

ORIGINAL ALCOHOL BEVERAGE RETAIL LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning September 5th 20 12 ;
 ending June 30th 20 13

TO THE GOVERNING BODY of the: Town of }
 Village of } Madison
 City of }

County of Dane Aldermanic Dist. No. 6 (if required by ordinance)

1. The named INDIVIDUAL PARTNERSHIP LIMITED LIABILITY COMPANY
 CORPORATION/NONPROFIT ORGANIZATION

hereby makes application for the alcohol beverage license(s) checked above.

2. Name (individual/partners give last name, first, middle; corporations/limited liability companies give registered name): Bos Meadery LLC

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

Title	Name	Home Address	Post Office & Zip Code
President/Member	<u>President</u>	<u>Colleen Bos</u>	<u>5805 Seminole Ridge Cir, 53711</u>
Vice President/Member			
Secretary/Member			
Treasurer/Member			
Agent			
Directors/Managers			

3. Trade Name Bos Meadery Business Phone Number 608 628-3792
 4. Address of Premises 849 E Washington, Suite LLC Post Office & Zip Code 53703

5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? Yes No
6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? Yes No
8. (a) Corporate/limited liability company applicants only: Insert state Wisconsin and date 11/29/00 of registration.
 (b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? Yes No
 (c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? Yes No

(NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

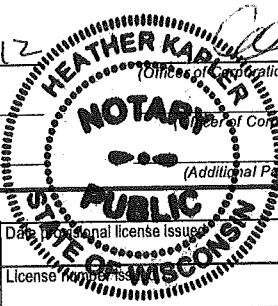
9. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.) See attached Description of Location
10. Legal description (omit if street address is given above): See attached Description of Location
11. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No
 (b) If yes, under what name was license issued?
12. Does the applicant understand they must file a Special Occupational Tax return (TTB form 5630.5) before beginning business? [phone 1-800-937-8864] Yes No
13. Does the applicant understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in Section 2, above? [phone (608) 266-2776] Yes No
14. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? Yes No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign; corporate officer(s), members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME

this 31st day of July, 20 12

Heather Kapler
 (Clerk/Notary Public)



My commission expires 12/30/12

TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk	Date reported to council/board	Date original license issued	Signature of Clerk / Deputy Clerk
Date license granted	Date license issued	License Number	

LIC LIA.2012-00662
 27262

B-408
 A-6 (RUMMEL) 772-4555

City of Madison Supplemental Class A License Application

<input checked="" type="checkbox"/> Seller's Permit Certificate- (Entity must match Articles of Incorporation) <input checked="" type="checkbox"/> Federal Employer Identification # <input checked="" type="checkbox"/> Notarized Original Application Form <input checked="" type="checkbox"/> Notarized Supplemental Form <input type="checkbox"/> Orange Sign (Clerk's Office provides at time of application)	<input checked="" type="checkbox"/> Description of Licensed Premise <input checked="" type="checkbox"/> *Notarized Appointment of Agent <input checked="" type="checkbox"/> Background Investigation Form(s) <input type="checkbox"/> Notarized Transfer of Ownership <input checked="" type="checkbox"/> *Articles of Incorporation	<input checked="" type="checkbox"/> Floor Plans <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Sample Menu <i>N/A</i> <input checked="" type="checkbox"/> Business Plan * Corporation/LLC only
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1. Name of Applicant/Partner/Corporation/LLC Bos Meadery LLC
2. Address of Licensed Premise 849 E Washington, Suite 116, Madison, WI 53703
3. Telephone Number: 608 628-3792 4. Anticipated opening date: 9/5/12
5. Mailing address if not opening immediately 5805 Semindle Ridge Cir, Fitchburg, WI 53711
6. Have you contacted the Alderperson, Police Department District Captain, Alcohol Policy Coordinator, and the neighborhood association representative for the area in which you intend to locate? Yes No
7. Are there any special conditions desired by the neighborhood? Yes No

Explain. _____

8. What type of establishment is contemplated? Liquor Store Grocery Store
 Convenience Store – Gas Pumps Yes No Other—Explain winery/meadery with on-site sales of our own product

9. Business Description: A meadery focused primarily on production with tours + tastings by appointment and the ability to sell mead to those who come for tours.

10. Detailed written description of building, including overall dimensions, seating arrangements, capacity, bar size and all areas where alcohol beverages are to be sold and stored. **The licensed premise described below shall not be expanded or changed without the approval of the Common Council.**

See Attached Description of Licensed Premise

11. Are any living quarters directly or indirectly accessible and under control of the applicant? Yes No
 Please note that alcohol may be sold and stored only on the licensed premise, not in living quarters.

12. Describe existing parking and how parking lot is to be monitored. there is ample street parking for the low level of traffic anticipated.

13. Describe your management experience, staffing levels, duties and employee training.

Colleen Bos has 5 years experience as a Team Lead at Epic Systems and 12 years of experience as a Project Manager. I am the only staff person.

14. Identify the **registered agent** for your Corporation or LLC. This is your corporation's agent for service of process, notice or demand required or permitted by law to be served on the corporation.

