

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA RECOMMENDING TO THE NEBRASKA LIQUOR CONTROL COMMISSION, APPROVAL OF THE CLASS C LIQUOR LICENSE APPLICATION FOR PATRIARCH DISTILLERS LLC DBA PATRIARCH DISTILLERS IN LA VISTA, NEBRASKA.

WHEREAS, Patriarch Distillers LLC dba Patriarch Distillers, 12251 Cary Circle, Suite 100, La Vista, Sarpy County, Nebraska, has applied to the Nebraska Liquor Control Commission for a Class C Liquor License, and

WHEREAS, the Nebraska Liquor Control Commission has notified the City of said application, and

WHEREAS, the City has adopted local licensing standards to be considered in making recommendations to the Nebraska Liquor Control Commission, and

WHEREAS, said licensing standards have been considered by the City Council in making its decision.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, hereby recommend to the Nebraska Liquor Control Commission approval of the Class C Liquor License application submitted by Patriarch Distillers LLC dba Patriarch Distillers, 12251 Cary Circle, Suite 100, La Vista, Sarpy County, Nebraska.

PASSED AND APPROVED THIS 5TH DAY OF NOVEMBER, 2013.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Bueth, CMC
City Clerk



<p>LA VISTA POLICE DEPARTMENT INTER-DEPARTMENT MEMO</p>
--

TO: Pam Buethe, City Clerk

FROM: Chief Robert S. Lausten

DATE: September 10, 2013

RE: LOCAL BACKGROUND- CORPORATE LIQUOR LICENSE-
CORPORATE MANAGER-PATRIARCH DISTILLERS

CC:

The police department conducted a check of computerized records on the Corporate Liquor License applicant, Jeff Hadden, regarding the Liquor License application for the Patriarch Distillers. There is no local criminal history.

► RECEIPT

10/4/2013

From: Jackie B Matulka – jackie.matulka@nebraska.gov
Phone: (402) 471 – 4881
Fax: (402) 471 – 2814
Nebraska Liquor Control Commission

To: City Clerk of La Vista – pbuethe@cityoflavista.org
App Info: Patriarch Distillers LLC DBA Patriarch Distillers
Class C 105100

PLEASE COMPLETE THE BOTTOM SECTION IMMEDIATELY UPON RECEIPT OF THIS APPLICATION

SIGN AND DATE STAMP THIS RECEIPT AND EITHER FAX OR EMAIL THIS FORM BACK

--THANK YOU

10-4-13

DATE OF RECEIPT

SIGNATURE

Mandy Canod Deputy City Clerk - La Vista

RECOMMENDATION OF THE NEBRASKA LIQUOR CONTROL COMMISSION

Date delivered from NLCC office: October 4, 2013

JBM

I, _____ Clerk of _____
(City, Village or County)

Nebraska, hereby report to the Nebraska Liquor Control Commission in accordance with Revised Statutes of Nebraska, Chapter 53, Section 134 (7) the recommendation of said city, village or county, as the case may be relative to the application for a license under the provisions of the Nebraska Liquor Control Act as applied for by:

Patriarch Distillers LLC DBA Patriarch Distillers

12251 Cary Circle, Suite 100, La Vista, NE 68128 (Sarpy County)

NEW APPLICATION for Class C 105100

45 days – November 18, 2013

1. Notice of local hearing was published in a legal newspaper in or of general circulation in city, village or county, one time not less than 7 nor more than 14 days before time of hearing.

Check one: Yes _____ No _____

The Statutes require that such hearing shall be held not more than 45 days after the date of receipt of this notice from the Commission.

2. Local hearing was held not more that 45 days after receipt of notice from the Nebraska Liquor Control Commission.

Check one: Yes _____ No _____

3. Date of hearing of Governing Body: _____

4. Type or write the Motion as voted upon by the Governing Body. If additional Motions are made by the Governing Body, then use an additional page and follow same format.

5. Motion was made by: _____ Seconded by: _____

6. Roll Call Vote: _____

7. **Check one:** Motion Passed: _____ Motion Failed: _____

8. If the motion is for recommendation of denial of the applicant, then list the reasons of the governing body upon which the motion was made.

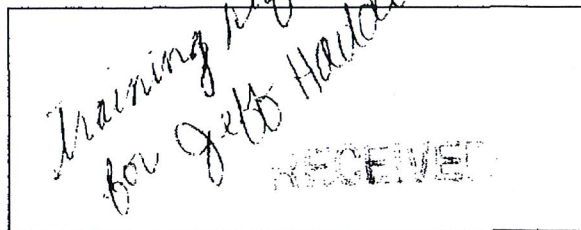
(Attached additional page(s) if necessary)

SIGN HERE _____ **DATE** _____
(Clerks Signature)

**APPLICATION FOR LIQUOR LICENSE
CHECKLIST - RETAIL**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

QA
New



Applicant Name Patriarch Distillers LLC

Trade Name _____ Previous Trade Name _____ JM

E-Mail Address: jhadden@patriarchdistillers.com

105100

Provide all the items requested. Failure to provide any item will cause this application to be returned or placed on hold. All documents must be legible. Any false statement or omission may result in the denial, suspension, cancellation or revocation of your license. If your operation depends on receiving a liquor license, the Nebraska Liquor Control Commission cautions you that if you purchase, remodel, start construction, spend or commit money that you do so at your own risk. Prior to submitting your application review the application carefully to ensure that all sections are complete, and that any omissions or errors have not been made. You may want to check with the city/village or county clerk, where you are making application, to see if any additional requirements must be met before submitting application to the state. 10-4-13 Ag, Ent, FM & Local

REQUIRED ATTACHMENTS

Each item must be checked and included with application or marked N/A (not applicable)

X 1. Fingerprint cards for each person (two cards per person) must be enclosed with a check payable to the Nebraska State Patrol for processing in the amount of \$38.00 per person. All areas must be completed on cards as per brochure. To prevent the delay in issuing your license, we strongly suggest you go to any Nebraska State Patrol office. See fingerprint brochure <http://www.lcc.ne.gov/brochures/fingerprint.pdf>.

X 2. Enclose application fee of \$400, check made payable to the Nebraska Liquor Control Commission.

X 3) Enclose the appropriate application forms;
Individual License (requires insert form 1)
Partnership License (requires insert form 2)
Corporate License (requires insert form 3a & 3c)
Limited Liability Company (LLC) (requires form 3b & 3c)

X 4. If building is being leased send a copy of signed lease. Be sure the lease reads in the name of the individual(s), corporation or Limited Liability Company making application. Lease term must run through the license year being applied for.

N/A 5. If building is owned or being purchased send a copy of the deed or purchase agreement in the name of the applicant.

N/A 6. If buying the business of a current liquor license holder:
a) Provide a copy of the purchase agreement from the seller (must r

OK 2666/57
\$1,000.00 - mm
262

OK 2666974 - 460 jbm



1300021324

- b) Provide a copy of alcohol inventory being purchased (must include brand names and container size)
- c) Enclose a list of the assets being purchased (furniture, fixtures and equipment)

N/A 7. If planning to operate on current liquor license; enclose Temporary Operating Permit (T.O.P.)(form 125).

N/A 8. Enclose a list of any inventory or property owned by other parties that are on the premise.

X 9. For citizenship, residency and voter registration requirements see enclosed brochure.

X 10. Corporation or Limited Liability Company must enclose a copy of articles of incorporation; as filed with the Secretary of State's Office. This document must show barcode.

X 11. Submit a copy of your business plan.

I acknowledge that this application is not a guarantee that a liquor license will be issued to me, and that the average processing period is 60 days. Furthermore, I understand that all the information is truthful and I accept all responsibility for any false documents.

Signature

Jeffrey J. Hodder

Date

8/14/13

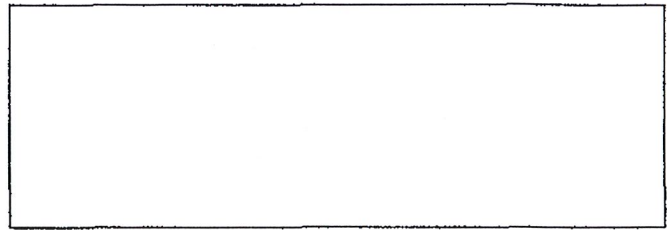
① ~~Class of license C~~

② ~~#10~~

③ ~~Addendum for lease~~
~~incorrect corp name~~

**APPLICATION FOR LIQUOR LICENSE
RETAIL**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov/



**CLASS OF LICENSE FOR WHICH APPLICATION IS MADE AND FEES
CHECK DESIRED CLASS**

RECEIVED

RETAIL LICENSE(S)

Application Fee \$400 (non refundable)

- ☐ A BEER, ON SALE ONLY
☐ B BEER, OFF SALE ONLY
☒ C BEER, WINE, DISTILLED SPIRITS, ON AND OFF SALE
☐ D BEER, WINE, DISTILLED SPIRITS, OFF SALE ONLY
☐ I BEER, WINE, DISTILLED SPIRITS, ON SALE ONLY
☐ AB BEER, ON AND OFF SALE
☐ AD BEER ON SALE ONLY, BEER, WINE, DISTILLED SPIRITS OFF SALE
☐ IB BEER, WINE, DISTILLED SPIRITS ON SALE, BEER OFF SALE ONLY
☒ ID BEER, WINE, DISTILLED SPIRITS ON AND OFF SALE

NEBRASKA LIQUOR
CONTROL COMMISSION

per Jeff

- ☐ Class K Catering license (requires catering application form 106) \$100.00

Additional fees will be assessed at city/village or county level when license is issued

Class C license term runs from November 1 – October 31
All other licenses run from May 1 – April 30
Catering license (K) expires same as underlying retail license

CHECK TYPE OF LICENSE FOR WHICH YOU ARE APPLYING

- ☐ Individual License (requires insert form 1)
☐ Partnership License (requires insert form 2)
☐ Corporate License (requires insert form 3a & 3c)
☒ Limited Liability Company (LLC) (requires form 3b & 3c)

NAME OF ATTORNEY OR FIRM ASSISTING WITH APPLICATION (if applicable)

Commission will call this person with any questions we may have on this application

Name Eli A. Rosenberg Phone number: 402-344-0500

Firm Name Baird Holm LLP

PREMISE INFORMATION

Trade Name (doing business as) Patriarch Distillers

Street Address #1 12251 Cary Circle Suite 100

Street Address #2 _____

City La Vista County Sarpy #59 Zip Code 68128

Premise Telephone number 402-690-3490 E-mail jadden@patriarchdistillers.com

Is this location inside the city/village corporate limits: ☒ YES ☐ NO *city*

Mailing address (where you want to receive mail from the Commission) _____

Name Jeff Hadden

Street Address #1 10721 S. 210th Street

Street Address #2 _____

City Gretna State NE Zip Code 68028

DESCRIPTION AND DIAGRAM OF THE STRUCTURE TO BE LICENSED

READ CAREFULLY

In the space provided or on an attachment draw the area to be licensed. This should include storage areas, basement, outdoor area, sales areas and areas where consumption or sales of alcohol will take place. If only a portion of the building is to be covered by the license, you must still include dimensions (length x width) of the licensed area as well as the dimensions of the entire building. No blue prints please. Be sure to indicate the direction north and **number of floors** of the building.

****For on-premise consumption liquor licenses minimum standards must be met by providing at least two restrooms**

Length 150 feet

Width 124 feet

Is there a basement? Yes ☐ No ☒

No Basement

PROVIDE DIAGRAM OF AREA TO BE LICENSED BELOW OR ATTACH SEPARATE SHEET

Please see Attached

APPLICANT INFORMATION

1. READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY.

Has anyone who is a party to this application, or their spouse, **EVER** been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.

☐ YES ☒ NO

If yes, please explain below or attach a separate page.

Name of Applicant	Date of Conviction (mm/yyyy)	Where Convicted (city & state)	Description of Charge	Disposition

2. Are you buying the business of a current retail liquor license?

☐ YES ☒ NO

If yes, give name of business and liquor license number _____

a) Submit a copy of the sales agreement

b) Include a list of alcohol being purchased, list the name brand, container size and how many

c) Submit a list of the furniture, fixtures and equipment

3. Was this premise licensed as liquor licensed business within the last two (2) years?

☐ YES ☒ NO

If yes, give name and license number _____

4. Are you filing a temporary operating permit to operate during the application process?

☐ YES ☒ NO

If yes:

a) Attach temporary operating permit (T.O.P.) (form 125)

b) T.O.P. will only be accepted at a location that currently holds a valid liquor license.

5. Are you borrowing any money from any source, include family or friends, to establish and/or operate the business?

☒ YES ☐ NO

If yes, list the lender(s) First State Bank & Trust Company

6. Will any person or entity, other than applicant, be entitled to a share of the profits of this business?

☐ YES ☒ NO

If yes, explain. (All involved persons must be disclosed on application)

No silent partners

7. Will any of the furniture, fixtures and equipment to be used in this business be owned by others?

☐ YES ☒ NO

If yes, list such item(s) and the owner.

8. Is premise to be licensed within 150 feet of a church, school, hospital, home for the aged or indigent persons or for veterans, their wives, and children, or within 300 feet of a college or university campus?

☐ YES ☒ NO

If yes, provide name and address of such institution and where it is located in relation to the premises (Neb. Rev. Stat. 53-177)(1)

9. Is anyone listed on this application a law enforcement officer?

☐ YES ☒ NO

If yes, list the person, the law enforcement agency involved and the person's exact duties

10. List the primary bank and/or financial institution (branch if applicable) to be utilized by the business

a) List the individual(s) who will be authorized to write checks and/or withdrawals on accounts at this institution.

First State Bank & Trust Company

Jeff & Kristy Hadden

11. List all past and present liquor licenses held in Nebraska or any other state by any person named in this application. Include license holder name, location of license and license number. Also list reason for termination of any license(s) previously held.

N/A

12. List the alcohol related training and/or experience (when and where) of the person(s) making application. Those persons required are listed as followed:

- a) Individual, applicant only (no spouse)
- b) Partnership, all partners (no spouses)
- c) Corporation, manager only (no spouse) as listed on form 3c
- d) Limited Liability Company, manager only (no spouse) as listed on form 3c

*Training
Required*

Applicant Name	Date Trained (mm/yyyy)	Name of program where trained (name, city)
Jeff Hadden	1999-present	multiple industry training. Both in house and online
		Brown Forman, Bacardi, Pernod Ricard, Diageo etc.

13. If the property for which this license is sought is owned, submit a copy of the deed, or proof of ownership. If leased, submit a copy of the lease covering the entire license year. **Documents must show title or lease held in name of applicant as owner or lessee in the individual(s) or corporate name for which the application is being filed.**

- ☒ Lease: expiration date June 30, 2015
- ☐ Deed
- ☐ Purchase Agreement

14. When do you intend to open for business? Fall 2013
15. What will be the main nature of business? Distilling, processing, and warehousing whiskey and vodka
16. What are the anticipated hours of operation? 8:00 am to 5:00 pm

17. List the principal residence(s) for the past 10 years for all persons required to sign, including spouses.

RESIDENCES FOR THE PAST 10 YEARS, APPLICANT AND SPOUSE MUST COMPLETE					
APPLICANT: CITY & STATE	YEAR FROM TO		SPOUSE: CITY & STATE	YEAR FROM TO	
Gretna, NE	2000	2013	Gretna, NE		2013

If necessary attach a separate sheet.

