McMillan St.  
Cincinnati, OH 45206  
*Walnut Hills Neighborhood*

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**PROPOSAL DATE** *JANUARY 4, 2018, REVISED*  
**PROJECT NUMBER** 2017-039

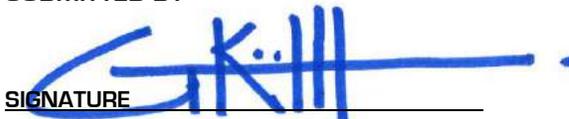
**PROJECT FEE** **\$169,590.00** *(Estimated Total)*

**PROPOSED START DATE** Upon Authorization to Proceed

The Client authorized the Architect to proceed with the Project in accordance with the attached Proposal of Professional Design Services. Authorization by the Client to proceed, whether oral or written, constitutes acceptance of the terms and conditions of this Proposal, without modification, addition, or deletion. In the event the Client's acknowledgement, invoice, or other form state terms additional to or different from those set forth herein, this shall be deemed a notification of objection to such additional and/or different terms and a rejection thereof. No waiver or modification of the terms and conditions set forth herein shall be binding upon the Architect unless made in writing and signed by the Architect's authorized representative.

**SUBMITTED BY**

**CLIENT AUTHORIZATION**

**SIGNATURE** 

**SIGNATURE** \_\_\_\_\_

**Graham Kalbli, AIA, LEED AP** \_\_\_\_\_

**PRINT NAME** \_\_\_\_\_

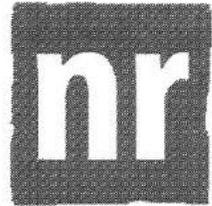
**TITLE** Principal \_\_\_\_\_

**TITLE** \_\_\_\_\_

**DATE** 01.04.18 \_\_\_\_\_

**DATE** \_\_\_\_\_

In order for the Architect to commence services on this project, a fully executed copy of this agreement plus any required upfront documents and payment must be received by the Architect.



**PROJECT PROPOSAL APPROVAL FORM**

**CLIENT** Esoteric Brewing Company, LLC  
3713 Charloe Ct.  
Cincinnati, OH 45227

**PROJECT NAME** *Esoteric Brewery & Taproom*  
900 E. McMillan St.  
Cincinnati, OH 45206  
*Walnut Hills Neighborhood*

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**PROPOSAL DATE** *JANUARY 4, 2018, REVISED*  
**PROJECT NUMBER** 2017-039

**PROJECT FEE** \$169,590.00 *(Estimated Total)*

**PROPOSED START DATE** Upon Authorization to Proceed

The Client authorized the Architect to proceed with the Project in accordance with the attached Proposal of Professional Design Services. Authorization by the Client to proceed, whether oral or written, constitutes acceptance of the terms and conditions of this Proposal, without modification, addition, or deletion. In the event the Client's acknowledgement, invoice, or other form state terms additional to or different from those set forth herein, this shall be deemed a notification of objection to such additional and/or different terms and a rejection thereof. No waiver or modification of the terms and conditions set forth herein shall be binding upon the Architect unless made in writing and signed by the Architect's authorized representative.

**SUBMITTED BY**

**CLIENT AUTHORIZATION**

**SIGNATURE**

**SIGNATURE**

**Graham Kalbli, AIA, LEED AP**

**PRINT NAME** *Briana Jackson*

**TITLE** *Principal*

**TITLE** *CEO, Founder*

**DATE** *01.04.18*

**DATE** *01/15/2018*

In order for the Architect to commence services on this project, a fully executed copy of this agreement plus any required upfront documents and payment must be received by the Architect.