Colleen Bos 5805 Semindle Ridge Cir, Fitchburg, WI 53711

Name

Address

15. Utilizing your market research, who would you project your target market to be?

Singles + couples without children ages 21-45. Consumers with an Assoc. degree or higher.

16. Describe how you plan to advertise/promote your business. What products will you be advertising?

social media, online presence, partnering with other businesses.

17. Are you operating under a lease or franchise agreement? Yes (attach a copy) No

18. Owner of building where establishment is located: 849 E WASH ~~OWNER~~ LLC

Address of Owner: 849 E Washington Phone Number (608) 256-9996

19. Private organizations (clubs): Do your membership policies contain any requirement of "Invidious" (likely to give offense) discrimination in regard to race, creed, color, or national origin? Yes No

20. List the Directors of your Corporation/LLC

Colleen Bos 5805 Seminole Ridge Cir, Fitchburg, WI 53711

Name Address

Name Address

21. List the Stockholders of your Corporation/LLC

See above

Name Address % of Ownership

Name Address % of Ownership

Read carefully before signing: Under penalty provided by law, the applicant states that the above information has been truthfully completed to the best of the knowledge of the signer. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted will not be assigned to another. Any lack of access to any portion of a licensed premise during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Subscribed and Sworn to before me:

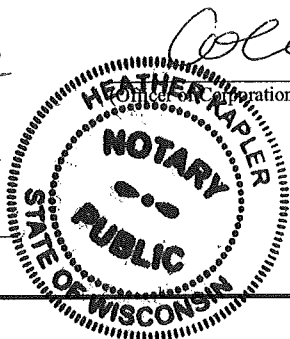
this 31st day of July, 2012
Colleen Bos

(Corporation/Member of LLC/Partner/Individual)

Heather Kapler

(Clerk/Notary Public)

My commission expires 12/30/12



Description of Location

Bos Meadery is located at 849 E. Washington, Suite 116, Madison, Wisconsin in a 1,000 square foot suite in that building (see Floor Plan). The suite is subdivided into a processing area of approximately 650 square feet where the mead is produced. The other room is a retail and storage area of approximately 350 square feet. There are plans for adding two tables with 4 seats each to the retail and storage area to accommodate customers who are interested in tours and tastings by appointment.

There are no living quarters associated with the location described above.

The legal description of 849 East Washington is as follows:

ORIGINAL PLAT, BLK 144, LOTS 8, 9, & 11 AND PART OF LOT 7, DESC AS FOL: BEG AT N COR LOT 7, TH SELY ALG NE LN LOT 7 165 FT TO E COR SD LOT, TH SWLY ALG SE LN LOT 7 1.75 IN, TH NWLY TO PT ON E WASHINGTON AVE 1.5 IN SW OF N COR LOT 7, TH NELY 1.5 IN TO POB, EXC THAT PART DESC AS FOL: BEG N COR OF SD LOT 9, TH S 43 DEG 54 MIN 59 SEC E 10.85 ALG SW LN OF N PATTERSON ST, TH S 46 DEG 08 MIN 02 SEC W 1.01 FT, TH N 43 DEG 54 MIN 59 SEC W 1 FT TO PT OF CONCAVE CUR, RAD 7 FT, CHRD BRS N 85 DEG 13 MIN 12 SEC W 9.24 FT, TH S 51 DEG 13 MIN 45 SEC W 24.07 FT, TH N 43 DEG 59 MIN 05 SEC W .78 FT TO EXISTING SLY ROW LN USH 151, TH N 46 DEG 08 MIN 01 SEC E 31.09 FT ALG SLY ROW LN TO POB.

Description of Licensed Premise

Bos Meadery is located at 849 E. Washington, Suite 116, Madison, Wisconsin in a 1,000 square foot suite in that building (see Floor Plan). The suite is subdivided into a processing area of approximately 650 square feet where the mead is produced. The other room is a retail and storage area of approximately 350 square feet. There are plans for adding two tables with 4 seats each to the retail and storage area to accommodate customers who are interested in tours and tastings by appointment.

SCHEDULE FOR APPOINTMENT OF AGENT BY CORPORATION/NONPROFIT ORGANIZATION OR LIMITED LIABILITY COMPANY

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by the officer(s) of the corporation/organization or members/managers of a limited liability company and the recommendation made by the proper local official.

To the governing body of: Town Village City of Madison County of Dane

The undersigned duly authorized officer(s)/members/managers of Bos Meadery LLC
(registered name of corporation/organization or limited liability company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as Bos Meadery
(trade name)

located at 849 East Washington, Suite 116, Madison

appoints Colleen Bos
(name of appointed agent)

5805 Seminole Ridge Cir, Fitchburg, WI 53711
(home address of appointed agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

Yes No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).