The undersigned applicant(s) hereby consent(s) to an investigation of his/her background and release present and future records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant(s) and spouse(s) waive(s) any right or causes of action that said applicant(s) or spouse(s) may have against the Nebraska Liquor Control Commission, the Nebraska State Patrol, and any other individual disclosing or releasing said information. Any documents or records for the proposed business or for any partner or stockholder that are needed in furtherance of the application investigation of any other investigation shall be supplied immediately upon demand to the Nebraska Liquor Control Commission or the Nebraska State Patrol. The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate or fraudulent.

Individual applicants agree to supervise in person the management and operation of the business and that they will operate the business authorized by the license for themselves and not as an agent for any other person or entity. Corporate applicants agree the approved manager will superintend in person the management and operation of the business. Partnership applicants agree one partner shall superintend the management and operation of the business. All applicants agree to operate the licensed business within all applicable laws, rules, regulations, and ordinances and to cooperate fully with any authorized agent of the Nebraska Liquor Control Commission.

Must be signed in the presence of a notary public by applicant(s) and spouse(s). See guideline for required signatures.
<http://www.lcc.ne.gov/pdfs/New%20Application%20Guideline.pdf>


Signature of Applicant

Signature of Applicant

Signature of Applicant

Signature of Applicant

Signature of Applicant


Signature of Spouse

Signature of Spouse

Signature of Spouse

Signature of Spouse

Signature of Spouse

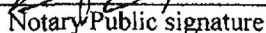
ACKNOWLEDGEMENT

State of Nebraska
County of Douglas

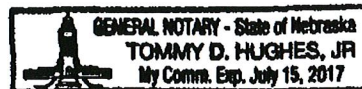
Aug 14, 2013
date

The foregoing instrument was acknowledged before me this

by Tommy Hughes
name of person acknowledged


Notary Public signature

Affix Seal



In compliance with the ADA, this application is available in other formats for persons with disabilities.
A ten day advance period is required in writing to produce the alternate format.

**MANAGER APPLICATION
INSERT - FORM 3c**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

Office Use

Corporate manager, including their spouse, are required to adhere to the following requirements

- 1) Must be a citizen of the United States
- 2) Must be a Nebraska resident (Chapter 2 - 006) and must provide proof of voter registration in the State of Nebraska
- 3) Must provide a copy of one of the following: state issued US birth certificate, naturalization paper or US passport
- 4) Must submit fingerprints (unless a non-participating spouse) (2 cards per person) and fees of \$38 per person, made payable to Nebraska State Patrol
- 5) Must be 21 years of age or older
- 6) May be required to take a training course

Corporation/LLC information

Name of Corporation/LLC: Patriarch Distillers LLC

Premise information

Premise License Number: _____
(if new application leave blank)

Premise Trade Name/DBA: _____

Premise Street Address: 12251 Cary Circle, Suite 100

City: La Vista State: NE Zip Code: 68128

Premise Phone Number: 402-690-3490

The individual whose name is listed as a corporate officer or managing member as reported on insert form 3a or 3b or listed with the Commission. Click on this link to see authorized individuals.
http://www.lcc.ne.gov/license_search/licsearch.cgi

Jeffrey J. Hadden
CORPORATE OFFICER/MANAGING MEMBER SIGNATURE

(Faxed signatures are acceptable)

passport, voter reg, prints, signed
Manager's information must be completed below PLEASE PRINT CLEARLY

Gender: ☒ MALE

☐ FEMALE

Last Name: Hadden First Name: Jeffrey MI: J

Home Address (include PO Box if applicable): 10721 S. 210th Street

City: Gretna County: NE Zip Code: 68028

Home Phone Number: Business Phone Number: 402-690-3490

Social Security Number: Drivers License Number & State:

Date Of Birth: Place Of Birth: Omaha Nebraska

Are you married? If yes, complete spouse's information (Even if a spousal affidavit has been submitted)

☒ YES

☐ NO

Spouse's information

Spouses Last Name: Hadden First Name: Kristy MI: K

Social Security Number: Drivers License Number & State:

Date Of Birth: Place Of Birth: Red Cloud Nebraska

APPLICANT & SPOUSE MUST LIST RESIDENCE(S) FOR THE PAST TEN (10) YEARS

APPLICANT

SPOUSE

CITY & STATE	YEAR FROM	YEAR TO	CITY & STATE	YEAR FROM	YEAR TO
Gretna Nebraska	2000	2013	Same		

MANAGER'S LAST TWO EMPLOYERS

YEAR FROM	TO	NAME OF EMPLOYER	NAME OF SUPERVISOR	TELEPHONE NUMBER
2011	2012	Johnson Brothers	Don McMillan	402-651-8171
1999	2011	United Distillers/RNDC	Ted Freidland	402-968-7263

1. **READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY. Must be completed by both applicant and spouse, unless spouse has filed an affidavit of non-participation.**

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.

☐ YES ☒ NO

If yes, please explain below or attach a separate page.

Name of Applicant	Date of Conviction (mm/yyyy)	Where Convicted (city & state)	Description of Charge	Disposition

2. Have you or your spouse ever been approved or made application for a liquor license in Nebraska or any other state? ☐ YES ☒ NO
IF YES, list the name of the premise.

3. Do you, as a manager, qualify under Nebraska Liquor Control Act (§53-131.01) and do you intend to supervise, in person, the management of the business? ☒ YES ☐ NO

4. Have you enclosed the required fingerprint cards and **PROPER FEES** with this application? (Check or money order made payable to the **Nebraska State Patrol for \$38.00 per person**)
☒ YES ☐ NO *prints enclosed*

5. List any alcohol related training and/or experience (when and where).

Multiple training seminars and online classes while in the industry

Nebraska training required

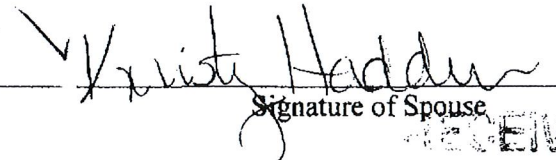
PERSONAL OATH AND CONSENT OF INVESTIGATION

The above individual(s), being first duly sworn upon oath, deposes and states that the undersigned is the applicant and/or spouse of applicant who makes the above and foregoing application that said application has been read and that the contents thereof and all statements contained therein are true. If any false statement is made in any part of this application, the applicant(s) shall be deemed guilty of perjury and subject to penalties provided by law. (Sec §53-131.01) Nebraska Liquor Control Act.

The undersigned applicant hereby consents to an investigation of his/her background including all records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant and spouse waive any rights or causes of action that said applicant or spouse may have against the Nebraska Liquor Control Commission and any other individual disclosing or releasing said information to the Nebraska Liquor Control Commission. If spouse has **NO** interest directly or indirectly, a spousal affidavit of non participation may be attached.

The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate, or fraudulent.


Signature of Manager Applicant


Signature of Spouse

ACKNOWLEDGEMENT

State of Nebraska
County of Douglas

RECEIVED
AUG 14 2013
NEBRASKA LIQUOR CONTROL COMMISSION
The foregoing instrument was acknowledged before me this

Aug. 14, 2013
date

by

Tommy Hughes
name of person acknowledged


Notary Public Signature

Affix Seal

GENERAL NOTARY - State of Nebraska
TOMMY D. HUGHES, JR
My Comm. Exp. July 15, 2017

In compliance with the ADA, this application is available in other formats for persons with disabilities. A ten day advance period is required in writing to produce the alternate format.



Registrant Search Information

Registrant Detail

Name: Jeffrey Hadden
Party: Republican
Polling Place: Gretna Middle School 58
11705 S. 216th St.
Gretna, NE 68028

Districts

DISTRICT NAME	DISTRICT TYPE
Gretna Public Schools	School District
Metro Com College Dist 5	Community College District
U.S. Congressional District 2	U.S. Congressional District
Appeals Court Judge Dist 3	Judge of Appeals Court Dist.
County Judge Dist 2	Judge of County Court Dist.
District Judge, Dist 2	Judge of District Court Dist.
Juv Crt Judge, Sarpy Co.	Judge of Juvenile Court
Supreme Court Judge Dist 3	Judge of Supreme Court Dist.
Legislative District 49	Legislative District
Papio NRD SubD 10	Natural Resources District
Omaha PPD SubD South	Public Power District
PSC District 3	Public Service Comm District
Board of Regents District 2	Board of Regents
ESU 3 District 5	ESU District
County Commissioner District 5	County Board (Commiss./Superv)
State Board of Education Dist2	State Board of Education
Learning Community 1 - Dist 6	Learning Community Coordinating Council

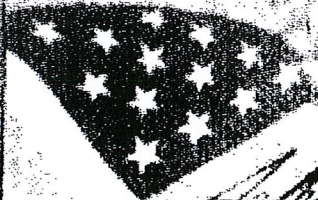
OK

[Registration Information](#) [Polling Place](#) [Provisional Ballot](#) [Absentee Ballot](#)

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VoterView 2.4.1021.1

SEP 05 2013
NEBRASKA LIQUOR
CONTROL COMMISSION

1. The first step is to identify the problem. This involves understanding the current situation and what needs to be changed.



SECRET



100

USA

[illegible]

[HOME](#)[POLLING
PLACE](#)[PROVISIONAL
BALLOT](#)[ABSENTEE
BALLOT](#)[Select Language](#)

Registrant Search Information

Registrant Detail

Name: Kristy Hadden
Party: Democrat
Polling Place: Gretna Middle School 58
11705 S. 216th St.
Gretna, NE 68028

Districts

DISTRICT NAME	DISTRICT TYPE
Gretna Public Schools	School District
Metro Com College Dist 5	Community College District
U.S. Congressional District 2	U.S. Congressional District
Appeals Court Judge Dist 3	Judge of Appeals Court Dist.
County Judge Dist 2	Judge of County Court Dist.
District Judge, Dist 2	Judge of District Court Dist.
Juv Crt Judge, Sarpy Co.	Judge of Juvenile Court
Supreme Court Judge Dist 3	Judge of Supreme Court Dist.
Legislative District 49	Legislative District
Papio NRD SubD 10	Natural Resources District
Omaha PPD SubD South	Public Power District
PSC District 3	Public Service Comm District
Board of Regents District 2	Board of Regents
ESU 3 District 5	ESU District
County Commissioner District 5	County Board (Commiss./Superv)
State Board of Education Dist2	State Board of Education
Learning Community 1 - Dist 6	Learning Community Coordinating Council

[Registration Information](#) [Polling Place](#) [Provisional Ballot](#) [Absentee Ballot](#)

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VoterView 2.4.1021.1

APPLICATION FOR LIQUOR LICENSE
LIMITED LIABILITY COMPANY (LLC)
INSERT - FORM 3b

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

Office Use

RECEIVED

SEP 11 2013

NEBRASKA LIQUOR
CONTROL COMMISSION

All members including spouse(s), are required to adhere to the following requirements:

- 1) All members spouse(s) must be listed
- 2) Managing/Contact member and all members holding over 25% interest and their spouse(s) (if applicable) must submit fingerprints (2 cards per person)
- 3) Managing/Contact member and all members holding over 25 % shares of stock and their spouse (if applicable) must sign the signature page of the Application for License form 100 (even if a spousal affidavit has been submitted)

Attach copy of Articles of Organization (Articles must show barcode receipt by Secretary of States office)

Name of Registered Agent: Jill R. Ackerman

Name of Limited Liability Company that will hold license as listed on the Articles of Organization

Patriarch Distillers LLC

LLC Address: 10721 S. 210th Street

City: Gretna State: NE Zip Code: 68028

LLC Phone Number: 402-690-3490 LLC Fax Number: N/A

Name of Managing/Contact Member

Name and information of contact member must be listed on following page

Last Name: Hadden First Name: Jeffrey MI: J

Home Address: 10721 S. 210th Street City: Gretna

State: NE Zip Code: 68028 Home Phone Number: 402-332-7463

Jeffrey J. Hadden
Signature of Managing/Contact Member

ACKNOWLEDGEMENT

State of Nebraska
County of Douglas

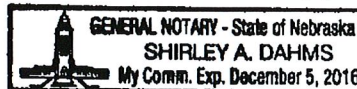
August 25, 2013
Date

Shirley A. Dahms
Signature

The foregoing instrument was acknowledged before me this

by Jeffrey J. Hadden
name of person acknowledged

Affix Seal



List names of all members and their spouses (even if a spousal affidavit has been submitted)

Last Name: Hadden First Name: Jeffrey MI: J
Social Security Number: Date of Birth: 7
Spouse Full Name (indicate N/A if single): Kristy Hadden
Spouse Social Security Number: Date of Birth:
Percentage of member ownership 100%

*Signed
passport
water reg
prints*
↓

Last Name: First Name: MI:
Social Security Number: Date of Birth:
Spouse Full Name (indicate N/A if single):
Spouse Social Security Number: Date of Birth:
Percentage of member ownership

Last Name: First Name: MI:
Social Security Number: Date of Birth:
Spouse Full Name (indicate N/A if single):
Spouse Social Security Number: Date of Birth:
Percentage of member ownership

Last Name: First Name: MI:
Social Security Number: Date of Birth:
Spouse Full Name (indicate N/A if single):
Spouse Social Security Number: Date of Birth:
Percentage of member ownership

Is the applying Limited Liability Company controlled by another corporation/company?

☐ YES

☒ NO

If yes, provide the following:

- 1) Name of corporation _____
- 2) Supply an organizational chart of the controlling corporation named above
- 3) Controlling corporation **MUST** be registered with the Nebraska Secretary of State, copy of articles must be submitted with application §53-126

Indicate the company's tax year with the IRS (Example January through December)

Starting Date: January Ending Date: December

Is this a Non Profit Corporation?

☐ YES

☒ NO

If yes, provide the Federal ID #. _____

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JAN 16 5 41 PM
NEBRASKA LIQUOR
CONTROL COMMISSION

In compliance with the ADA, this corporation insert form 3a is available in other formats for persons with disabilities.
A ten day advance period is requested in writing to produce the alternate format.