**Quality Tank Solutions, LLC**  
**TERMS AND CONDITIONS OF SALE**

- 1. CONTROLLING PROVISIONS:** These terms and conditions constitute all of the terms and conditions upon which Quality Tank Solutions, LLC ("QTS") agrees to provide the goods and services described in the attached quote. The rights and obligations of QTS and Customer shall be governed exclusively by the attached quote and these terms and conditions. These terms and conditions supersede any provisions, terms and conditions on any purchase order or other document given to either party (except for QTS's invoices) and QTS objects to any terms contained in any other such document. QTS deems all of these terms and conditions to be material.
- 2. PRICES:** The price(s) identified on the attached quote are based on current costs and are subject to QTS's right to withdraw the quotation at any time prior to Customer's acceptance. All written quotations are to be considered effective for a period not to exceed thirty (30) days from the date of the quotation unless an alternative period is specified in the quotation.
- 3. TERMS OF PAYMENT:** Customer shall pay QTS for the goods and services as specified in the quotation. All payments shall be made in currency of the United States of America. Customer agrees to pay a finance charge of one and one-half percent (1.5%) per month on all amounts not paid on or before the date stated on the invoice. Customer agrees to pay all costs incurred by QTS in the collection of amounts due hereunder, including, without limitation, reasonable attorney's fees and costs.
- 4. TAXES:** Sales, use, excise or similar taxes relating to the sale of the goods and services to Customer (collectively "Sales Taxes") are not included in QTS's prices in the attached quote unless specified. It is anticipated that Sales Taxes will not be due with respect to the sale of goods and services hereunder. QTS will provide to Customer, and Customer will complete and return to QTS, all necessary Sales Tax exemption documents. Sales Taxes with respect to any goods and services purchased by Customer from QTS that do not qualify for exemption from Sales Taxes will be the responsibility of the Customer and will be billed by QTS at the time of the shipment.
- 5. WARRANTY:** QTS warrants to the first user, Customer, that the equipment and components manufactured by QTS will be free from defects in material and workmanship under normal use and proper maintenance for a period of one (1) year from the shipment date. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE OR OTHERWISE. This warranty is NULL and VOID if the equipment and components manufactured by QTS are modified or changed in any way by Customer or is used in a manner inconsistent with the purpose it was initially designed. For any breach of warranty, Customer's exclusive remedy and QTS's sole obligation and entire liability, at QTS's sole discretion, shall be either: (1) to repair or replace the equipment or equipment which after QTS's examination discloses to be defective, or (2) payment of the price of making such repair or replacement. QTS neither assumes nor authorizes any other person to assume for QTS any liability in connection with sale of its products or services, and no other warranty will be honored unless in writing and signed by an authorized officer of QTS. QTS will not assume any charges for repairs made during the warranty period by anyone other than QTS. Any equipment and equipment not manufactured by QTS will be assigned to Customer upon request.
- 6. LIMITATION OF LIABILITY; NO CONSEQUENTIAL OR INDIRECT DAMAGES:** QTS SHALL NOT, IN ANY EVENT, BE LIABLE FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES ARISING OUT OF OR RELATING TO THE GOODS AND SERVICES PROVIDED HEREUNDER, WHETHER BASED IN WARRANTY, CONTRACT, EQUITY, TORT OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, LIABILITY FOR LOSS OF PRODUCTION TIME, OR PROFITS OR PRODUCTS, OF CUSTOMER OR ANY USER WHILE EQUIPMENT IS OUT OF COMMISSION, OR FOR ANY LABOR OR ANY OTHER EXPENSE, DAMAGE, OR LOSS OCCASIONED BY ANY PRODUCT FAILURE. QTS'S TOTAL AGGREGATE LIABILITY ARISING OUT OR RELATING TO THE GOODS AND SERVICES PROVIDED HEREUNDER SHALL BE LIMITED TO AND SHALL NOT EXCEED THE TOTAL PAYMENTS ACTUALLY RECEIVED BY QTS FROM CUSTOMER HEREUNDER.
- 7. CANCELLATION:** Customer's cancellation of a QTS order must be approved in writing by QTS, and Customer shall be liable for cancellation charges based upon total selling price less estimated unexpended costs calculated by QTS. Customer agrees to pay QTS for all loss, damages or expenses incurred by QTS due to the cancellation including, but not limited to the cost of special materials, non-resalable goods, completed or in process, labor, freight, engineering time, overhead and profit.
- 8. INSTALLATION AND COMMISSIONING:** Customer is responsible for rigging, receiving, storing, installing, commissioning and maintaining the equipment. Upon Customer's request, QTS will provide a quote for such services.
- 9. CHANGES AND RESCHEDULES:** Any changes by Customer affecting equipment, function, specification, destination, delivery or otherwise affecting the scope of the work must be expressed and approved in writing by QTS. QTS reserves the right to charge Customer additional handling and storage charges resulting from Customer changes or delays.
- 10. DELIVERY TERMS:** The scheduled delivery dates set forth in the Quotation are estimates and subject to delays. QTS will attempt to make shipment within the time specified after full information is provided by Customer. QTS will not be held responsible for any delays beyond its reasonable control.
- 11. SHIPMENT TERMS-PASSAGE OF TITLE:** Transportation expenses shall be paid by Customer unless otherwise indicated in the attached quote. QTS's delivery to carrier constitutes passage of title to Customer. Risk of loss shall pass to Customer concurrently with passage of title. Goods shall be at the risk of Customer from and after delivery to carrier, and Customer assumes all responsibility for shortage, loss, delay, or damage in transit. QTS shall not be responsible for handling marks, scratches, scuffs, etc., on painted exterior surfaces incurred after leaving its location.