Is applicant agent subject to completion of the responsible beverage server training course? Yes No

How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? 13 years

Place of residence last year 5805 Seminole Ridge Cir, Fitchburg, WI 53711

For: Bos Meadery LLC
(name of corporation/organization/limited liability company)

By: Colleen Bos
(signature of Officer/Member/Manager)

And: _____
(signature of Officer/Member/Manager)

ACCEPTANCE BY AGENT

I, Colleen Bos, hereby accept this appointment as agent for the
(print/type agent's name)

corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

Colleen Bos 7/31/12
(signature of agent) (date)

Agent's age 39

5805 Seminole Ridge Cir, Fitchburg, WI
(home address of agent)

Date of birth 6/11/73

**APPROVAL OF AGENT BY MUNICIPAL AUTHORITY
(Clerk cannot sign on behalf of Municipal Official)**

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on _____ by _____ Title _____
(date) (signature of proper local official) (town chair, village president, police chief)



WISCONSIN DEPARTMENT OF REVENUE
 PO BOX 8902
 MADISON, WI 53708-8902

State of Wisconsin • DEPARTMENT OF REVENUE

REGISTRATION UNIT
 2135 RIMROCK RD PO BOX 8902 MADISON, WI 53708-8902
 PHONE: 608-266-2776 FAX: 608-264-6884
 EMAIL: dorbusinessstax@revenue.wi.gov WEBSITE: www.revenue.wi.gov

Letter ID: L1645849120

BOS MEADERY LLC OWNED BY COLLEEN BOS
 849 EAST WASHINGTON STE 116
 MADISON WI 53703



State of Wisconsin • DEPARTMENT OF REVENUE

Personal Wallet Copy

Seller's Permit: 456-1027924302-02
 Expiration Date: July 31, 2014
 Legal/Real Name: BOS MEADERY LLC OWNED BY
 COLLEEN BOS

Signature _____

Wisconsin Business Tax Registration Certificate

Expiration date: July 31, 2014

Legal/real name: BOS MEADERY LLC OWNED BY COLLEEN BOS

- This certificate confirms that you are registered with the Wisconsin Department of Revenue and authorized to engage in business activities for the tax types shown below.
- You may not transfer this certificate to any other individual or business.
- If your business is not operated from a fixed location, you must bring the wallet copy to all events.

Tax Type	Account Type	Number
Sales & Use Tax	Seller's Permit	456-1027924302-02

Date of this notice: 12-28-2010

Employer Identification Number:
27-4383831

Form: SS-4

Number of this notice: CP 575 A

BOS MEADERY LLC
COLLEEN BOS SOLE MBR
5805 SEMINOLE RIDGE CIR
FITCHBURG, WI 53711

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-4383831. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 720

01/31/2011

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes* and Publication 4248, *EFTPS (Brochure)*. If you need to make a deposit before you receive your Welcome Package, please visit an IRS taxpayer assistance center to obtain a Federal Tax Deposit Coupon, Form 8109-B. To locate the taxpayer assistance center nearest you, visit the IRS Web site at <http://www.irs.gov/localcontacts/index.html>. Note: You will not be able to obtain Form 8109-B by calling 1-800-829-TAXFORMS (1-800-829-3676).

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at www.irs.gov for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.**
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub. Thank you for your cooperation.

Keep this part for your records.

CP 575 A (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 A

999999999

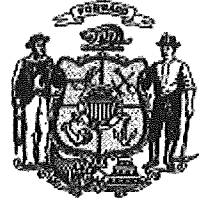
Your Telephone Number Best Time to Call
() -

DATE OF THIS NOTICE: 12-28-2010
EMPLOYER IDENTIFICATION NUMBER: 27-4383831
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023
|||

BOS MEADERY LLC
COLLEEN BOS SOLE MBR
5805 SEMINOLE RIDGE CIR
FITCHBURG, WI 53711

United States of America
State of Wisconsin



DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Corporate & Consumer Services

To All to Whom These Presents Shall Come, Greeting:

I, RAY ALLEN, Deputy Secretary, Department of Financial Institutions, do hereby certify that

BOS MEADERY LLC

is a domestic corporation or a domestic limited liability company organized under the laws of this state and that its date of incorporation or organization is November 29, 2010.

I further certify that said corporation or limited liability company has not yet completed its initial report year and, accordingly, has not yet filed an annual report under ss. 180.1622, 180.1921, 181.1622 or 183.0120 Wis. Stats., and that said corporation or limited liability company has not filed articles of dissolution.

IN TESTIMONY WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Department on January 16, 2011.



A handwritten signature in black ink, appearing to read 'Ray Allen'.

RAY ALLEN, Deputy Secretary
Department of Financial Institutions

Effective July 1, 1996, the Department of Financial Institutions assumed the functions previously performed by the Corporations Division of the Secretary of State and is the successor custodian of corporate records formerly held by the Secretary of State.

DFI/Corp/33

To validate the authenticity of this certificate

Visit this web address: <http://www.wdfi.org/apps/ccs/verify/>

Enter this code: **87011-DC49CDB0**

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR
Bos Meadery LLC
A Single-Member Limited Liability Company

1. This operating agreement is made by Bos Meadery LLC, a Wisconsin limited liability company, the Company, and Colleen Bos, the Member.
2. The Company has been formed under the Wisconsin statute authorizing the formation of limited liability companies. The purpose of the Company is to produce mead for commercial sale.
3. The Company will have one office. The initial registered office of the Company is located at 5805 Seminole Ridge Circle.
4. The Member has the right to manage the Company's business. The Member may delegate to another person the authority to perform specified acts on behalf of the Company.
5. If the Member dies or is unable to act, the Company will be managed by Peter DeVault or by the person the Member last designates in writing to manage the Company. That person will have full authority to manage the Company until the Member can do so.
6. In exchange for the Member's interest in the Company, the Member will contribute to the Company: \$6,100
7. For federal tax purposes, the Company will be taxed as a sole proprietorship, with profits and losses passing through to the Member.
8. The Member will determine the financial institution that will hold Company funds and will determine the authorized signatures on Company accounts.
9. The Company may admit one or more additional members upon such items as are determined by the Company and the Member. If new members are admitted, the articles of organization and the operating agreement will be appropriately amended.
10. The Member will determine when and how cash and other assets of the Company will be distributed.