Nebraska Secretary of State

- John A. Gale

Business Services

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Fri Sep 20 15:01:49 2013

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NEW SEARCH

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Entity Name

PATRIARCH DISTILLERS LLC

SOS Account Number

10170363

Principal Office Address

10721 S. 210TH ST
GRETNA, NE 68028

Registered Agent and Office Address

JILL R ACKERMAN
1500 WOODMEN TOWER
1700 FARNAM STREET
OMAHA, NE 68102

Designated Office Address

10721 S. 210TH STREET
GRETNA, NE 68028

Nature of Business

Not Available

Entity Type

Domestic LLC
Qualifying State: NE

Date Filed

Dec 20 2012

Account Status

Active

Pay Services:

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Code	Trans	Date	Price
CRT0	Certificate of Organization	Dec 20 2012	\$0.45 = 1 page(s) @ \$0.45 per page
PP	Proof of Publication	Jan 10 2013	\$0.45 = 1 page(s) @ \$0.45 per page
BR	Biennial Report	Feb 25 2013	

\$0.45 = 1 page(s) @
\$0.45 per page

NN New Name

Jun 18 2013

\$0.45 = 1 page(s) @
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PP Proof of Publication

Jul 18 2013

\$0.45 = 1 page(s) @
\$0.45 per page

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\$6.50

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- Certificate of Good Standing

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Articles

NE Sec of State John A. Gale CORP - NN
9000059644 - Page 1 of 1
PATRIARCH DISTILLERS LLC
Filed: 06/18/2013 11:13:46 AM

**AMENDED CERTIFICATE OF ORGANIZATION
LIMITED LIABILITY COMPANY**

Submit in Duplicate

John A. Gale, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509
(402) 471-4079
<http://www.sos.state.ne.us>

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NEB. SEC. OF STATE
CORPORATION COMMISSION

Name of Limited Liability Company Patriarch, LLC

Date Certificate of Organization was filed 12/20/12

Please mark the changes this amendment makes to the certificate as most recently amended or restated and provide the appropriate changes.

☒ Name of Limited Liability Company Patriarch Distillers LLC

☐ Professional Service being rendered by the Limited Liability Company

☐ Street and mailing address of the Designated Office

☐ Name of Registered Agent

☐ Street, mailing address and post office box (if any) of Registered Agent

☐ Any other changes to the certificate of organization

(attach additional pages if needed)

Effective date if other than the date filed _____


Signature of Authorized Representative

Jeff Hadden

Printed Name of Authorized Representative

6/17/13
Date

FILING FEE: \$15.00 plus \$5.00 per additional page
Revised 10/12/11

Neb. Rev. Stat. 21-118

Articles

**CERTIFICATE OF ORGANIZATION
OF
PATRIARCH, LLC**

RECEIVED

DEC 20 2012

NEBRASKA LIQUOR

COMMISSION


This Certificate of Organization is being executed by the undersigned for the purpose of forming a limited liability company pursuant to the Nebraska Uniform Limited Liability Company Act. The undersigned, being duly authorized to execute and file this Certificate of Organization, does hereby certify as follows:

1. The name of the limited liability company is Patriarch, LLC (the "Company").

2. The street and mailing address of the Company's initial designated office in the State of Nebraska is 10721 S. 210th Street, Gretna, Nebraska 68028.

3. The name and street and mailing address of the Company's initial agent for service of process at such address is Jill R. Ackerman, 1500 Woodmen Tower, 1700 Farnam Street, Omaha, Nebraska 68102.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Organization this 19th day of December, 2012.


Jill R. Ackerman, Organizer

Business Plan



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NEBRASKA DISTILLERS
CONTROL COMMISSION

Business Plan

PATRIARCH DISTILLERS LLC

12251 CARY CIRCLE, SUITE 100 LA VISTA, NEBRASKA 68128-5614
402-690-0063

8/12/2013

JEFF HADDEN

Business Plan

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Business Plan

Executive Summary

A. Vision/Mission Statement

Within the next five years, Patriarch Distilleries will be the premier micro-distillery of high-quality spirits in a regional distribution area centered around Omaha, Nebraska, with first-year projected sales of \$500,000 increasing by 20% - 30% in years two, three, four, and five and national recognition for the quality of its product and the uniqueness of its design.

B. Company Summary

Patriarch Distillers LLC (the "Company") was founded in 2012 by Jeff Hadden to establish a small-batch craft distillery operation. The Company intends to sell its spirits to a Nebraska-based wholesaler for distribution to both on-sale and off-sale accounts and eventually out of the Company's tasting room in La Vista, Nebraska.

The Company was organized as a Nebraska limited liability company in December 2012. The Company is a manager-managed limited liability company and its sole member and manager is Jeffrey J. Hadden, who has over 15 years of experience in the liquor wholesaler industry, making him uniquely qualified to run the Company.

C. Products/Services

The Company will primarily engage in the production of high quality spirits including bourbon, whiskey, and vodka. The product will be purchased through MGP Ingredients, Inc. ("MGP"), a high quality distiller of alcohol located in Atchinson, KS and Lawrenceburg, IN. MGP will not, however, be the only source of product for the Company as the Company intends to eventually distill its own spirits on site. To achieve this, the Company intends to eventually employ a local chemist from Midwest Laboratories in Omaha to monitor and oversee the process.

An extremely important aspect of the Company's product is its unique bottle design, which matches the product inside of it in quality and uniqueness. Each bottle is custom-made and no two bottles will ever be exactly the same. The bottle's shape is a military throwback, as it resembles a WWII soldier's canteen. It is made of recyclable glass and has a tamper proof cap and chain to finish the design. Please see Exhibit A, attached to this Business Plan, for a detailed drawing of a specimen bottle and a photograph of a completed prototype.

D. Market Assessment

The distilled spirits market is highly competitive; however, the Company believes that there is room for new brands, especially high-quality, small, craft brands to meet consumers' changing tastes. The Company also believes that it can differentiate its brands from others in the marketplace through innovative production techniques, a commitment to quality, and solid branding and marketing.

Business Plan

Statistics indicate that there has been and continues to be significant growth in the high and super-premium spirits' segment. For example, in 2012 the Distilled Spirits Council reported that high-premium whiskey revenues increased by 25% over the previous five years and that super-premium whiskey had seen a revenue increase of 97% in that same time period.¹ This incredible increase in revenues is indicative of the changing tastes and preferences of American consumers. With its strong leadership, high-quality spirits, and unique marketing and bottle design, the Company is uniquely positioned to enter into this market and take advantage of these opportunities.

Moreover, the Company believes specific processes and quality ingredients it intends to use in its distilled spirits will further differentiate the Company's beverages from other competitors in this market. The Company will use only the healthiest ingredients available in its products, including organic grains. These measures will ensure that the Company's consumers will find a quality product in the bottle unlike anything else currently on the market.

RECEIVED

2012
DISTILLED SPIRITS COUNCIL
CONTRIBUTOR

¹ Distilled Spirits Council of America, On America's Whiskey Trail, available at http://www.discus.org/assets/1/7/Bourbon_2012.pdf (2012).

Business Plan

Vision Statement

Within the next five years, Patriarch Distilleries will be the premier micro-distillery of high-quality spirits in a regional distribution area centered around Omaha, Nebraska, with first-year projected sales of \$500,000 increasing by 20% - 30% in years two, three, four, and five and national recognition for the quality of its product and the uniqueness of its design.

Business Plan

A. Company Background

The principle business of the Company will be the development and production of a small-batch craft distillery operation. The distillery will produce, bottle and sell super premium spirits, including bourbon, whiskey and vodka. The Company intends to sell its spirits to a Nebraska-based wholesaler for distribution to both on-sale and off-sale accounts and eventually out of the Company's tasting room in La Vista, Nebraska. The distillery's main focus will be the distribution of "Soldier Valley: A True American Whiskey". Other spirits will develop over time and will be for sale in the future tasting room.

The Company was organized as a Nebraska limited liability company in December 2012. The Company is a manager-managed limited liability company and its sole member and manager is Jeffrey J. Hadden.

Jeff has been distributing wine and spirits since 1999. Jeff first broke into the industry with United Distillers Company of Omaha Nebraska, now Republic National Distributing Co. ("RNDC"), as a sales representative. He left RNDC after rising to the management level in October 2011. Jeff joined Johnson Brothers in Omaha as a Category Manager where he oversaw and controlled the process of all shelf-sets for the company using Pro Space Programming. In April 2012, Jeff accepted a position as Director of Sales for a large wine and spirit wholesaler in Omaha. In this capacity, Jeff represents the world's largest spirit supplier. Furthermore, Jeff has unique qualifications as a whiskey taster as he was both recognized and earned his Master "Whiskey Taster Designation" while attending a class at the Jameson Irish Whiskey Distillery in Dublin Ireland in 2010.

Jeff's responsibilities have both made him an expert in how the liquor industry works and have led him into contact with numerous and substantial industry insiders. Jeff routinely works with local, regional and national chain stores, presenting new items and promotions and obtaining advertising. Moreover, Jeff's current role provides the leadership and business experience necessary to run the Company. Jeff leads a division for his current employer and is responsible for the sales goals and growth in Nebraska for the largest spirit supplier in the world. This kind of real world industry experience is crucial when starting a business, and Jeff's knowledge of the industry, business experience, and key contacts are what will distinguish the Company in its first years of operation.

B. Facility, Resources, and Equipment

The Company has procured ample resources and facilities for its operations.

Facility

Production and product packaging will be performed at the distillery, which is to be located at 12251 Cary Circle in La Vista, Nebraska 68128-5614, a 2,500 square foot ground level building that is wheelchair accessible. A common enclosed drive-in is available to the Company, as well as other tenants, to serve as a delivery drop-off area. The facility will be rented from Ron Stinn of TSI Mechanical. In the first few years, the building will be used to bottle and package the product. While distilling will be occurring on the site, the Company's products will be barreled and stored until ready for bottling. For the whiskeys, this process will take no less than three years and no more than six years. The process time will be less for other spirits.

Resources

While the Company intends to eventually distill, bottle, and sell its own product, for initial operations, the Company will purchase bourbon, vodka, and whiskey under an agreement with MGP which has offices in both Atchinson, KS and Lawrenceburg, IN. Purchasing from MGP will allow the Company to put a high-quality product on the market as soon as operations begin.

Equipment

The Company has purchased two small fifty-gallon stainless steel stills with copper flutes. These small stills will help the Company maintain high quality control standards for its products and thus produce a higher quality liquor for its consumers.

Moreover, the Company has purchased a custom-built air-rinser and gravity flow bottle filler from Liquid Package Solutions of La Porte, Indiana, that will be ready for installation as soon as September. This rinser and filler will be ran by a state of the art air compression sterilized system that will be a first of its kind in distilling here in Nebraska and will solidify the commitment to the quality of the products produced by Patriarch Distillers.

C. Marketing/Branding

The Company believes that building strong brands and having a highly effective marketing strategy are essential elements to success.

The Company intends to focus its branding efforts primarily on the high-end whiskey market, which has been growing rapidly in recent years and is breaking down traditional market barriers. Image and branding are critical to this process. The Company intends to define its image as the premier maker of distilled spirits that is committed to the values of

Business Plan

family, God, and country and has already taken several proactive steps towards defining itself as such.

Intellectual Property Assets Protect the Company's Branding and Image

1. Current IP Assets

The Company has trademark applications pending for both the name "Soldier Valley: A True American Whiskey" and a unique canteen bottled design for its product. Once in place, these marks will protect the Company's image. The "Soldier Valley" brand and the canteen bottle design are evocative of military service in the United State. When paired with the high-quality bourbon, vodka, or whiskey produced the Company, the end result will be a product totally unique in the market. Thus, with these protections in place, the Company is well on its way to creating a one-of-a-kind image that its target market will readily recognize.

2. Future IP Assets

The Company intends to apply for trademarks on the names of its other products. These other products, described in detail below, are "Victory Hill Vodka" and "W.H. Nuckolls Signature Bourbon". Both products are in keeping with the branding and image strategy of the Company. Victory Hill evokes scenes of battlefield heroism in the minds of consumers and "W.H. Nuckolls" is a name to honor Jeff's grandfather who served in the South Pacific during WWII, a fact that will be communicated through the Company's marketing of the product. Both products will appeal to the Company's target market in that they will be high-premium quality and totally unique.

Company Branding and Core Values

With regard to branding, the Company will seek to establish itself as the premium distilled spirits product on the market representing the core values of family, love of God, and love of and service to country.

1. Family

Family is everything to the Company but it doesn't just encompass familial ties established through marriage or blood. It also means supporting one another and working together to create the best product possible. As Jeff says, "if you have my back and I have yours, YOU'RE FAMILY!"

Moreover, "Patriarch" as a company name fits the vision of our Company's commitment to family perfectly. "Patriarch" is a term that means "Head of Family". Jeff's mother and father have had an enormous influence on his life and this word honors them as well as Jeff's grandparents who always have put God, family, and country before all things. It's a family company and the management team plans to create a **healthy** environment for people to work and socialize. This one word is and will be the root of existence of our company.

Business Plan

2. God

All of the individuals involved with the Company have their own vision of what God means to each and every one of them. For Jeff, "it's simply the foundation of my existence here on earth and a path to the gates of heaven where I will meet God and my loved ones someday". The Company is committed to faith and abides by the tenet to "treat everyone as you would wish to be treated". The Company thus strongly believes that ALL people are created equally and will not discriminate due to race, religion, or any other views. These core values of faith and acceptance are key to the image and branding the Company seeks to attain.

3. Country

Patriarch is an American Company. Jeff, as its founder, is proud of what America stands for and has a tremendous amount of respect for the men and women who paved the road for the opportunity for success. Most people think of service to one's country merely in terms of military service. Jeff, however, also thinks of great Americans like his grandfather and his father before him who worked the land of the Loess Hills in Western Iowa near Soldier. They never punched a clock! Day time meant work time and Sundays were sacred. Similarly, Jeff's other grandfather, who battled on the tiny islands of the South Pacific during WWII, answered the call to duty like so many others of that time to save the world from tyranny. The work ethic and can-do spirit demonstrated by these individuals are another key component to the Company's core values and brand image.

No talk of branding for the Company could be complete without mentioning "Soldier Valley," as that name will be the primary calling card by which consumers know the Company's product. Soldier Valley is a name that means so much to Jeff and the Company. Jeff's father grew up near Soldier Iowa in the 1940's and 50's. He still has the family farm there which is, and will continue to be, a vital player in the future of the Company. The Soldier Valley name also refers to Jeff's grandfather and other family and friends who have sacrificed so much for what all of us as Americans enjoy today.

D. Management and Organization

The Company is managed solely by Jeff Hadden, who has full authority to take any and all actions proper and necessary for the operation of the Company's business. Jeff is uniquely qualified to own and operate the Company with over 15 years of experience in the liquor and beer wholesaling market and numerous contacts throughout the industry.

E. Ownership Structure

The Company is organized as a manager-managed Nebraska LLC with one member and manager, Jeff Hadden. This ownership structure is ideal for a start-up organization because it ensures that control of the Company is in the hands of an experienced and knowledgeable businessperson.

F. Legal Environment

Licenses

The Company is required to operate in compliance with federal licensing requirements imposed by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury ("TTAB"), as well as licensing requirements of the state of Nebraska and other applicable local government authorities. Currently, the Company has applications pending before both the TTAB and the Nebraska Liquor Control Commission. The Company may begin operations when, and only when, it receives approval of these applications.