12. **CORROSION LIMITATION:** QTS shall not be responsible for the corrosion resistance of, or any resulting damage to, equipment or components used in contact with corrosive materials (such as, salts, free chlorides, or other corrosives) without written consent of such corrosive conditions by QTS.

13. **GOVERNING LAW:** The attached quote and these terms and conditions shall be governed by and construed under the laws of the State of Wisconsin without giving consideration to its choice of law provisions.

14. **COMPLETE AGREEMENT:** These terms and conditions shall constitute the complete and final agreement and understanding between Customer and QTS, and shall not be modified in any way unless agreed in writing by an authorized representative of Customer and QTS.

15. **COUNTERPARTS:** These terms and conditions may be executed in counterparts, each of which shall be deemed as an original instrument, but all of which taken together will constitute a complete instrument. Signatures sent by facsimile or portable document format (.pdf) will be deemed to be original signatures for all purposes.

QTS:

QUALITY TANK SOLUTIONS, LLC

By: [Signature]  
Name: James Dean Swartz  
Title: District Manager  
Date: 3-1-18

CUSTOMER:

Esoteric Brewing Company, LLC

By: [Signature]  
Name: Brian Jackson  
Title: CEO/Founder  
Date: 01/29/2018

Revised: 2016-06-13

## Investor Benefit Agreement

This Investor Benefit Agreement (“**Agreement**”), is effective as of [ \_\_\_\_\_ ] (the “**Effective Date**”) by and between Esoteric Brewing Company, LLC. (“**Company**”), a Ohio (*state*) corporation, and [ \_\_\_\_\_ ], an individual resident of the state of [ \_\_\_\_\_ ], (“**Investor**”). For good and valuable consideration the receipt and sufficiency of which the parties acknowledge, the parties hereby agree as follows:

1. **Investment Agreement.** On or before the Effective Date, Company and Investor entered into a Subscription Agreement

dated [ \_\_\_\_\_ ] (the “**Investment Agreement**”) pursuant to which Investor invested in or loaned Company [U.S.\$ \_\_\_\_\_ ] (the “**Investment Amount**”).

2. **Investment Benefits.** By entering into the Investment Agreement, Company may offer Investor one or more of the following benefits as described in **Exhibit A** attached.
3. **Term.** This Agreement, and all of the terms set forth in this Agreement, will terminate upon the termination date of the Investment Agreement.

4. **General Provisions.**

- a. **Governing Law.** This Agreement shall be governed by the laws of the State of Ohio, excluding its conflict of law provisions. For any disputes arising out of this Agreement, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts located in Ohio [STATE].
- b. **Severability.** If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will be unimpaired and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.
- c. **No Assignment.** This Agreement and Contractor’s rights and obligations under this Agreement may not be assigned, delegated, or otherwise transferred, in whole or in part, by operation of law or otherwise, by Investor without Company’s express prior written consent. Any attempted assignment, delegation, or transfer in violation of the foregoing will be null and void.
- d. **Notices.** Each party must deliver all notices, consents, and approvals required or permitted under this Agreement in writing to the other party at the address listed in the preamble by courier, by certified or registered mail (postage prepaid and return receipt requested), or by a nationally-recognized overnight carrier. Notice will be effective upon receipt or refusal of delivery. Each party may change its address for receipt of notice by giving notice of such change to the other party.
- e. **Waiver.** All waivers must be in writing and signed by the party waiving any rights. Any waiver of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

**f. Entire Agreement; Amendments.** This Agreement is the final, complete, and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior or contemporaneous communications and understandings between the parties. No modification of or amendment to this Agreement will be effective unless in writing and signed by the party to be charged.

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

(“COMPANY”) \_\_\_\_\_ (“INVESTOR”)

Signed: \_

Signed: \_

Name: \_

Name: \_

Address:

Address:

\_\_\_\_\_

\_\_\_\_\_

## Exhibit A - Investment Benefits

The Company will provide investors perks based on the thresholds of their investment as per the following list below\*:

+\$100: Esoteric Glassware (First 250). Esoteric glassware features the logo and is the ideal shape to experience the flavors of our beer styles.