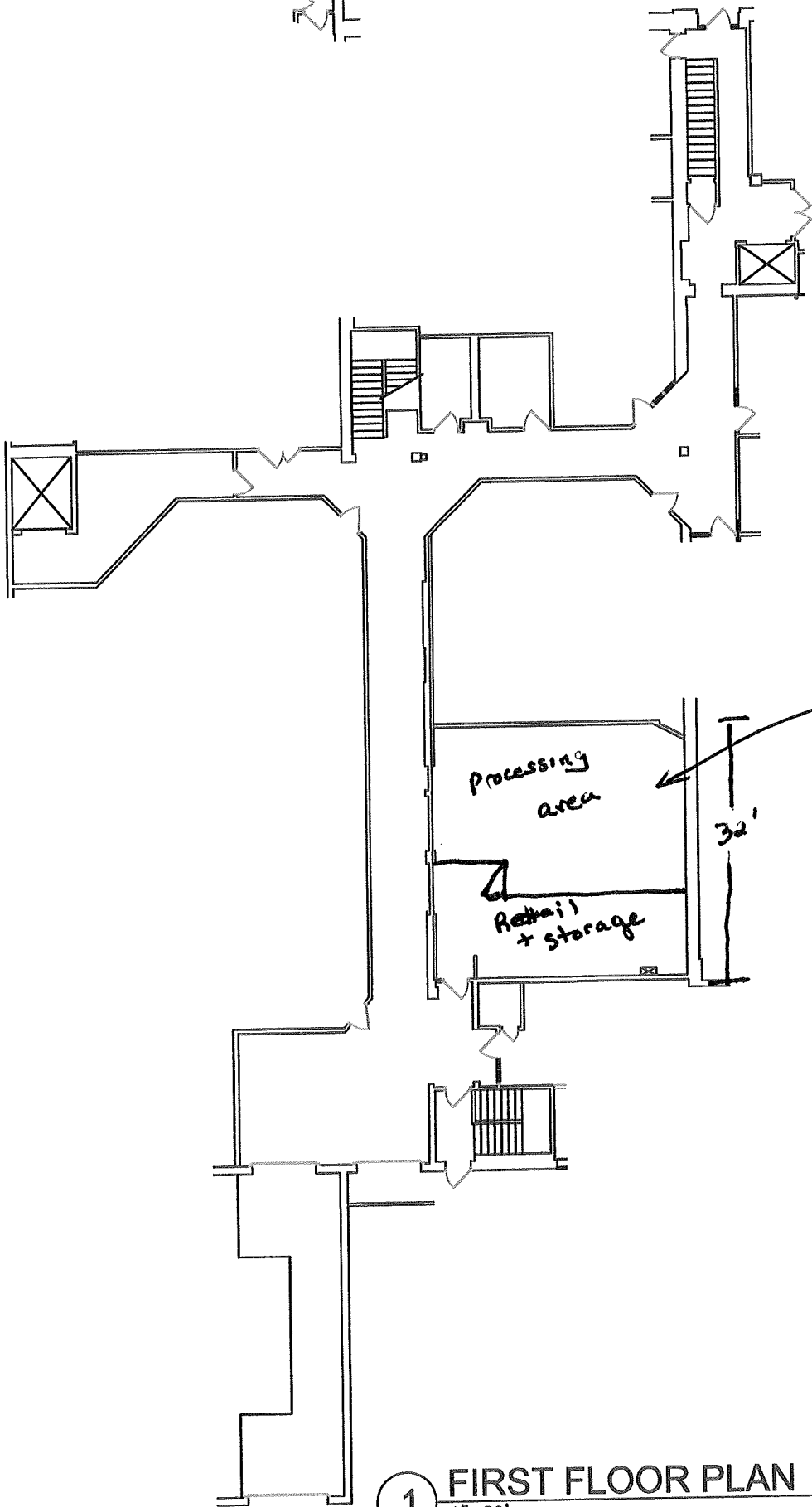
Dated: 1/31/12

Name of Business: Bos Meadery LLC
a Wisconsin limited liability company

By: 

Printed Name: Colleen Bos, Member

Address: 5805 Seminole Ridge Cir, Fitchburg, WI, 53711



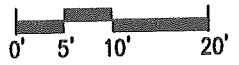
Bos Meadery

Processing area

Retail + storage

32'

1 FIRST FLOOR PLAN
1"=20'



Business Plan for Bos Meadery



Colleen Bos

Bos Meadery
5805 Seminole Ridge Cir
Fitchburg, WI 53711

Telephone 608 628-3792

Fax

E-Mail colleen@bosmeadery.com

I. Executive Summary

Bos Meadery LLC is producing dry and sparkling meads. Mead is an alcoholic beverage produced from honey, water, yeast and other ingredients. The alcohol content is similar to wine and it is classified as wine by local, state and federal regulatory agencies.