Other Regulations

The distilling industry is subject to numerous federal, state and local government regulations, including those relating to building and zoning requirements. The Company will be subject to regulation by the local and state fire marshal and by air and water pollution control divisions of the environmental protection agencies of the United States. The Company will also be subject to laws governing its relationship with employees, including minimum wage requirements, overtime, working and safety conditions and citizenship requirements.

Products and/or Services

The Company has identified three products to immediately place into production once operations begin. These products both fit with the Company's branding and image strategy and are tailored to appeal directly to the Company's target market.

Soldier Valley: A True American Whiskey

The Company's flagship product and named for town where Jeff's father and family were born and raised. A carefully crafted, 6-year-old whiskey that is full of life. A primarily Rye based whiskey that is velvety soft on the pallet. This whiskey is as classic as the bottle it comes in. Soldier Valley: A True American Whiskey will retail for \$28.99 - \$34.99 and will be offered in a 750ML.

Victory Hill Vodka

A multiple-time distilled 80 proof vodka with a crisp clean finish. This product will retail from \$24.99 - \$29.99 and will be offered in a 750ML.

Soldier Valley W.H. Nuckolls Signature Bourbon

This product is named for Jeff's grandfather who served in the South Pacific during WWII. The product is a bold and carefully aged 10-year bourbon made in the American tradition. With this high corn and rye based bourbon, you will pick up the strong characteristics of the white oak it has aged in for a decade plus. This bourbon is made to celebrate those lives that touched yours and will retail for \$49.99 - \$54.99 and will be an allocated item. Perfection takes time, or in this case, 10 years.

Business Plan

Market Assessment

A. The Market in General

The distilled spirits market is highly competitive; however, the Company believes that there is room for new brands—especially high-quality, small, craft brands—to meet consumers' changing tastes. The Company also believes that it can differentiate its brands from others in the marketplace through innovative production techniques, a commitment to quality, and solid branding and marketing.

Industry reports indicate that there has been and continues to be significant growth in the high and super-premium spirits' segment. For example, in 2012 the Distilled Spirits Council reported that high-premium whiskey revenues increased by 25% over the previous five years and that super-premium whiskey had seen a revenue increase of 97% in that same time period.² This incredible increase in revenues is indicative of the changing tastes and preferences of American consumers. With its strong leadership, high-quality spirits, and unique marketing and bottle design, the Company is uniquely positioned to enter into this market and take advantage of these opportunities.

Moreover, the Company believes that the specific processes and quality ingredients it intends to use in its distilled spirits will further differentiate the Company's beverages from other competitors in this market. The Company will use only the healthiest ingredients available in its products, including organic grains. These measures will ensure that the Company's consumers will find a quality product in the bottle unlike anything else currently on the market.

Finally, one other major point of differentiation for the Company is the experience of Jeff Hadden. Jeff has been entrenched in the Nebraska wine and spirit market since 1999 and thus has nearly fifteen years of experience in the industry. In that time Jeff has developed key contacts in local and national chain accounts, which will be critical to launching the Company's products.

B. Customer Analysis

The Company has identified a diverse and large portion of the market for its products. The primary target market includes a segment of adult consumers from 21 to 100 years of age, both male and female. The majority of the targeted consumers is college-educated and has white collar or other professional jobs. Those on the younger end of the target market scale tend to live in rented housing in vibrant urban areas, while those age 30 and older tend to own homes in suburban areas.

In general, all of the target consumers like trying new products, especially high-quality products. They like to learn more than most consumers about the products they purchase. Furthermore, they take pleasure in high-quality beverages, including high-end spirits and craft beer, and they take pride in finding new, high quality products and sharing their discoveries with friends. They enjoy their friends in the company of good spirits and beer and are willing to pay a little extra to ensure those drinks add to their experience.

² Distilled Spirits Council of America, On America's Whiskey Trail, available at http://www.discus.org/assets/1/7/Bourbon_2012.pdf (2012).

Business Plan

C. Growth Strategy/Comparable Competitors

The Company recognizes the importance of building a loyal following in the Omaha/Lincoln market. In light of this, the Company has developed a methodical strategy for growth compared to that of its competitors, focusing on penetrating and establishing itself in these local markets, as well as in a few other select states, before eventually expanding nationwide.

In order to increase sales and grow the Company's products, steady expansion into new markets is essential (Table 1). Nebraska, with a population of approximately 1.8 million, is a relatively small market compared to other states such as Minnesota (5.3 million), Tennessee (6.4 million), Kansas (2.9 million), and Missouri (6.0 million). The Company plans to manage an effective sales team and coordinate efficient distribution, which will separate itself from other companies attempting to grow without the proper infrastructure.

Table 1. State-to-state distribution expansion schedule for years one through seven

Year	States Added to Quaff Distribution Network"	Cumulative Population
1	Nebraska, Minnesota, Tennessee, Kansas, Missouri	22,318,416
2	California	59,572,373
3	New York	78,950,475
4	Colorado, Iowa	87,026,026
5	Illinois	99,856,658
6	South Dakota, North Dakota	101,343,429
7	Wisconsin	107,030,415

In some cases, the Company intends to first only launch in certain areas of a state, so as to build a brand following and foundation of consumers before distributing into the state as a whole. For example, in both Kansas and Missouri, the Company intends to initially launch in Kansas City and develop the products in that market before distributing to the state as a whole.

Compared to the projected expansion plan for the Company, other craft distilleries, such as "Hangar One Distillery" and "Tito's Handmade Vodka", have expanded far more rapidly. To their credit they have grown quickly. For example, Hangar One Distillery, a distiller of super-premium vodkas, began distributing in all 50 states after only four years of production. Similarly, Tito's Handmade Vodka expanded to 50 states and four Canadian Provinces in less than 15 years (2010 sales, 364,000 cases). While the production levels and rapid expansion of these two companies are impressive, their strategy of rapid expansion maximizes market penetration in the targeted states. The Company thus does not believe a plan of rapid expansion is right for it. Rather, the Company plans to grow at a pace that allows it to expand into new markets without compromising quality and without moving on to the next market before exhausting efforts to further penetrate a previous one.

Business Plan

A good model for the Company's gradual expansion strategy is New Belgium Brewing Company, a craft brewery located in Fort Collins, Colorado. Over a period of 21 years New Belgium has expanded into merely 29 states. The difference is, however, that where New Belgium has expanded, it dominates. New Belgium attributes this domination to the effective use of their sales team, promotional spending, and shipping expense. The success of New Belgium's approach cannot be denied. In fact, New Belgium has just announced the construction of its second brewing facility in Asheville, North Carolina.

The Company intends to follow the New Belgium model, focusing on developing an effective sales team and marketing strategy to methodically penetrate local and strategic markets while simultaneously realizing substantial savings on shipping expenses and never sacrificing quality. In this way, the Company can ensure that when it is ready to enter into a new market, it is prepared to dominate that market.

Strategic Implementation

A. Production

Making the Product

Initially, the Company will be re-distilling vodka at its La Vista distiller that purchased through MGP. Bourbon and whiskey also will be purchased from MGP. Currently, both products are being aged in Lawrenceburg, Indiana and will be commingled and bottled here in Nebraska.

Eventually, however, the Company will produce and bottle its product entirely on site in Nebraska. The Company intends to begin bottling its own product within the first year of operation and be independent of other suppliers as soon as possible thereafter.

Value Captured by the Product

The chief value the Company will capture with its products is high-quality liquor made in the American Spirit. The Company's innovative and soon-to-be trademarked packaging will draw attention from the Company's target market and the quality of the product in that packaging will ensure that consumers continue to come back for more.

The Company's Competitive Advantage

The Company's chief competitive advantage is the knowledge of the industry possessed by Jeff Hadden. Jeff has years of experience in the alcohol wholesale industry. He has called on local and national off-sale chain accounts and has built and maintained a solid relationship with them. He is well respected in the industry, knows what has and hasn't been successful and why, and is primed to lead the Company to a successful operation.

Technology and Equipment

Bigger doesn't always mean better. The Company believes that a small-batch system is the best way to produce distilled spirits that never sacrifice quality over quantity. For the small-batch distillation process, the Company has purchased two small fifty-gallon stainless steel stills with copper flutes. These small stills will help the Company maintain high quality control standards for its products and thus produce a higher quality liquor for its consumers.

Moreover, the Company has purchased a custom-built air-rinser and gravity flow bottle filler from Liquid Package Solutions of La Porte, Indiana, that will be ready for installation as soon as September. This air-rinser is state of the art and uses sanitized compressed air to cleanse the bottle before adding the liquid.

Business Plan

Timeline

The Company is eagerly awaiting licensure from both the federal government and the state of Nebraska. It hopes to obtain licensure early in the fall of 2013 and to start the bottling process in October 2013. Such timing would be ideal for the Company because it would allow it to take advantage of the holiday season.

B. Marketing Strategy

General Strategy and Philosophy

The Company intends to allow its products to speak for themselves. This is because there can be no greater advertisement for one's products than a customer having an enjoyable first experience with them. In light of this, the Company's marketing strategy focuses on utilizing its unique relationships with area distributors and retailers, as developed by Jeff Hadden, to get its product and one-of-a-kind bottle design into stores and in front of consumers as soon as possible.

Additionally, the Company will utilize Jeff's contacts to partner with distributors to organize tastings for consumers and implement advertising and word of mouth campaigns on social networking sites to begin building a "BUZZ" for the Company's products.

From first impression to tasting, the Company's goal is to build brands and product lines that will garner instant interest and appeal from consumers so that the Company can succeed in the marketplace.

Packaging Tie-Ins

Additionally, the product's unique package brings with it an opportunity for marketing tie-ins. Such tie-ins include wearables featuring the Company's logo or package, a neoprene sleeve that can be custom logoed to fit any event for multiple case purchases, or custom "dog tags" that can be affixed to the product's unique canteen shaped bottle. Whether to celebrate the life of a fallen soldier, commemorate a group's reunion, or to personalize a gift-giving message, these custom "dog tags" affixed to a bottle of the Company's product make it a one-of-a-kind gift for any patriot.

Other Markets

The Company intends to target its product to other markets that will be key to getting its product in front of consumers. The Company therefore will work with distributors, retailers, bars and restaurants (including the bartenders and restaurant servers) to get its product into stores, restaurants and other establishments. These groups buy and sell spirits and beer products professionally. They can up-sell one brand over another based upon their belief in the ability to sell that particular product. The Company, through the experience of its manager Jeff Hadden, has learned how critical distributor selection is in this business and is establishing selection criteria to prevent any errors. The Company

Business Plan

understands how important it is for retailers, restaurant and bar proprietors (and their respective employees) to get behind its products to sell them. The Company has thus investigated how other craft distillers and brewers have had success in this area and believes that it can execute a similar plan.

Developing an Effective Sales Team

To assist in implementing its marketing strategy, the Company plans to hire experienced salespersons to develop an effective team to work directly with distributors and retailers to hand sell the Company's products both in Nebraska and as the Company expands into other states. The Company will employ no less than two experienced full-time sales persons in the first critical years of operations to ensure that initial sales goals are achieved. Jeff Hadden's long history of sales experience will be critical in this endeavor as he had developed unique skills and strategies for this team to eventually employ.

Charitable Endeavors

The Company intends to engage in charitable initiatives related to the country's servicemen and women. For example, the Company intends to donate portions of sales proceeds to local and national veterans groups assisting returning soldiers with Post Traumatic Stress Disorder and other ailments and to partner with organizations such as the "Wounded Warrior Project" to give back the country's heroes. Such initiatives reinforce and enhance the Company's core value of service to the country and more importantly, as Jeff would say, it's just the RIGHT thing to do!

Business Plan

Financial Plan

A. Funding the Company

The Company has already obtained the funding necessary to begin operations. Specifically, the Company's principal owners have obtained financing from First State Bank and Trust Company exceeding \$250,000 in the aggregate. Documentation related to this financing is attached to this Business Plan as Exhibit B.

With this funding in place, the Company is moving forward to obtain the requisite federal licensure necessary to begin operations and the resources and equipment that will be needed to start those operations immediately after licensure is approved.

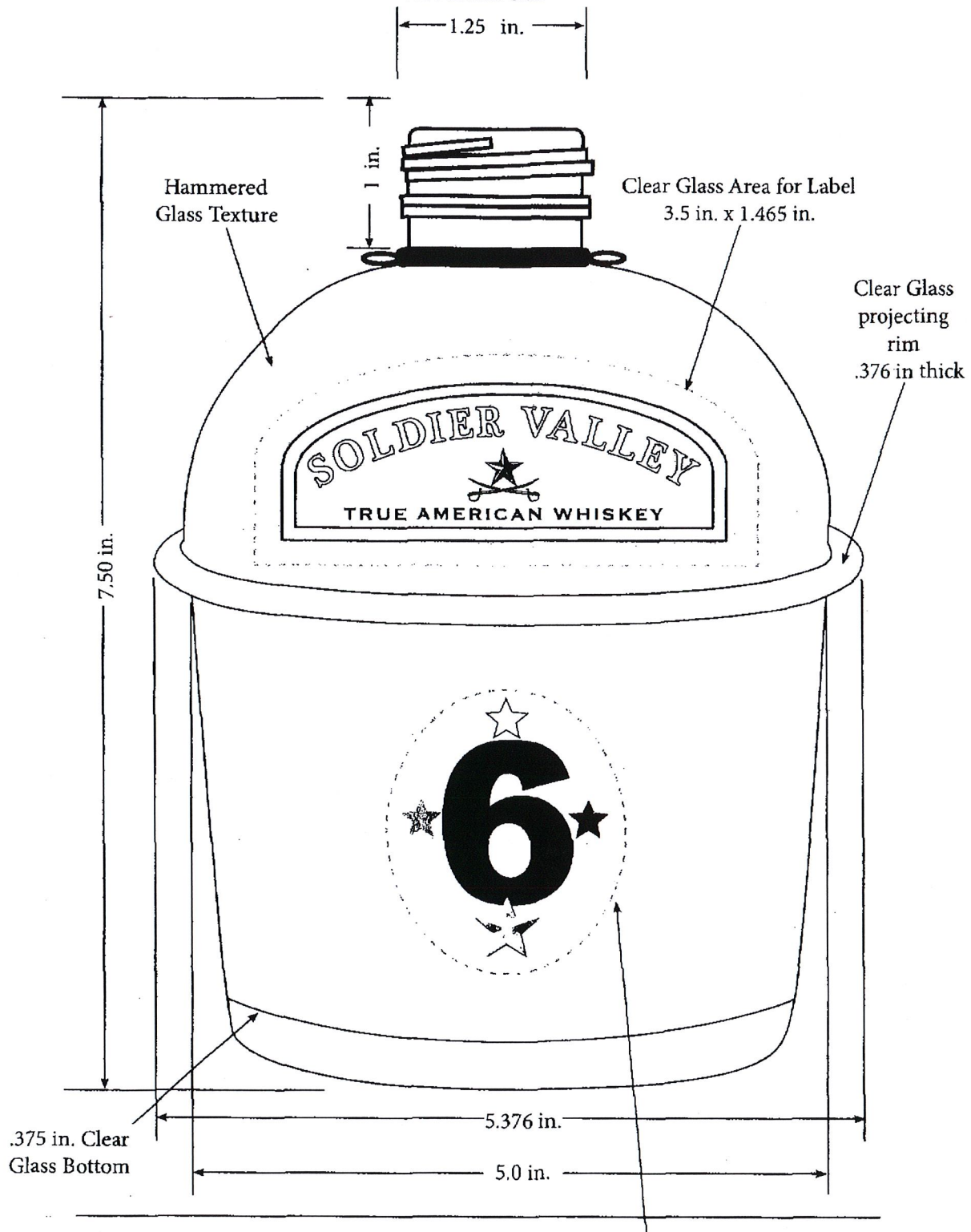
B. Financial Projections

The Company's plan for growth is methodical. A methodical approach is of paramount importance because growing the Company slowly at the outset will be vital to its long-term health and sustainability. The Company projects the first-year sales of approximately 500,000.00 (15 months). As the Company's products penetrate the local market as well as Nebraska's bordering states, the Company expects these sales figures to increase by at least 20% in years two and three. Once a solid local and Midwest base of operations and sales is established, the Company will begin expanding to other U.S. designated markets in the 4th year, resulting in a further expected sales increase of 35% to 40%. This approach will continue as it makes sense in the years to follow.

