

Director Beavers,

This plan lays out an overview of how Sandhills Brewing in Hutchinson intends to grow its food sales over the next 12-24 months in order to meet the 30% requirement.

We are a very small brewery with a focus on being a casual and low-key gathering place for the community. Our goal from the beginning has been to be a family-friendly establishment that gives back to our community and uses our financial resources to improve our community and the quality of life for our team. Two of the many ways we do this is by ensuring each and every one of them is paid greater than a living wage and contributing cash donations each and every month to a different local non-profit or charitable organization that operates within our community.

Our resources are not large and we have no deep pockets backing us. What we have built over the last four years has been the result of slow and steady growth. Every year we have invested 100% of our proceeds into the betterment of our team, our products, and our facility, all for the purpose of providing a top-tier community gathering experience.

When we first opened, our food service was limited to packaged snacks and a once-in-a-while food truck partner that would set up in our parking lot. Today, our food service has been expanded to include a full pizza menu, soft pretzels, and other small items. We partnered with a terrific regional pizza maker in late 2019 and have consistently grown our food revenues from pizzas since then.

In 2019, our food sales totaled just \$7,000. In 2020, which we all know was anything but normal, our food sales totaled \$12,400, an increase of 77%. And in 2021, our food sales totaled \$17,200, an increase of 39%. Thus far in 2022, our food sales are \$20,500, with an estimated \$30,750, or an increase of 79%.

The food sales in our establishment have increased consistently each year, and we are very certain that they will continue to increase much further. Next year we are expecting that we can increase the food sales another 50-80%. We recognize that beer production and sales volumes have outpaced the growth of our food sales, but we are confident that we can raise food sales sufficiently in the next 12-24 months if given the opportunity.

We are ready to immediately commit to a series of efforts to markedly increase our food sales. There are five primary initiatives that we can immediately act upon.

First, we will be more proactive in introducing food-beer combo packages and specials that incentivize and encourage food purchases.

Second, we will install an outdoor wood-fired grill and smoker that enables us to offer a wide range of grilled food options, including brats, burgers, and specialty smoked meats. We will operate the grill every weekend and for special events throughout the year.

Third, we will introduce more food-oriented events with catered meals and beer pairings. We have hosted these events numerous times and have always had great success with them. By committing to more frequent events, we can markedly increase our revenue derived from food sales.

Fourth, we will partner and contract with more mobile food providers to bring additional food options to our customers. When we first opened in 2018, there were very, very limited options for mobile food providers in Hutchinson. Today, however, the number of providers has increased markedly and we've already begun working with many of them this past year. Our goal will be to have a mobile food partner providing full food-service every weekend when weather permits.

Fifth, we will investigate and move forward with building a long-term, on-going contract with an in-house food service provider that provides our customers a full menu of food options every day that we are open to the public. We began a discussion with one such partner in the Spring of 2022 and recently met with them several more times to discuss a permanent set up that is expected to be operational by Spring 2023.

We are confident that these five initiatives paired with consistent organic growth will put us in a fully compliant position 12-24 months from now. In the case that these five initiatives are not sufficient, however, we are committed to investing in further options as needed.

Our goal with Sandhills Brewing is to build a long-term, sustainable business that better the community in which it resides and the lives of the people that we employ. We are always focused on the years-long projects and initiatives so that we can be a business whose impact is measured in decades not years, so commitments to future improvements do not waver or scare us; they excite us.

Permit us the chance to make good on our commitments and we will do our absolute best.

Sincerely, Jonathan, Joe, and Pippin