Mead is considered the world's oldest fermented beverage and was a popular beverage throughout the ancient world. Mead was enjoyed by the Egyptians, Romans, and medieval Europeans. Only in the last 500 years was it replaced by beer and wine as the beverage of choice in most of the Western world.

In recent years, mead has been experiencing explosive growth around the United States, with the number of meaderies tripling in the last 3 years and most meaderies struggling to keep up with market demand. For example, B Nektar, a Michigan-based Meadery started in 2008, has doubled in size each year until 2011, when it quadrupled production. Based on the ongoing growth of both the craft beer and craft distillery markets, there is little reason to believe that the market for mead will not also continue steady growth in the coming decades.

Madison is an innovative town that appreciates local, artisanal food and beverage and is ripe for a Meadery of its own. B Nektar is currently enjoying considerable popularity around town. However, they are not local and their meads tend to be semi-sweet to sweet. Bos Meadery's dry and sparkling meads would offer a local alternative to the established mead drinking community. In addition, it would provide an alternative for food and drink aficionados who prefer a drier beverage

As noted in a recent documentary on Madison's brewing community, it is only a matter of time until someone opens a Meadery in Madison. In addition to the "foodie" and "locavore"¹ trends that are thriving in Madison, there is also a large local bee keeping community with a strong interest in honey and related products.

Bos Meadery will be owned and operated by Colleen Bos, who has been brewing mead and beer for 9 years and completed the Siebel Institute Brewing Technology Program in 2006. Colleen has 12 years of experience in project management, including 7 years in sales and marketing with Epic Systems Corporation. Colleen also has a Master's degree in medieval history. Colleen's experience gives her a unique combination of business and technical skills combined with a historical perspective that will allow her to tell the story of mead's journey from the ancient to the modern world particularly well.

¹ A locavore is a person interested in eating food that is locally produced, not moved long distances to market.

II. General Company Description

Bos Meadery is an artisanal Meadery specializing in dry and sparkling meads located in Madison, Wisconsin. Bos Meadery has been legally established as an LLC.

Mission Statement

Bos Meadery seeks to bring mead into the 21st century and introduce it to the thriving community of local food and drink lovers in Madison. Our emphasis is on using quality ingredients to create highly quaffable modern meads.

Company Goals and Objectives

To become a nationally recognized brand of mead embraced by food and drink aficionados who are part of the national trend toward unique artisanal drinks. Regional and eventually national distribution will be key milestones in the growth of Bos Meadery.

Business Philosophy

Bos Meadery will be guided by several core principles:

- Producing quality dry and sparkling meads
- Treating business associates and employees as we would like to be treated in turn
- Giving back to the community
- Minimizing debt and bootstrapping future expansion

Customers

Bos Meadery will have several tiers of customers to keep in mind, due to the regulation regarding the distribution and sale of alcoholic beverages in the US:

- First tier – distributors who are necessary to get Bos Meadery products to the bars, restaurants and retail locations.
- Second tier – bars, restaurants and retail locations will both purchase and resell the meads and are in many ways the primary customer.
- Third tier - Foodies, locavores, wine and craft beer aficionados who are the direct consumers of the meads and as such drive sales to bars, restaurants and retail locations. Research suggests that these customers are singles and couples without children between the ages of 21 and 45. In addition, consumers with a associates degree or higher spend money on alcohol in restaurants and bars at a much higher rate than those with less education, which also makes Madison's educated population an ideal market.

Market

This is an emerging industry, but one which is growing rapidly. The number of meaderies in the US has tripled in the last 3 years and conversations with other regional mead makers suggest their greatest challenges are in meeting demand.

The market is similar to craft beer, which has proven enormously successful over the last two decades. It's also similar to the craft distillery industry, which has enjoyed substantial growth over the last 4 years, even in a depressed economy.

Strengths

Bos Meadery would be the first in the Madison area and will also have the following strengths:

- Staying ahead of the competition that may emerge by maintaining an emphasis on quality, quaffability, and pairing well with food.
- Sourcing superior ingredients
- Following the most up-to-date mead making techniques
- Using high-quality stainless steel fermenters
- Colleen Bos's professional background in project management will provide the discipline necessary for following a timely production schedule and maintaining exceptional quality control.
- Colleen's experience in sales and marketing communication will also ensure that the Bos Meadery story reaches its target audience and drives sales.

III. Products and Services

Products

Mead is a fermented beverage made from honey, water and yeast. Meads can also be brewed with fruit, herbs, spices, wine grape juice and virtually any ingredient you can dream of. Bos Meads can be both still and sparkling and Bos Meadery produces both kinds.

The most common complaint about mead from people who try it the first time is that it's too sweet. Even those who do not mind the sweet taste are usually not inclined to drink more than one glass, because it is heavy on the palate. And most food lovers find the cloying sweetness does not pair as well with food as wine and beer do.

Bos Meadery will focus on producing dry and sparkling meads that are light on the palate and therefore more quaffable. These meads will also match better with food and may also include unique flavors like lavender or black pepper that will provide additional interest in combining them with innovative menus.