Please see the pro-forma financial documents, attached to this Business Plan as Exhibit C, for more detailed information and analysis of the Company's financials.

Business Plan
Full Front View

Showing front of bottle with screw neck, safety seal ring and all front labels
Not actual size



Patriarch Distillers, LLC
10721 South 210th Street
Gretna, Nebraska 68028

Clear Glass Oval Area for Label
2.110 in. x 1.812 in.

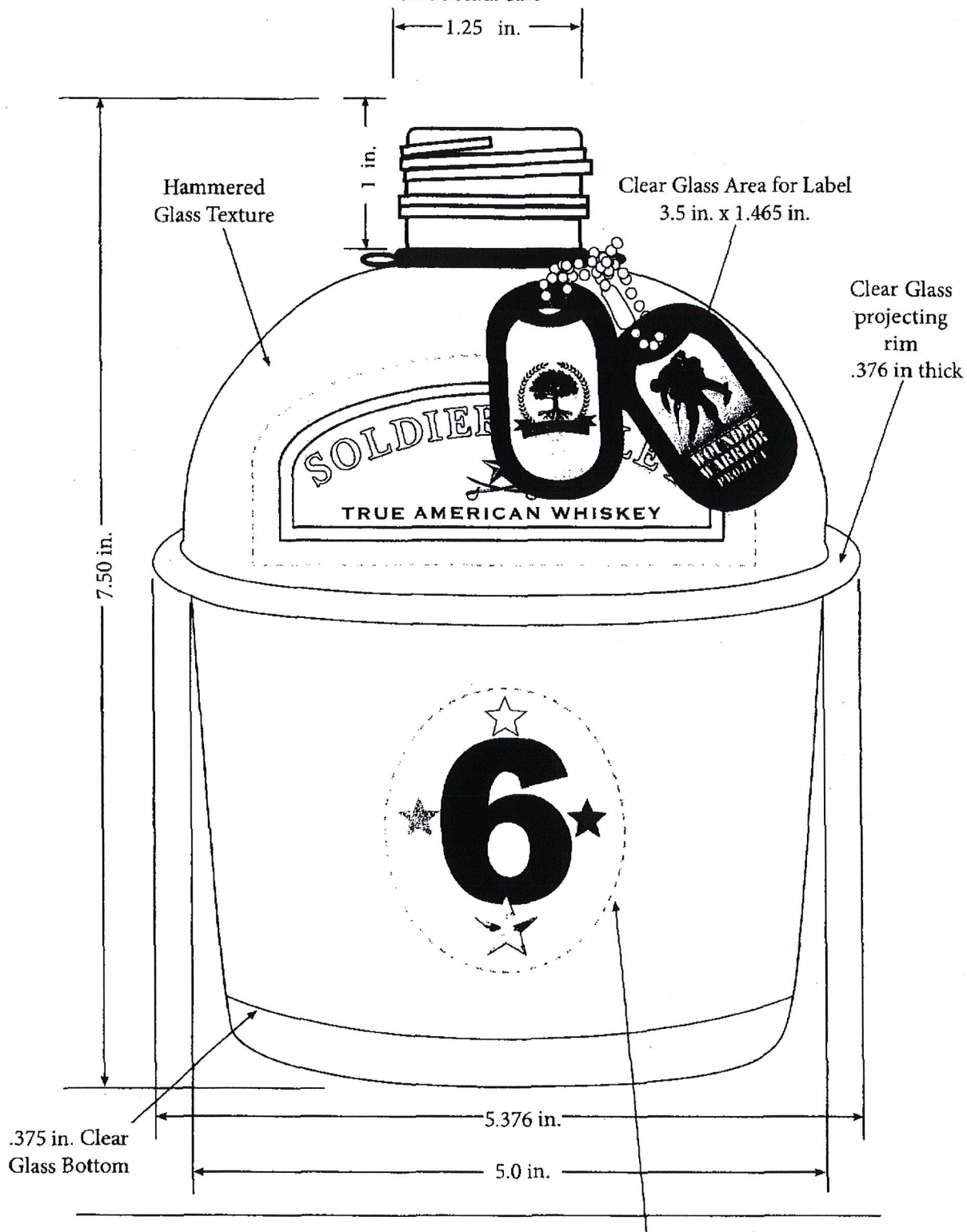
© 2013 Patriarch, LLC, patent pending

REV. 6 4/25/13 KV

Business Plan

Full Front View

Showing front of bottle with screw neck, safety seal ring and dog tag embellishments and all front labels
Not actual size

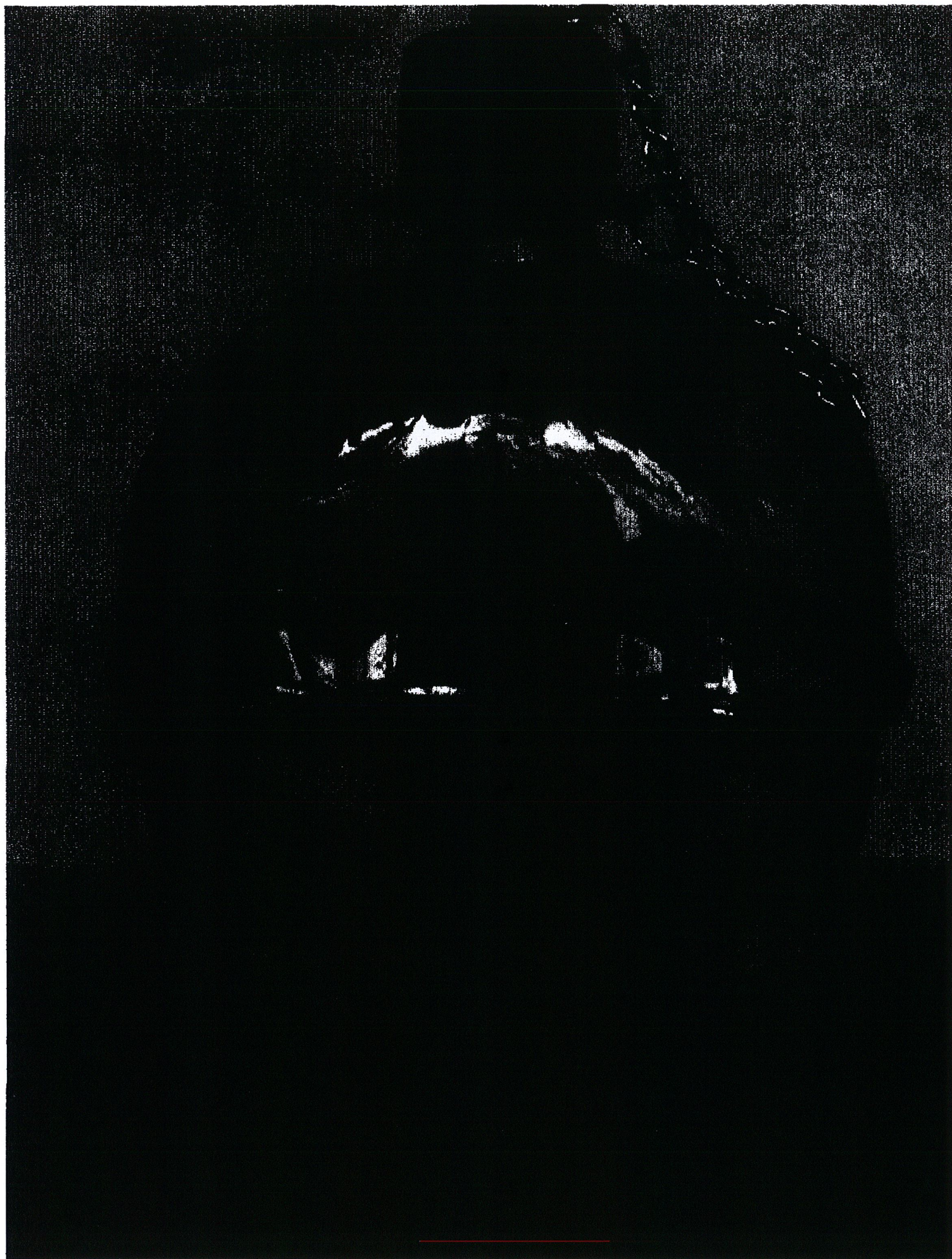


Patriarch Distillers, LLC
10721 South 210th Street
Gretna, Nebraska 68028

Clear Glass Oval Area for Label
2.110 in. x 1.812 in.

© 2013 Patriarch, LLC, patent pending

REV. 6 4/25/13 KV



Business Plan

Exhibit B Source of Start-up Funds Documentation

Business Plan

Patriarch Distillers P&L

Gross margin	29.7%	29.9%	29.7%	29.7%	30.0%	#DIV/0!	#DIV/0!	#DIV/0!
Return on sales	19.9%	3.7%	7.1%	10.0%	12.9%	#DIV/0!	#DIV/0!	#DIV/0!

	2013	2014	2015	2016	2017	2018	2019	2020
Case Sales (6pk cs):								
Soldier Valley Whiskey	2,229	783			753			
W.H. Nuckolls Bourbon	262							
Victory Hill Vodka	2,779	6,596	9,143	10,971	12,182			
Total Case Sales:	5,270	7,379	9,143	10,971	12,935	0	0	0

Sales Revenue								
Soldier Valley Whiskey	239,908	80,548			77,462			
W.H. Nuckolls Bourbon	41,257							
Victory Hill Vodka	218,834	519,452	720,000	864,000	959,338			
Total Sales Revenue	500,000	600,000	720,000	864,000	1,036,800	0	0	0

Cost of Sales								
Soldier Valley Whiskey	173,744	55,406			51,100			
W.H. Nuckolls Bourbon	23,855							
Victory Hill Vodka	153,896	365,320	506,351	607,635	674,676			
Total Cost of Sales	351,495	420,726	506,351	607,635	725,776	0	0	0

Gross Profit	148,505	179,274	213,649	256,365	311,024	0	0	0
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Operating Expenses

General and Administrative

2013 = 3 months
prod

Wages and salaries (Mgmt + Exempt Personnel)	13,750	55,000	58,300	61,798	65,506	69,436	73,602	78,019
Fixed Hourly Staff (Warehouse, maintenance, utility)	8,750	35,000	37,100	39,326	41,686	44,187	46,838	49,648
Fixed, General Utilities (\$1.50/sq ft)	1,875	7,500	8,250	9,075	9,983	10,981	12,079	13,287
Insurance (1.5% of value of Enterprise)	991	3,963	4,121	4,286	4,457	4,636	4,821	5,014
Repairs and maintenance	8,750	25,000	27,500	30,250	33,275	36,603	40,263	44,289
Cost of Capital/Debt Service (4% of Initial Investment)		10,567	10,567	10,567	10,567	10,567	10,567	10,567
Other expenses (Travel, Development, Supplies, IT, Temp Staff)	15,000	20,000	17,000	14,450	12,283	10,440	8,874	7,543
Total General and Administrative Expenses	49,116	157,030	162,838	169,752	177,756	186,849	197,044	208,366

Total Operating Expenses	49,116	157,030	162,838	169,752	177,756	186,849	197,044	208,366
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Income from Operations	99,389	22,244	50,811	86,613	133,269	-186,849	-197,044	-208,366
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Other Income								
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Taxes (N/A)

Total Taxes								
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Net Profit	99,389	22,244	50,811	86,613	133,269	-186,849	-197,044	-208,366
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Estimated Major Cash Flow Expenses By Year:

	2013	2014	2015	2016	2017	2018
Facility Acquisition, Building Renovation	20,000	100,000				
Equipment, Still, Machine Investment	150,000					
Found Spirits Investment	94,175					
New Whiskey Laydown (\$633/barrel new fill)	0	126,523	151,827	182,193	106,035	127,242
Total Cash Outlay	264,175	226,523	151,827	182,193	106,035	127,242

Fixed Utilities Assumptions:

Total Sq Foot of Building, Storage, etc.	5,000
Cost Per Sq Ft/year:	\$ 1.50
Utilities/year:	\$ 7,500.00

Other sources of revenue not included in above model:

Headcount Assumptions:

Exempt Supervisors/Managers @ \$55k (Line 24)
Hourly Employees @ \$35k (Line 25)

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	1

Business Plan

Patriarch Distillers - Raw Material Costs

Whiskey/White Dog

Barley	48 pounds per bushel
Corn, shelled	56 pounds per bushel
Rye	56 pounds per bushel
Wheat (No.1 Hard Red Winter)	60 pounds per bushel

Est Bag Price/Bushel	Whiskey Mash Bill %
\$ 32.00	13%
\$ 14.00	77%
\$ 12.00	10%
Total \$/Bushel:	
Proof Gallon Yield/Bushel	5
\$ Energy Utilities/PG	0.50
\$ Distillation Conversion	2.50
\$/PG:	6.23

White Dog \$/PG

Aged Bourbon

Original PG/Barrel	66
Recovered PG/Barrel (2-4 year)	55
Ave Yield % (2-4 year)	83%

Cost Per Barrel (Dist Select)	\$ 135.00
\$ Oak Barrel/PG	\$ 2.05
Interest compounded monthly	\$ 0.81
Handling \$/PG (\$16/bbl)	\$ 0.24
Storage Overhead \$	\$ 0.27
\$/Original PG	\$ 9.60
\$/Recovered PG	11.52
\$/Barrel New Fill	\$ 633.51

Assume 4% Interest/Return to Investors 3 yrs
Labor Filling, Racking, Pulling, Dumping
Assume \$.50/bbl/month

Aged Bourbon \$/PG

Vodka

Toted from Supplier	\$ 3.35
Est Tote Price/PG:	Vodka \$/PG

Patriarch Distillers - Barrel Model

Current Year PG Volume:	2,000	Total Cases:	2,105
Original PG's Per Barrel (120 proof):	63.6		
6 Year Recovered PG's/Bbl:	47.831		
10 Year Recovered PG's/Bbl:	40.03		
Ave PG's/Case:	0.95		