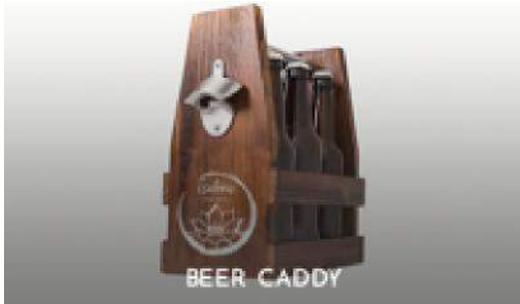
+\$250: Esoteric Tile Coasters + previous perks (First 200). These Esoteric coasters will be a beautiful set for your home bar or entertainment area.



+\$500: Esoteric Keychain and Growler with 10% merch discount (excluding alcohol) + previous perks (First 150). The bottle-opener keychain doubles as a re-usable discount card for whenever you buy merchandise on-site.



+\$1000: Bottle Release Club Member & Esoteric Beer Caddy + previous perks (First 100). You'll get first access to all of special bottle releases.



+\$5,000 - Esoteric Bottle & Stemware Rack + previous perks (First 50). The rack is a perfect way to store bottles in your home collection.



+\$10,000 - Esoteric Private Opening Party + previous perks (First 25). We'll host a private party for you and 4 of your friends before we do the grand opening.



+\$25,000 - Esoteric Whiskey Barrel + Brew with the Founder's Day + previous perks (First 10).  
You get a day to brew with our master brewer and create your very own batch of whiskey barrel-aged beer. You get to keep the barrel too!



\*Disclaimer: Actual items you receive may look slightly different from the pictures.

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Exhibit 11.1.

**ESOTERIC BREWING, LLC**  
**CONSENT OF INDEPENDENT AUDITOR**

We consent to the use in this Offering Statement on Form 1-A of our Independent Auditors' Reports dated May 22, 2018, relating to the balance sheet of Esoteric Brewing Company, LLC, and the related statements of operations, member's equity, and cash flows for those periods, and the related notes to the financial statement; as well as the auditor's report dated April 20, 2018.

Franz CPAs, Inc.

By: Anthony J. Borgerding

Title: Audit Manager

Signature: /s/ Anthony J. Borgdering

Cincinnati, Ohio  
September 21, 2018

**Anthony R. Robertson**  
Direct: 513.629.2807  
arobertson@graydon.law

July 24, 2018

**VIA EDGAR**

Securities and Exchange Commission  
Division of Corporation Finance  
Office of Beverages, Apparel and Mining  
100 F Street, N.E.  
Washington, DC 20549

Ladies and Gentlemen:

We have acted as counsel to Esoteric Brewing Company, LLC, an Ohio limited liability company (the “Company”), in connection with its Offering Statement on Form 1-A, as amended (File No. 024-10830), relating to the Company’s offer and sale of up to 7,492 Series C Membership Interests (the “Securities”) and the qualification of such Securities under the Securities Act of 1933, as amended (the “Act”).

As counsel for the Company, we have examined such corporate records, certificates, documents and matters of law as we have deemed necessary or appropriate for the purposes of this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to such original documents of all copies submitted to us as certified, conformed or photographic copies, and, as to statements of the officers of the Company and certificates of public officials, we have assumed the same to have been properly given and accurate.

Based upon such examination and the assumptions set forth herein, we are of the opinion that the Securities have been duly authorized by all necessary corporate action of the Company and, upon payment for and delivery of the Securities in accordance with the Offering Statement, will be validly issued, fully paid, and non-assessable.

The foregoing opinion is limited to the federal laws of the United States, and we are expressing no opinion as to the effect of the laws of any other jurisdiction. In rendering this opinion, we have considered the current provisions of such laws and regulations as currently in effect, which laws and regulations are subject to change which changes may be retroactively applied. We do not undertake to advise you of any such changes or we assume

Securities and Exchange Commission

July 3, 2018

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no obligation to revise or supplement this opinion should any such changes occur after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Company's Form 1-A, as amended, as filed with the Securities and Exchange Commission. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

GRAYDON HEAD & RITCHEY LLP

/s/Anthony R. Robertson

ARR/tsl