Most meads on the market are rather sweet, but that gives Bos Meadery a potential advantage locally and when it's time, nationally as well.

Bos Meadery will produce many varieties of mead, but the core meads will be:

Dry, Sparkling Wildflower Mead

Dry, Still Buckwheat and Wildflower Blend Mead

Dry, Sparkling, Pomegranate Riesling Pymment²

Dry, Still Lavender Wildflower Mead

Dry, Still Black Pepper Wildflower Mead

Dry, Sparkling, Elderberry and Wildflower Honey Mead

Semi-Sweet, Sparkling Pinot Grigio Pymment

Semi-Sweet, Still Oaked Buckwheat Mead

Mead will be sold by the case or by the barrel to Distributors. It will also be sold directly to customers who stop by the Meadery by the bottle or case.

² A mead that blends honey and red or white grapes or grape juice.

IV. Marketing Plan

The Market

Meaderies nationally are currently enjoying the kind of explosive growth that microbreweries did in the early nineties. Although still a small industry with just about 200 meaderies nationwide, that number has tripled in the past 3 years.

Madison is an innovative town that appreciates local, artisanal food and beverage. It also has a lively beekeeping culture and is ripe for a Meadery of it's own. B Nektar Meadery out of Michigan is currently enjoying considerable popularity around town. However, their meads tend to be semi-sweet to sweet and Bos Meadery's dry meads would offer a unique alternative to the established mead drinking community as well as to those food and drink afficianados who prefer a dryer beverage.

The following entities in Dane County are currently selling B Nektar and would be likely customers of Bos Meadery as well:

- Barrique's Market - Fitchburg
- Steve's - Fitchburg
- Alpine Liquors - Madison
- Cooper's Tavern - Madison
- Graze Gastro Pub - Madison
- Hy-Vee - Madison
- Maduro - Madison
- Riley's World of Wines (all 3 locations) - Madison
- Star Liquor - Madison
- Steve's Liquor & More - Madison
- Steve's Wine - Madison
- The Malt House - Madison
- Whole Foods - Madison
- Stoughton Spirits - Stoughton
- Cannery Wine & Spirits - Sun Prairie
- Verona Wine Cellar - Verona

In addition to the retailers and bars listed above, The Old Fashioned, Star Liquor, Fresh Market Madison, Barriques and the Underground Kitchen have expressed an interest in working with Bos Meadery.

Bos Meadery also has an established relationship with Beechwood Distribution (Milwaukee, Wisconsin) and they will use their established networks to distribute Bos Mead through Wisconsin.

Product

Bos Meadery's focus is on producing dry and sparkling meads. This is an important niche within the mead market, because most meads tend to be sweet or semi-sweet and thus less compatible to match with foods. It is very hard to drink more than a glass or two of the sweetest meads, which relegates them to a dessert beverage or a novelty.

Yet mead provides what many foodies are seeking: a unique dining experience. In addition, Bos Meadery's research and development focus will help ensure that its meads that are compatible with the latest food and drink trends.

Customers

Although Bos Meadery keeps the end consumer in mind, the first tier customer is the distributor. Bos Meadery is carefully partnering with Beechwood Distribution to make sure we work together to develop a brand identity and to promote Bos Meadery to interested retailers, restaurants and bars that are the second-tier customers. The list of current mead retailers included above will provide a starting point, but Bos Meadery will also pursue other local businesses with a focus on local products and/or unique and artisanal tasting experiences.

Bos Meadery will develop a promotional strategy that makes new potential third-tier customers (craft beer, wine and spirit drinkers, foodies and locavores) aware of the product and its characteristics. Research suggests that these customers are singles and couples without children between the ages of 21 and 45. In addition, consumers with an associate's degree spend money on alcohol in restaurants and bars at a much higher rate than those with less education, which also makes Madison's educated population an ideal market.

In addition the downtown and near east side of Madison has a high concentration of the optimal Bos Meadery demographic as well as the kinds of bars and restaurants that are regular destinations for the target demographic from around Madison, which will also help attract additional potential consumers of its product.

Bos Meadery will also look forward to giving consumers the experience of touring the facility and buying mead to take home with them.

Competition

The chief immediate competitors in the mead market will be:

- White Winter Winery, located in Iron, River, Wisconsin

White Winter produces sweeter meads and wines and has limited distribution in southern Wisconsin. They have a very similar pricing structure.

- B Nektar Meadery, located in Ferndale, Michigan

B Nektar is growing fast and has broad distribution already in southern Wisconsin. Their meads tend to be semi-sweet and they would not necessarily compete for the same market share. Ultimately, they have helped educate the market in Wisconsin and proven the potential for a Meadery to be successful. By differentiating Bos Meadery products as dry and sparkling, there could be a symbiotic market relationship. In the end, Bos Meadery would have the advantage with the foodies and locavores that are the primary target demographic. The pricing structure would also be very similar.

Secondarily, Bos Meadery would be competing with many of the local breweries and distilleries for the demographic of food and drink enthusiasts willing to pay a premium for a local, artisanal product. Based on the success of new breweries and distilleries entering the market and looking at past national trends with the rise of micro-breweries and local wineries in the 90's, there is significant potential for all meaderies to work together to expand this demographic by working together and developing complementary offerings.