Calendar Year	% Growth	PG Needed	9 Liter Cases
2013		2,000	31
2014	10%	2,200	35
2015	10%	2,420	38
2016	10%	2,662	42
2017	20%	3,194	50
2018	20%	3,833	60
2019	20%	4,600	72
2020	20%	5,520	87
2021	20%	6,624	104
2022	20%	7,949	125
2023	20%	9,538	150
2024	20%	11,446	180
2025	20%	13,735	216
2026	20%	16,482	259
2027	20%	19,779	311

Barrels of New Whiskey by Year	# of New Fill Barrels
2014	200
2015	240
2016	288
2017	168
2018	201
2019	241
2020	289

Bold = Purchased bourbon (pre-2014)

Years Old	% Volume	PG's Needed	Dist Year	Barrels Needed
6	70%			
1,400		2007		29
1,540		2008		32
1,694		2009		35
1,863		2010		39
2,236		2011		47
2,683		2012		56
3,220		2013		67
3,864		2014		81
4,637		2015		97
5,564		2016		116
6,677		2017		140
8,012		2018		168
9,615		2019		201
11,538		2020		241
13,845		2021		289

Bold = Purchased bourbon (pre-2014)

Years Old	% Volume	PG's Needed	Dist Year	Barrels Needed
10	30%			
600		2003		15
660		2004		16
726		2005		18
799		2006		20
958		2007		24
1,150		2008		29
1,380		2009		34
1,656		2010		41
1,987		2011		50
2,385		2012		60
2,862		2013		71
3,434		2014		86
4,121		2015		103
4,945		2016		124
5,934		2017		148

Business Plan

Business Plan

Vodka Margin Analysis		2013	2014	2015	2016	2017
Total Whiskey Revenue 2013:		\$ 281,155.59	\$ 80,442.68	Total Whiskey Rev 2016		\$ 77,461.56
2013 Goal Revenue:		\$ 500,000.00	\$ 600,000.00	Total 2014 Goal (+20%)	\$ 864,000.00	\$ 1,036,800.00
Balance in Vodka Revenue 2013:		\$ 218,894.41	\$ 519,452.32	Balance in Vodka Revenue 2013:	\$ 869,000.00	\$ 959,338.44
# of Cases Required for Revenue Balance:		2,779	6,596	# of Cases Required for Revenue Balance:	10,971	12,182
Gross Profit from 2013 Vodka:		\$ 64,938.24	\$ 154,131.93	Gross Profit from 2013 Vodka:	\$ 256,364.66	\$ 284,662.70
Vodka						
Bottles Per Case		6				
Bottle Size (ml)		750				
Bottle Proof		80				
Proof Gallons/Case		0.95				
Retail Price/Bottle (25% Margin)		\$ 24.99				
Distributor Price to Retailer (25% Margin)		\$ 18.75				
Landed Price to Distributor		\$ 13.13				
Landed Case Price		\$ 78.75				
Federal Excise Tax/Case		\$ 12.83				
Freight Allowance/Case		\$ 1.00				
Discounts/Case		\$ 10.00				
Partiarch Revenue/Case		\$ 54.93				
Gross Profit (Before Oper Exp)/Case:		\$ 23.37				
Margin %		30%				
Total Component Costs/Case:						
GMS Cost/Case		\$ 31.56				
Bottle Cap, Chain (+ Shipping) (\$5/oz)		\$ 3.36				
Label (\$0.50/bottle)		\$ 17.40				
Wing element (e.g. neck tag)		\$ 1.80				
Misc. (e.g. gift carton or tube)		\$ 3.00				
Contingency		\$ 6.00				
GMS Cost Breakdown:						
PG/Tote (Assumes 350 gal tote @ 1.92 ft)		672				
S/Tote		\$ 1,875.00				
Ship Cost/Tote		\$ 500.00				
Total S/PG		\$ 3.53				

Whiskey Margin Analysis	
Total Whiskey Revenue 2013:	\$ 381,165.59
Total Whiskey Gross Profit 2013:	\$ 83,566.87
95% Big Whiskey	
# of Barrels	2006
Fill Year	2013
Dump Year	2013
Evaporation	0.28
Estimated PG Left/Barrel	45,792
Total PG Available at Dumping	1373.76
Bottles Per Case	6
Bottle size (ml)	750
Bottle Proof	80
Proof Gallons/Case	0.95
Total Cases Available	1,446
Total Cost for Barrel Lot	\$ 41,130.00
Whiskey Cost/Case	\$ 28.44
Product Label Age	7
Retail Price/Bottle (25% Margin)	\$ 34.99
Distributor Price to Retailer (25% Margin)	\$ 26.24
Landed Price to Distributor	\$ 18.37
Landed Case Price	\$ 10.00
Federal Excise Tax/Case	\$ 1.00
Freight Allowance/Case	\$ 1.00
Discounts/Case	\$ 10.00
Partnership Revenue/Case	\$ 86.38
Total Landed Revenue Available	\$ 158,360.27
Gross Profit (Before Oper Exp)	\$ 48,000.63
Margin %	27%
Total Component Costs/Case:	
Liquid	\$ 56.80
Bottle, Cap, Chain (+ Shipping) (\$5/btl)	\$ 17.40
Label (\$0.30/bottle)	\$ 1.80
Mktg element (eg neck tag)	\$ 3.00
Misc. (e.g. gift carton or tube)	\$ -
Contingency	\$ 6.00

25% Bourbon	
# of Barrels	15
Fill Year	2008
Dump Year	2013
Evaporation	0.22
Estimated PG Left/Barrel	49,608
Total PG Available at Dumping	744.12
Bottles Per Case	6
Bottle size (ml)	750
Bottle Proof	80
Proof Gallons/Case	0.95
Total Cases Available	783
Total Cost for Barrel Lot	\$ 16,650.00
Whiskey Cost/Case	\$ 21.26
Product Label Age	5
Retail Price/Bottle (25% Margin)	\$ 34.99
Distributor Price to Retailer (25% Margin)	\$ 23.49
Landed Price to Distributor	\$ 17.15
Landed Case Price	\$ 102.87
Federal Excise Tax/Case	\$ 1.00
Freight Allowance/Case	\$ 1.00
Discounts/Case	\$ 10.00
Partnership Revenue/Case	\$ 79.85
Total Landed Revenue Available	\$ 80,597.68
Gross Profit (Before Oper Exp)	\$ 23,152.10
Margin %	29%
Total Component Costs/Case:	
Liquid	\$ 49.46
Bottle, Cap, Chain (+ Shipping) (\$5/btl)	\$ 17.40
Label (\$0.30/bottle)	\$ 1.80
Mktg element (eg neck tag)	\$ 3.00
Misc. (e.g. gift carton or tube)	\$ -
Contingency	\$ 6.00

25% Bourbon	
# of Barrels	15
Fill Year	2008
Dump Year	2013
Evaporation	0.22
Estimated PG Left/Barrel	49,608
Total PG Available at Dumping	744.12
Bottles Per Case	6
Bottle size (ml)	750
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Total Cases Available	783
Total Cost for Barrel Lot	\$ 16,650.00
Whiskey Cost/Case	\$ 21.26
Product Label Age	5
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Distributor Price to Retailer (25% Margin)	\$ 23.49
Landed Price to Distributor	\$ 17.15
Landed Case Price	\$ 102.87
Federal Excise Tax/Case	\$ 1.00
Freight Allowance/Case	\$ 1.00
Discounts/Case	\$ 10.00
Partnership Revenue/Case	\$ 79.85
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Misc. (e.g. gift carton or tube)	\$ -
Contingency	\$ 6.00

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Label (\$0.30/bottle)	\$ 1.80
Mktg element (eg neck tag)	\$ 3.00
Misc. (e.g. gift carton or tube)	\$ -
Contingency	\$ 6.00

BUSINESS 2/20

Business Plan

54154-30

First State Bank
A Trust Company
Member FDIC

LOAN NUMBER	LOAN NAME	ACCT. NUMBER	NOTE DATE	INITIALS
	JEFFREY J HADDEN		05/31/13	007
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
\$30,180.00	Not Applicable	6.125%	08/25/13	Commercial
Creditor Use Only				

PROMISSORY NOTE (Commercial - Single Advance)

DATE AND PARTIES. The date of this Promissory Note (Note) is May 31, 2013. The parties and their addresses are:

LENDER:

FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025
Telephone: (402) 721-2600

BORROWER:

JEFFREY J HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

KRISTY K HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

- A. **Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agree to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. **Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. **Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. **Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. **Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. **Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. **Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

2. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$30,180.00 (Principal) plus interest from May 31, 2013 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

3. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of 6.125 percent (Interest Rate).

- A. **Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. **Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by state or federal law, whichever is greater. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. **Statutory Authority.** The amount assessed or collected on this Note is authorized by the Nebraska usury laws under Neb. Rev. Stat. § 45-101.03.
- D. **Accrual.** Interest accrues using an Actual/360 days counting method.

4. ADDITIONAL CHARGES. As additional consideration, I agree to pay, or have paid, these additional fees and charges.

- A. **Nonrefundable Fees and Charges.** The following fees are earned when collected and will not be refunded if I prepay this Note before the scheduled maturity date.
 - Loan Origination Fee. A(n) Loan Origination Fee fee of \$150.00 payable from the loan proceeds.
 - Filing. A(n) Filing fee of \$10.00 payable from the loan proceeds.

5. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. **Late Charge.** If a payment is more than 5 days late, I will be charged \$30.00. I will pay this late charge promptly but only once for each late payment.

JEFFREY J HADDEN
Nebraska Promissory Note
NE/4JBRANDST0000000000054058N

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Business Plan

deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

19. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

20. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.

A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEBRASKA LAW. TO PROTECT YOU AND US FROM ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING, OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

Borrower:


JEFFREY J HADDEN
Individually Date 5-31-13



KRISTY K HADDEN
Individually Date 5/31/13


21. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.



Business Plan


BORROWER:

 Date 5-31-13
JEFFREY J. HADDEN
Individually

 Date 5/31/13
KRISTY K. HADDEN
Individually

LENDER:

FIRST STATE BANK AND TRUST COMPANY

By  Date 5/31/13
JAHN L. GRANDSTAFF, VP



Business Plan

REGULATION B - NOTICE OF INTENT TO APPLY FOR JOINT CREDIT

APPLICANT:

JEFFREY J HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

KRISTY K HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

LENDER:

FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025

NOTICE. We intend to apply for joint credit.

ACKNOWLEDGMENT. By signing below, we acknowledge the intention to apply for joint credit on May 31, 2013.


JEFFREY J HADDEN
Individually

Date 5-31-13


KRISTY K HADDEN
Individually

Date 5/31/13



Business Plan

AUTHORIZATION
by Limited Liability Company

1. ENTITY CERTIFICATIONS. I, JEFFREY J HADDEN, Member of PATRIARCH LLC certify that:

- A. I am designated to execute this Authorization on behalf of PATRIARCH LLC, Federal Tax Identifying Number 481-60-6467 (Limited Liability Company).
- B. I am authorized and directed to execute an original or a copy of this Authorization to Financial Institution, and anyone else requiring a copy.
- C. Limited Liability Company is properly formed and validly existing under the laws of Nebraska and that Limited Liability Company has the power and authority to conduct business and other activities as now being conducted.
- D. Limited Liability Company has the power and authority to adopt and provide this Authorization and to confer the powers granted in this Authorization; the designated Agents have the power and authority to exercise the actions specified in this Authorization; and Limited Liability Company properly adopted these authorizations and appointed the Agents and me to act on its behalf.
- E. Limited Liability Company will not use any trade name or fictitious name without Financial Institution's prior written consent and will preserve Limited Liability Company's existing name, trade names, fictitious names and franchisees.
- F. Limited Liability Company will notify Financial Institution before reorganizing, merging, consolidating, recapitalizing, dissolving or otherwise materially changing ownership, management or organizational form. Limited Liability Company will be fully liable for failing to notify Financial Institution of these material changes.

2. GENERAL AUTHORIZATIONS. I certify Limited Liability Company authorizes and agrees that:

- A. FIRST STATE BANK AND TRUST COMPANY (Financial Institution) is designated to provide Limited Liability Company the financial accommodations indicated in this Authorization.
- B. All prior transactions obligating Limited Liability Company to Financial Institution by or on behalf of Limited Liability Company are ratified by execution of this Authorization.
- C. Any Agent, while acting on behalf of Limited Liability Company, is authorized, subject to any expressed restrictions, to make all other arrangements with Financial Institution which are necessary for the effective exercise of the powers indicated within this Authorization.
- D. The signatures of the Agents are conclusive evidence of their authority to act on behalf of Limited Liability Company.
- E. Unless otherwise agreed to in writing, this Authorization replaces any earlier related Authorization and will remain effective until Financial Institution receives and records an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of this Authorization must be accompanied by documentation, satisfactory to Financial Institution, establishing the authority for the change.
- F. Limited Liability Company agrees not to combine proceeds from collateral securing any debts owed to Financial Institution with unrelated funds.
- G. Financial Institution may verify credit history of Limited Liability Company by obtaining a credit report from a credit reporting agency or any other necessary means.

3. SPECIFIC AUTHORIZATIONS. Limited Liability Company agrees that the following persons (Agents) are authorized to act on behalf of Limited Liability Company in fulfilling the purposes of this Authorization:

JEFFREY J HADDEN, Member

KRISTY K HADDEN, Member

Limited Liability Company authorizes and directs the designated Agents to act, as indicated, on Limited Liability Company's behalf to:

- A. Open or close any share or deposit accounts in Limited Liability Company's name, including, without limitation, accounts such as share draft, checking, savings, certificates of deposit or term share accounts, escrow, demand deposit, reserve, and overdraft line-of-credit accounts.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- B. Enter into and execute any preauthorized electronic transfer agreements for automatic withdrawals, deposits or transfers initiated through an electronic ATM or point-of-sale terminal, telephone, computer or magnetic tape using an access device like an ATM or debit card, a code or other similar means.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- C. Enter into and execute commercial wire transfer agreements that authorize transfers by telephone or other communication systems through the network chosen by Financial Institution.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- D. Endorse and deposit checks, share drafts and orders for the payment of money.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- E. Sign checks or orders for the payment of money, withdraw or transfer funds on deposit with Financial Institution.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- F. Enter into and execute a written night depository agreement, a lock-box agreement or a safe deposit box lease agreement.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- G. Borrow money or obtain other credit or financial accommodation from Financial Institution on behalf of and in the name of Limited Liability Company on the terms agreed to with Financial Institution. The designated agents may execute and endorse promissory notes, acceptances or other evidences of indebtedness.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- H. Grant a security interest, lien or other encumbrance to Financial Institution in any or all real or personal property that Limited Liability Company now owns or may acquire in the future for the payment or performance of all debts, liabilities and obligations of every type and description owed now or in the future by Limited Liability Company to Financial Institution.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.
- I. Receive and acknowledge receipt for funds, whether payable to the order of Limited Liability Company or an Agent, without additional certification as to the use of the proceeds.
This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.