Finally, there are other national meaderies, especially on the coasts that have been successful nationally – such as Redstone (Boulder, Colorado) and Maine Meadworks (Portland, Maine). These are not distributed locally so they are not direct competitors in the early years of the business plan. But to the extent that Bos Meadery has a long-term goal of national distribution, Bos Meadery would be producing far drier meads than any of the other nationally-recognized brands and would likely have a strong niche with foodies as a result.

Niche

Bos Meadery's niche ultimately is in offering a locally-made dry and sparkling meads to the regional market. In selling dry meads that pair well with foods, Bos Meadery will serve the foodie demographic. Sparkling meads are little known nationally, but in early tastings have proven extremely popular with all palettes. With a commitment to local and regional ingredients, Bos Meadery would also serve the locavore market, which is thriving in Madison.

Marketing Strategy

Bos Meadery will engage in the following marketing strategies:

- Promotion to retailers both directly and via a distributor.
- Hold free tastings at key bar, restaurant and retail locations.
- Cross-marketing with other small businesses that target the same demographic (Black Market Madison dinners, Underground Kitchen, Furthermore Brewery, etc)
- Give tours at the Meadery location by appointment to give people the Bos Meadery experience.
- Have local musicians recognized at the Farmer's Market where Bos Meadery T-shirts.
- Target local music and food festivals that attract drinkers from the core demographic.
- Use social media to promote Bos Meadery.
- Use the word-of-mouth network of friends/professionals
- Use the existing logo and label design, which is on the Bos Meadery website. The same graphic designer will also develop additional graphic materials such as signage, letterhead, etc.
- Maintain a consistent image of a quaffable local product made with quality ingredients.

Pricing

Bos Meadery is planning a pricing structure that is in line with its chief competitors. This is not a low-cost strategy, which would make little sense for the target demographic who are not likely making purchase decisions based on low price or value. They are making decisions based on quality. However, given the relatively newness of mead on the market, it would not make sense to exceed the per bottle price of the competitors by more than a dollar or two. At the current planned prices, the profit margin is ample to meet the needs of the business. It would be unnecessary to price any higher than the competition.

Proposed Location

The proposed location is 849 E. Washington Ave, Madison, Wisconsin. This is exactly the sort of neighborhood that fits with the Bos Meadery image and is in the heart of the Madison demographic that we are targeting. This location will serve well for tours or retail purchases, since it is near the Capitol and other food, drink and entertainment destinations in Madison that appeal to food and drink connoisseurs. This particular neighborhood is already home to two businesses that cater to very similar demographic profiles (Underground Kitchen, Old Sugar Distillery) and the neighboring buildings are just about to be redeveloped by the city, making it even more of a commercial and demographic hot spot in the city.

At the start, this will be a production location with no sales of mead "by the glass." We will sell bottles of mead from the production location to anyone who comes to take a tour. After a year or two, it may be beneficial to have a tasting room with limited hours, although it is not the goal of Bos Meadery to operate a bar.

There is ample street parking in this location for the low level of traffic that is anticipated in the first couple of years. In fact, a distillery operates in the same neighborhood and the street parking has been sufficient for them, though they have a much higher volume of traffic than Bos Meadery will have.

Distribution Channels

Bos Meadery will work with Beechwood Distribution, which will distribute to restaurants, bars and retail locations. Bos Meadery will be partnered with Beechwood in the sales and marketing process. We would also like to sell mead at the production facility to people who come for tours.

Sales Forecast

Bos Meadery anticipates making and selling 1,000 cases of mead in the first year. Production started in July and the first bottles will be available in early September.

By comparison, the primary competitor in this market, B Nektar Meadery is making and selling over 16,000 cases of mead per year with plans to expand. Given the trail that they have blazed for the mead market, 1,000 is an attainable goal.

This sales forecast would allow Bos Meadery to break even in Year 1 and turn a profit by Year 2. Even if the sales forecast is halved, Bos Meadery could be profitable by Year 3. Given that mead improves with age (up to about 10 years), there is little risk in producing and cellaring mead if sales are initially slow.

V. Risks and Mitigation

Bos Meadery has the potential to dominate the mead market in Dane County given the lack of other local meaderies competing for the market, but there are always risks to any business venture. By planning ahead for the pitfalls and challenges, Bos Meadery will be prepared to address them.

Below are the risks that the owner and operator of Bos Meadery has either accounted for or has the skills to address. These include:

- The poor economy
- The lack of knowledge about mead
- The high level of regulation involved in the production of wine
- Maintaining a competitive advantage in the growing market.

Given the growth and momentum of other meaderies nationally in some markets that are far more depressed than Dane County, it appears that the economy is not too great a deterrent to growth. Other producers of alcohol in Madison are thriving in the economy, so with a good business plan and a good product, Bos Meadery does not anticipate the depressed economy will impede its success. Start up costs are not particularly high given the profit margin on mead. An initial loan was obtained and a Kickstarter campaign is underway to start the business and ensure that it can survive the initial 3-4 months without income. Bos Meadery projects that the loan will be repaid in 3 years. By year 4, Bos Meadery would plan to expand the business further, but will self-fund that expansion as much as possible.

In terms of educating the market, Colleen's experience both in sales/marketing and education has prepared her for tasting events, which will provide an opportunity to share information with potential customers on the nature and variety of mead, as well as to tell the story of Bos Meadery specifically. Her education in medieval history has also provided her with the information to address the historical interest in the product.

Meads are legally designated as wines by the state and federal government and mead is subject to the heavy regulation that is standard for alcoholic beverages in the US. As a result of the heavy regulation, any winery's business model is fundamentally developed around the requirements imposed at the state and federal level. The chief risk posed by the regulations and taxation is the potential for changes (especially in taxation and distribution) to disrupt the business model. It will be critical for Bos Meadery to keep abreast of state and national legislation and to be active in organizations that support the commercial interests of wineries and meaderies, such as state and national mead and wine trade associations.

In terms of maintaining the competitive advantage, Bos Meadery is committed to research and development not only in terms of the latest techniques for producing mead, but also the latest food and drink trends. Quality assurance and quality control will also be critical elements and Colleen's 13 years of project management experience will help ensure that the necessary discipline is applied to the production process.

VI. Operational Plan

Bos Meadery is located at 849 E. Washington, Madison, Wisconsin in a 1,000 square foot suite in that building. This location is zoned for manufacturing and the City of Madison has indicated that mead is specifically allowed. The Bos Meadery suite is located near the back of the building near the loading dock, which will prove useful for deliveries and distribution.

Colleen Bos will be the sole manager and operator at the start of the business. She will employ 3 stainless steel conical fermenters and 4 clarification tanks to product mead. She has spent many years refining her mead making recipes and processes. Colleen will work daily at the Meadery on production and promotional activities.

The Meadery will not be open to the public, although interested people may make an appointment for a tour and free tastings will accompany the tour. We would also like to have Bos Mead available for retail sale for people who take tours to purchase at the end of their tour and tasting session.

Start-up Schedule

Milestones	Completion Date
• Distributor identified	March 2012
• State and federal permits obtained	June 2012
• Confirm suppliers for bottles, corks, labels, honey and juice	June 2012
• Complete build-out of leased space	July 2012
• Started production	July 2012
• Completed graphic design necessary for marketing and updated Website	July 2012
• Submitted labels for Federal approval	July 2012
• Bottle the first batches of mead	August 2012
• Begin tasting and education sessions with local retailers	August 2012
• City retail permit obtained	September 2012
• Product available for sale via distribution network and at Bos Meadery	September 2012

Legal Environment

Meads are legally designated as wines by the state and federal government and mead is subject to the heavy regulation that is standard for alcoholic beverages. Bos Meadery has obtained federal and state licenses to make wine. Bos Meadery has also obtained a state food and beverage processing license, as well as a city license to sell mead as a retailer. Bos Meadery has insurance to cover any accidental loss of product or other liabilities.

VII. Management and Organization

Colleen Bos will manage the business day-to-day. She has 7 years experience working as a project manager in sales and marketing at Epic Systems Corporation and 5 years experience as a project management and communications consultant. She has also been brewing mead and beer for 9 years and completed the Siebel Institute Brewing Technology Program in 2006.

VIII. Financial Plan

Start-Up Costs

Bos Meadery has already invested \$6,236 dollars in equipment, fees, bonds and business licenses. Bos Meadery has identified additional start-up expenses around \$77,900. This figure includes:

- Build-out at 849 E. Washington
- Equipment
- Materials
- The cost of goods sold (first four months)
- Rent (first four months)
- Sales and marketing costs
- Professional fees

After the initial four-month period, the revenues from mead sales should fund the operations of the Meadery sufficiently. Any shortfalls in the first year will be made up by Colleen Bos's personal income, as she will continue working approximately 30 hours per week as a consultant at the rate of \$45 per hour.

Financial Projection

This table outlines the expected financial performance for the first 4 years of operation.

The cost of goods sold, alcohol taxes, rent and payments on the start-up loan are the major expenses for Bos Meadery in Year 1.

There will likely be no income for the first three months, because it will take the mead at least 2 months to ferment and age properly. To be conservative, Bos Meadery assumes that there will be no revenues for the first 4 months. After that revenues will be based on sales of the mead to a distributor or direct sales to customers who stop by Bos Meadery.

	Year 1	Year 2	Year 3	Year 4
Revenues	87,200	107,200	262,400	312,000
COGS	48,461	59,576	145,829	173,394
Gross Profit	38,739	47,624	116,571	138,606
Operating Expenses	26,565	30,051	38,035	80,417
Net Income	\$5,692	\$9,713	\$46,082	\$34,200

Please see the enclosed Financial Statements for additional details on the 5 year financial plan for Bos Meadery.

Financing

Money invested in Bos Meadery so far has come from Colleen Bos's checking account and from gifts from her friend, Peter DeVault. Bos Meadery has obtained a loan for \$62,900 from Summit Credit Union and in the midst of a successful Kickstarter campaign to raise an additional \$15,000.

Equipment owned by Bos Meadery and Colleen and Peter's home has been used as collateral for the loan.

Bos Meadery also assumes a 20% contingency for unexpected expenses. As noted above, any shortfalls that are part of this contingency will be funded out-of-pocket by Colleen Bos.