JEFFREY J HADDEN
Nebraska Authorization
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Page 1



J. Periodically amend, restructure, renew, extend, modify, substitute or terminate any agreements or arrangements with Financial Institution that relate to this Authorization.

This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.

K. Execute other agreements that Financial Institution may require, and perform or cause to be performed any further action necessary to carry out the purposes of this Authorization.

This power may only be exercised by JEFFREY J HADDEN and KRISTY K HADDEN and requires 2 authorized signatures.

l. Sign or endorse using facsimile signatures adopted by Limited Liability Company. Financial institution may rely on those facsimile signatures that resemble the specimens within this Authorization or the specimens that Limited Liability Company periodically files with Financial Institution, regardless of by whom or by what means the signatures were affixed.

4. **INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Authorization.

SIGNATURES. By signing, I certify and agree to the terms contained in this Authorization on behalf of United Liability Company on May 31, 2013.

I also acknowledge receipt of a copy of this Authorization.

AUTHORIZATION'S SIGNER:

Patriarch LLC

By Jeffrey J. Hadden
JEFFREY J HADDEN, Member

Notary or Acknowledgment Here (Optional)

FOR FINANCIAL INSTITUTION USE ONLY

Acct/Loan # _____ Authorization and agreement completed and effective _____ by _____ for the _____ Finance Institution.

JEFFREY J HADDEN
Nebraska Authorization
NE/4 JGRANDST000000000000854058N

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SECURITY AGREEMENT

DATE AND PARTIES. The date of this Security Agreement (Agreement) is May 31, 2013. The parties and their addresses are:

SECURED PARTY:
FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025

DEBTOR:
PATRIARCH LLC
a Nebraska Limited Liability Company
10721 S 210TH ST
GRETNA, NE 68025

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Debtor and agreeing to give the Property described in this Agreement as security for the Secured Debts.

Where the owner of the Property is different from the obligor or guarantor whose obligation this Agreement secures, "Debtor" refers to each person or entity who is an owner of the Property and "Obligor" or "Guarantor," as applicable, refer to such parties as designated in the SECURED DEBTS section.

1. SECURED DEBTS. The term "Secured Debts" includes and this Agreement will secure each of the following:

A. Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, dated May 31, 2013, from JEFFREY J HADDEN and KRISTY K HADDEN (Obligor) to you, in the amount of \$30,160.00.

B. All Debts. All present and future debts from Obligor to you, even if this Agreement is not specifically referenced, the future debts are also secured by other collateral, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Agreement, each agrees that it will secure debts incurred either individually or with others who may not sign this Agreement. Nothing in this Agreement constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing.

This Agreement will not secure any debt for which you fail to give any required notice of the right of rescission. This Agreement will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. In addition, this Agreement will not secure any other debt if, with respect to such other debt, you fail to fulfill any necessary requirements or limitations of Sections 19(a), 32 or 36 of Regulation Z or if, as a result, the other debt would become subject to Section 570 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

C. Sums Advanced. All sums advanced and expenses incurred by you under the terms of this Agreement.

Loan Documents refer to all the documents executed in connection with the Secured Debts.

2. NON-OBLIGATED OWNER. Any one of us, who is not also identified as an Obligor in the Secured Debts section of this Agreement and who signs this Agreement, is defined as a cosigner for purposes of the Equal Credit Protection Act and the Consumer Financial Protection Bureau's Regulation B, 12 C.F.R. 1002.7(d)(4) and is referred to herein as a Non-Obligated Owner. By signing this Agreement, I, as a Non-Obligated Owner, do grant a security interest, and assign my rights and interests, in the Property to secure payment of the Secured Debts, to create a valid lien, to pass clear title, to waive inchoate rights and to assign earnings or rights to payment under any lease or rent of the Property. However, I, as a Non-Obligated Owner, am not personally liable for the Secured Debts.

3. SECURITY INTEREST. To secure the payment and performance of the Secured Debts, I give you a security interest in all of the Property described in this Agreement that I own or have sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products from the Property (including, but not limited to, all parts, accessories, repairs, replacements, improvements, and accessories to the Property). Property is all the collateral given as security for the Secured Debts and described in this Agreement, and includes all obligations that support the payment or performance of the Property. "Proceeds" includes cash proceeds, non-cash proceeds and anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property.

This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and you are no longer obligated to advance funds to me under any loan or credit agreement.

4. PROPERTY DESCRIPTION. The Property is described as follows:

A. Inventory. All inventory which I hold for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in my business. "Inventory" means goods, other than farm products, which: (A) are leased by a person as lessor; (B) are held by a person for sale or lease or to be furnished under a contract of service; (C) are furnished by a person under a contract of service; or (D) consist of raw materials, work in process, or materials used or consumed in a business. The term "Inventory" is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction.

B. Accounts and Other Rights to Payment. All rights I have now or in the future to payments including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned, whether or not I have earned such payment by performance. This includes any rights and interests (including all liens and security interests) which I may have by law or agreement against any Account Debtor or obligor of mine. "Account" means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation insured or to be insured, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes health-care insurance receivables. The term "Accounts" does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of rights to payment, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Accounts" is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction.

C. Chattel Paper. All chattel paper, including records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, leases of specific goods, and leases of specific goods and license of software used in the goods. If a transaction is evidenced by records that include an instrument or series of

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BUSINESS PLAN

instruments, the group of records taken together constitutes "chattel paper." The term "Chattel Paper" is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction.

D. Equipment. All equipment including, but not limited to, all machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, and parts and tools. All equipment described in a list or schedule which I give to you will also be included in the Property, but such a list is not necessary for a valid security interest in my equipment. "Equipment" means goods other than inventory, farm products, or consumer goods. The term "Equipment" is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction.

E. Fixtures. All goods now or in the future affixed or attached to real estate. "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law. The term "Fixtures" is as defined by the Uniform Commercial Code and further as modified or amended by the laws of the jurisdiction which governs this transaction.

5. WARRANTIES AND REPRESENTATIONS. I make to you the following warranties and representations which will continue as long as this Agreement is in effect:

A. Power. I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.

B. Authority. The execution, delivery and performance of this Agreement and the obligation evidenced by this Agreement are within my powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which I am a party or to which I am or any of my property is subject.

C. Name and Location. My name indicated in the DATE AND PARTIES section is my exact legal name. I am an entity organized and registered under the laws of Nebraska. I will provide verification of registration and location upon your request. I will provide you with at least 30 days notice prior to any change in my name, address, or state of organization or registration.

D. Business Name. Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.

E. Ownership of Property. I represent that I own all of the Property. Your claim to the Property is ahead of the claims of any other creditor, except as disclosed in writing to you prior to any advance on the Secured Debts. The collateral that is the subject of the chattel paper is perfected and preserved. I represent that I am the original owner of the Property and, if I am not, that I have provided you with a list of prior owners of the Property.

6. DUTIES TOWARD PROPERTY.

A. Protection of Secured Party's Interest. I will defend the Property against any other claim. I agree to do whatever you require to protect your security interest and to keep your claim in the Property ahead of the claims of other creditors. I will not do anything to harm your position. I will keep books, records and accounts about the Property and my business in general. I will let you examine these and make copies at any reasonable time. I will prepare any report or accounting you request which deals with the Property.

B. Use, Location, and Protection of the Property. I will keep the Property in my possession and in good repair. I will use it only for commercial purposes. I will not change this specified use without your prior written consent. You have the right of reasonable access to inspect the Property and I will immediately inform you of any loss or damage to the Property. I will not cause or permit waste to the Property.

I will keep the Property at my address listed in the DATE AND PARTIES section unless we agree I may keep it at another location. If the Property is to be used in other states, I will give you a list of those states. The location of the Property is given to aid in the identification of the Property. It does not in any way limit the scope of the security interest granted to you. I will notify you in writing and obtain your prior written consent to any change in location of any of the Property. I will not use the Property in violation of any law. I will notify you in writing prior to any change in my address, name or, if an organization, any change in my identity or structure.

Until the Secured Debts are fully paid and this Agreement is terminated, I will not grant a security interest in any of the Property without your prior written consent. I will pay all taxes and assessments levied or assessed against me or the Property and provide timely proof of payment of these taxes and assessments upon request.

C. Selling, Leasing or Encumbering the Property. I will not sell, offer to sell, lease, or otherwise transfer or encumber the Property without your prior written permission, except for inventory sold in the ordinary course of business at fair market value, or at a minimum price established between you and me. If I am in default under this Agreement, I may not sell the inventory portion of the Property even in the ordinary course of business. Any disposition of the Property contrary to this Agreement will violate your rights. Your permission to sell the Property may be reasonably withheld without regard to the creditworthiness of any buyer or transferee. I will not permit the Property to be the subject of any court order affecting my rights to the Property in any action by anyone other than you. If the Property includes chattel paper or instruments, either as original collateral or as proceeds of the Property, I will note your security interest on the face of the chattel paper or instruments.

D. Additional Duties Specific to Accounts. I will not settle any Account for less than its full value without your written permission. Until you tell me otherwise, I will collect all Accounts in the ordinary course of business. I will not dispose of the Accounts by assignment without your prior written consent. I will keep the proceeds from all the Accounts and any goods which are returned to me or which I take back. I will not commingle them with any of my other property. I will deliver the Accounts to you at your request. If you ask me to pay you the full price on any returned items or items retaken by me, I will do so. I will make no material change in the terms of any Account, and I will give you any statements, reports, certificates, lists of Account Debtors (showing names, addresses and amounts owing), invoices applicable to each Account, and other data in any way pertaining to the Accounts as you may request.

7. INSURANCE. I agree to keep the Property insured against the risks reasonably associated with the Property. I will maintain this insurance in the amounts you require. This insurance will last until the Property is released from this Agreement. I may choose the insurance company, subject to your approval, which will not be unreasonably withheld.

I will have the insurance company name you as loss payee on any insurance policy. I will give you and the insurance company immediate notice of any loss. You may apply the insurance proceeds toward what is owed on the Secured Debts. You may require added security as a condition of permitting any insurance proceeds to be used to repair or replace the Property.

If you acquire the Property in damaged condition, my right to any insurance policies and proceeds will pass to you to the extent of the Secured Debts.

I will immediately notify you of cancellation or termination of insurance. If I fail to keep the Property insured, you may obtain insurance to protect your interest in the Property and I will pay for the insurance on your demand. You may demand that I pay for the insurance all at once, or you may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include coverages not originally required of me, may be written by a company other than one I would choose, and may be written at a higher rate than I could obtain if I purchased the insurance. I acknowledge and agree that you or one of your affiliates may receive commissions on the purchase of this insurance.

8. COLLECTION RIGHTS OF THE SECURED PARTY. Account Debtor means the person who is obligated on an account, chattel paper, or general intangible. I authorize you to notify my Account Debtors of your security interest and to deal with the Account Debtors' obligations at your discretion. You may enforce the

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Nebraska Security Agreement
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LOAN NUMBER	LOAN NAME	ACCT. NUMBER	NOTE DATE	INITIALS
	JEFFREY J HADDEN		06/20/13	007
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
\$110,100.00	Not Applicable	5.875%	10/18/13	Commercial
Creditor Use Only				

PROMISSORY NOTE
(Commercial - Single Advance)

DATE AND PARTIES. The date of this Promissory Note (Note) is June 20, 2013. The parties and their addresses are:

LENDER:

FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025
Telephone: (402) 721-2500

BORROWER:

JEFFREY J HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

KRISTY K HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

RECEIVED
JUN 20 2013
NEBRASKA LIQUOR
CONTROL COMMISSION

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

- A. **Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. **Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. **Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. **Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. **Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. **Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. **Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

2. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$110,100.00 (Principal) plus interest from June 20, 2013 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

3. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of 5.875 percent (Interest Rate).

- A. **Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. **Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by state or federal law, whichever is greater. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. **Statutory Authority.** The amount assessed or collected on this Note is authorized by the Nebraska usury laws under Neb. Rev. Stat. § 45-101.03.
- D. **Accrual.** Interest accrues using an Actual/360 days counting method.

4. ADDITIONAL CHARGES. As additional consideration, I agree to pay, or have paid, these additional fees and charges.

- A. **Nonrefundable Fees and Charges.** The following fees are earned when collected and will not be refunded if I prepay this Note before the scheduled maturity date.
 - Loan Origination Fee. A(n) Loan Origination Fee fee of \$100.00 payable from the loan proceeds.

5. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. **Late Charge.** If a payment is more than 5 days late, I will be charged \$30.00. I will pay this late charge promptly but only once for each late payment.
- B. **Returned Check Charge.** I agree to pay a fee not to exceed \$30.00 for each check, negotiable order of withdrawal or draft I issue in connection with the Loan that is returned because it has been dishonored.

JEFFREY J HADDEN
Nebraska Promissory Note
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6. **GOVERNING AGREEMENT.** This Note is further governed by the Commercial Loan Agreement executed between you and me as a part of this Loan, as modified, amended or supplemented. The Commercial Loan Agreement states the terms and conditions of this Note, including the terms and conditions under which the maturity of this Note may be accelerated. When I sign this Note, I represent to you that I have reviewed and am in compliance with the terms contained in the Commercial Loan Agreement.

7. **PAYMENT.** I agree to pay this Note in a single payment of all unpaid Principal and accrued interest on October 18, 2013.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

8. **PREPAYMENT.** I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

9. **LOAN PURPOSE.** The purpose of this Loan is PURCHASE EQUIPMENT - INVENTORY.

10. **SECURITY.** The Loan is secured by the following, previously executed, security instruments or agreements: SECURED BY SEPARATE SECURITY AGREEMENT DATED 5/31/13.

11. **DUE ON SALE OR ENCUMBRANCE.** You may, at your option, declare the entire balance of this Note to be due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.

12. **WAIVERS AND CONSENT.** To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. **Additional Waivers By Borrower.** In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

(1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.

(2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.

(3) You may release, substitute or impair any Property securing this Note.

(4) You, or any institution participating in this Note, may invoke your right of set-off.

(5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.

(6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

B. **No Waiver By Lender.** Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

13. **COMMISSIONS.** I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

14. **APPLICABLE LAW.** This Note is governed by the laws of Nebraska, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Nebraska, unless otherwise required by law.

15. **JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

16. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable. No present or future agreement securing any other debt I owe you will secure the payment of this Loan if, with respect to this loan, you fail to fulfill any necessary requirements or limitations of Sections 19(a), 32 or 35 of Regulation Z or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

17. **INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

18. **NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. I will inform you in writing of any change in my name, address or other application information. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

19. **CREDIT INFORMATION.** I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

20. **ERRORS AND OMISSIONS.** I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.

JEFFREY J HADDEN
Nebraska Promissory Note
NE/4JGRANDST0000000000654019N

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Initials _____
Page 2

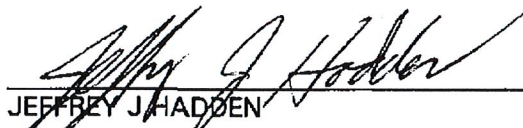



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Business Plan

A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEBRASKA LAW. TO PROTECT YOU AND US FROM ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING, OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

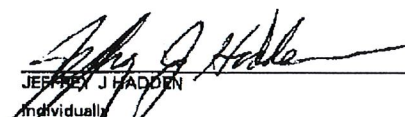
Borrower:

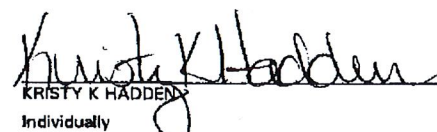

JEFFREY J HADDEN
Individually Date 6/21/13


KRISTY K HADDEN
Individually Date 6/21/13

21. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:


JEFFREY J HADDEN
Individually Date 6/21/13


KRISTY K HADDEN
Individually Date 6/21/13

LENDER:

FIRST STATE BANK AND TRUST COMPANY

By 
JAHN L. GRANDSTAFF, V Date 6/21/13

JEFFREY J HADDEN
Nebraska Promissory Note
NE/4JGRANDST000000000000654019N

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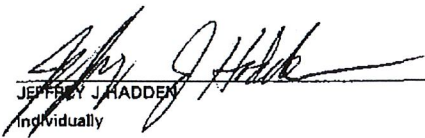
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Page 3



Business Plan

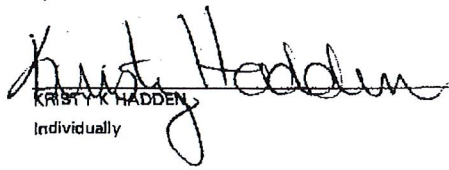
I acknowledge receipt of a copy of this Disbursement Authorization on 6/20/13.

BORROWER:


JEFFREY J. HADDEN
Individually

Date

6-21-13


KRISTY K. HADDEN
Individually

Date

6/21/13

JEFFREY J HADDEN
Disbursement Authorization
NE/4JGRANDST00000000000654019N

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Page 2



DISBURSEMENT AUTHORIZATION

DATE AND PARTIES. The date of this Disbursement Authorization is 6/20/13. The parties and their addresses are:

LENDER:

FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025
Telephone: (402) 721-2500

BORROWER:

JEFFREY J HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

KRISTY K HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

Loan Number: _____

1. DEFINITIONS. As used in this Disbursement Authorization, the terms have the following meanings:

A. Pronouns. The pronouns "I", "me" and "my" refer to all Borrowers signing this Disbursement Authorization, individually and together. "You" and "Your" refer to the Lender.

B. Loan. "Loan" refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Disbursement Authorization.

2. DISBURSEMENT SUMMARY. The following summarizes the disbursements from the Loan.

Loan		\$110,100.00
Cash Paid In	\$0.00	
Amount Contributed by Borrower	\$0.00	
Total Cash Received		\$0.00
Disbursed to Borrowers	\$0.00	
Disbursed to Lender	\$100.00	
Disbursed to Other Payees	\$110,000.00	
Total Amounts Disbursed		\$110,100.00
Amount Remaining To Be Disbursed		\$0.00
Undisbursed Fees/Charges		\$0.00

3. DISBURSEMENT AUTHORIZATION. I authorize you to disburse the following amounts from my Loan.

DISBURSED TO:	DATE:	AMOUNT DISBURSED:
Disbursements to Borrower:		\$0.00
Disbursements to Lender:		\$100.00
Fees & Charges:	06/20/2013	\$100.00
Loan Origination Fee		\$100.00
Disbursements to third parties:		\$110,000.00
PATRIARCH LLC, DDA#568619, Check #568619	06/20/2013	\$110,000.00
TOTAL DISBURSED:		\$110,100.00

Amount remaining to be disbursed, if any: \$0.00

JEFFREY J HADDEN
Disbursement Authorization
NE/4JGRANDST00000000000654019N

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Page 1



Business Plan

REGULATION B - NOTICE OF INTENT TO APPLY FOR JOINT CREDIT

APPLICANT:

JEFFREY J HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

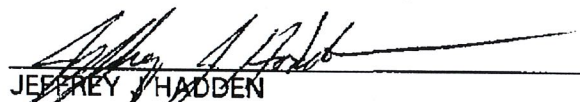
KRISTY K HADDEN
10721 S 210TH STREET
GRETNA, NE 68028

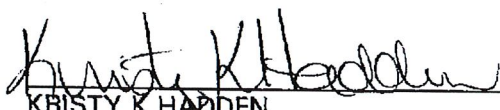
LENDER:

FIRST STATE BANK AND TRUST COMPANY
1005 EAST 23RD STREET
FREMONT, NE 68025

NOTICE. We intend to apply for joint credit.

ACKNOWLEDGMENT. By signing below, we acknowledge the intention to apply for joint credit on May 31, 2013.


JEFFREY J HADDEN
Individually Date 6/21/13


KRISTY K HADDEN
Individually Date 6/21/13



#13

LEASE ADDENDUM

This Lease Addendum (the "Addendum") is entered into as of September 26, 2013, (the "Effective Date") between PSP Properties, LLC ("Landlord"), and Patriarch Distillers LLC. ("Tenant").

RECITALS

A. On April 25, 2013, Landlord and Tenant entered into a lease, a true and accurate copy of which is attached hereto and incorporated herein as Exhibit "A" (the "Lease").

B. On June 10, 2013, Landlord and Tenant entered into a lease addendum, a true and accurate copy of which is attached hereto and incorporated herein as Exhibit "B" (the "First Addendum").

C. On June 18, 2013, Tenant filed an amendment to its Certificate of Organization with the Nebraska Secretary of State officially changing its company name to "Patriarch Distillers LLC".

D. The Landlord and Tenant desire to amend the Lease and First Addendum as set forth in this Addendum, as of the Effective Date.

E. Except as otherwise modified herein, Landlord and Tenant agree that the terms and conditions of the Lease and First Addendum shall remain in full force and effect.

AGREEMENT

THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration received, and with the intent to be legally bound, Landlord and Tenant hereby agree as follows:

The name of Tenant under the Lease and First Addendum is Patriarch Distillers LLC.

SIGNATURE PAGE TO FOLLOW

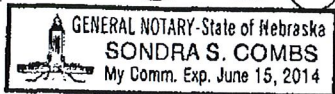
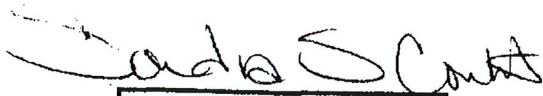
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IN WITNESS WHEREOF, the parties have entered into this Addendum as of the date first above written.

PSP Properties, LLC, Landlord

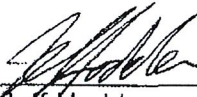


By: Ron Stinn
Its: Owner/Property Manager



SARF NE
9/30/13

Patriarch, LLC, Tenant



By: Jeff Hadden
Its: Manager

#13

EXHIBIT "A"
LEASE

(SEE ATTACHED)

#13

EXHIBIT "B"
FIRST ADDENDUM

(SEE ATTACHED)

DOCS/1212204.1

#13

LEASE


This lease, dated July 1, 2013 between PSP Properties, LLC, a Kansas limited partnership ("Lessor"), having its principal office at 4707 Roe Parkway, Roeland Park, Kansas, 66205, and **Patriarch, LLC, a business residing at 12251 Cary Circle, Ste 100, La Vista, NE 68128.**

1. Lease Term: This lease will remain in existence for 2 year beginning on July 1, 2013, and terminating on June 30, 2015, at which time a new lease will be created or terminated.
2. Rent: Lessee will pay to Lessor as net minimum rent during the Lease Term Twenty Four Thousand and No/100 Dollars (\$ 24,000.00 for a 3,750 Sq. ft space) payable in equal monthly installments of \$ 1,000.00 in advance on the first day of each month.
3. Insurance and Property Loss: Lessee will be responsible for proper insurance coverage on their occupied space of the Property and furnish to Lessor a proof of insurance listing Lessor as loss payee.
4. Utilities: Lessee will be responsible for all electric and gas utilities. Utilities will be put in the name of the lessee for the term of the lease.
5. Tenant Improvements: Lessee will be responsible for any tenant improvements they wish to add; however a new lease must be entered into at the time of any improvements and such improvements must be approved by the Property Manager, Ron Stinn, prior to start up.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the day and year first above mentioned.

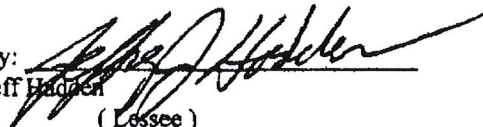
PSP Properties, LLC,

Dated: 4-25-13

By: 
Ron Stinn, Owner/Property Manager
(Lessor)

Patriarch,

Dated 4/25/13

By: 
Jeff Hadden
(Lessee)

#13

LEASE ADDENDUM

This Lease Addendum (the "Addendum") is entered into as of June 10, 2013, (the "Effective Date") between PSP Properties, LLC ("Landlord"), and Patriarch, LLC. ("Tenant").

RECITALS

A. On April 25, 2013, Landlord and Tenant entered into a lease a true and accurate copy of which is attached hereto and incorporated herein as Exhibit "A" (the "Lease").

B. The Landlord and Tenant desire to amend the Lease as set forth in this Addendum, as of the Effective Date.

C. Except as otherwise modified herein, Landlord and Tenant agree that the terms and conditions of the Lease shall remain in full force and effect.

AGREEMENT

THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration received, and with the intent to be legally bound, Landlord and Tenant hereby agree as follows:

1. A Section 6 shall be added to the Lease and state in its entirety the following:

6. Description of Premises: Landlord agrees to lease the following premises ("Premises") to Tenant during the Lease Term: 12251 Cary Circle, Suite 100, La Vista, NE 68128.

2. A Section 7 shall be added to the Lease and state in its entirety the following:

7. Purpose of Use: Landlord acknowledges and consents to Tenant's use of the Premises for any lawful purpose, including but not limited to, the distilling, warehousing, and processing distilled spirits for beverage use.

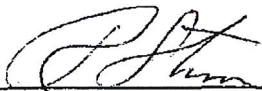
3. Except as specifically modified herein, all other terms, covenants and conditions of the Lease will continue in full force and effect.

4. This Addendum shall be binding upon, apply, and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

5. This Addendum may be executed in multiple counterparts, each of which will be deemed an original, but all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have entered into this Addendum as of the date first above written.

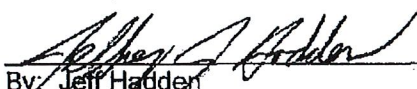
PSP Properties, LLC, Landlord



By: Ron Stinn

Its: Owner/Property Manager

Patriarch, LLC, Tenant



By: Jeff Hadden

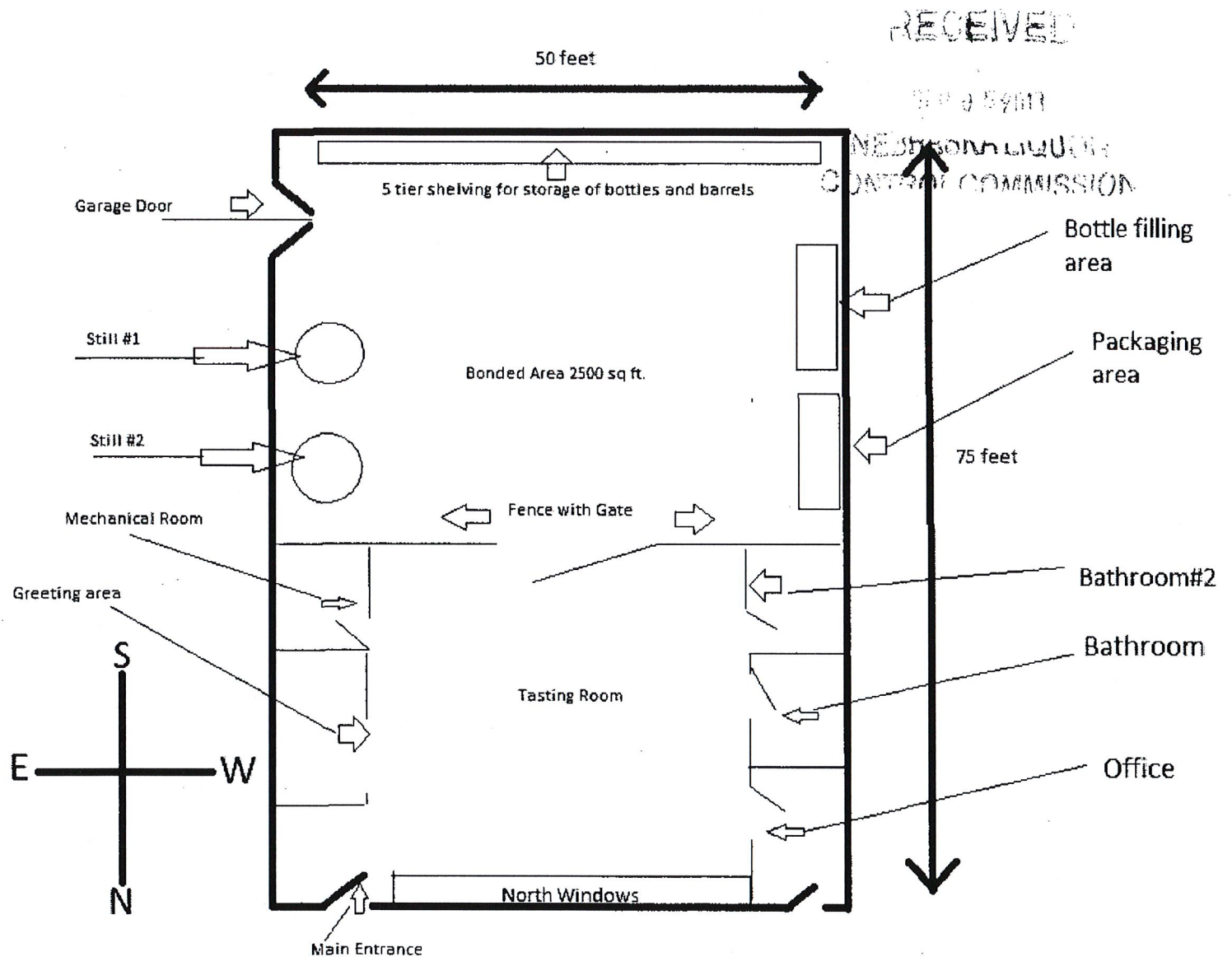
Its: Manager

#13

EXHIBIT "A"
LEASE

(SEE ATTACHED)

DOCS/1188587.1



Patriarch Distillers LLC
 12251 Cary Circle Suite 100
 La Vista, Nebraska 68128-USA
 402-690-3490
 402-690-0063
 jhadden@patriarchdistillers.com

Alarmed and Protected By
 Security Equipment Inc. (SEI)
 Omaha, NE
 402-333-3667

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