

Art of Fun



ART OF FUN



Ultimate Fun Center

Ultimate Fun Center
Griffith Hospitality, LLC

A Illinois Company Business Plan

“Expect the Diamond Experience!”

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Art of Fun Ultimate Fun Center

Executive Summary

Who We Are

The purpose of this business plan is to raise \$7,000,000 for the development of a roller skating rink and community leisure business. The Art of Fun Ultimate Fun Center is a Chicago, IL based company that will provide admission to the community leisure venue, birthday party hosting, food concessions, laser tag, arcade, and event hosting to customers.

Art of Fun is committed to fill the gap in the leisure segment in the City of Chicago. Griffith Hospitality, LLC will own and operate this ultimate fun center offering excellent service, affordable prices, and a unique customer experience that will forge a lifetime of community followers.

The Art of Fun will cater to community's which lack facilities that host birthday parties and offer a fun safe-haven for Chicago youth. The atmosphere will be safe, fun, affordable and friendly. The staff will be trained to handle all customers with the utmost respect. We will display a new vibrant attitude with our diamond customer service (The Diamond Experience), top quality food, cleanliness, game variety and facility maintenance.

In addition to other funding and capitalization efforts detailed herein, Art of Fun U.F.C anticipates that it will seek funds from other sources that will assist in purchasing

A Problem Worth Solving

Chicago's under-served communities lack access to premium leisure activities. Many city programs have been eliminated leaving a lot of Chicago youths idle and yearning for safe, fun, and productive activities. Residents of Chicago communities are demanding a fun center where children, teens and young adults have safe refuge from the complicated city life.

All too often, parents must travel outside of the city to benefit from other family entertainment centers. A chief complaint from those same parents are that they travel too far, have no access to public transportation in suburban areas, and experience long travel times. We are confident that there is a great market opportunity here for a modern community leisure venue.

Our Solution

Art of Fun Ultimate Fun Center is the first entertainment establishment to offer the six top grossing amusement attractions under one roof in Chicago. By combining skating, laser tag, black light bowling, indoor go-karting, arcades, and party rooms into a multi-purpose building, Art of Fun can cost effectively provide Diamond customer service to the City of Chicago.

Art of Fun will forge deep community ties by partnering with non-profit organizations to assist in providing summer jobs, building employee equity. In 2016, One Summer Chicago received 77,000 applications for employment. With the Art of Fun knocking at the door, some of those applicants will apply to our establishment; creating visibility and buzz about the business.

Our Market

Our primary market comprises of Cook County, Illinois. The U.S. Census estimates that the population of Chicago reached 2,704,958 in 2016. Moreover, we predict that non-residents (visitors to Art of Fun U.F.C.) will also visit the center.

For our analysis Griffith Hospitality, LLC consulted with Strategic Performance Group, LLC to conduct a preliminary feasibility and market study. Demographics with a 15-minute drive time around Pershing Rd & State Street in Chicago was chosen as a suitable site. Population within that area is estimated at 840,575 for 2016 with an increase to 848,999 projected by 2021. Median age increases slightly from 33.1 in 2016 to 34.3 by 2021. Appendix A contains further detail.

Market Size & Segments

We expect our strongest market segments to be Urban Edge that consists of 53,567 Households or 15.5% of All Households in the target market and Modest Metro Means that consists of 42,236 Households or 12.2% of All Households in the target market. Both segments spend their free time in their local stores, restaurants and cultural venues. They head to local bistros for food and to connect with friends; they also take in plays, movies, concerts and comedy clubs. Compared to other Americans, they are more than three times as likely to patronize bars and nightclubs. Their ages range from 19 to 65 years old, giving the segment exceptional diversity in its consuming patterns.

Our success will be based on our ability to become known within the community. We must focus on the specific market segments whose needs match our offerings. Focusing on targeted segments is the key to our future. Therefore, the focus and marketing message will be the services offered. Once the message is developed, it will be communicated and fulfilled.

Single-family Households

For a variety of reasons, single-family households are an attractive market. Parents are looking for a safe and affordable place to take their children. The market segment customers will lead a lifestyle in which their children play a large part in their lives. Art of Fun U.F.C. also focuses on meeting the local community need for birthday parties within a 10-mile radius of Chicago.

Elementary and High-School

Art of Fun U.F.C. would like to establish relationships with local elementary and high-schools; there are a grand total of 652 Chicago Public Schools, 480 comprise of elementary and 172 high-school. For the school year 2016-2017 Chicago Public Schools reported 381,349 students attended school, 272,296 elementary students and 109,053 high-school students. The strategy for this market is to provide periodic

communications through the Local School Council (L.S.C.). This strategic approach will provide awareness, credibility, and frequency of communication to our target market.

Singles

Another segment of our business includes single customers who want to enjoy leisure activities. These customers will be vital to maintain revenues during non-school hours on weekdays and late weekend hours of operation. This market is sufficient, flexible and is part of our primary focus to generate supplemental revenues.

Competition

There is limited competition within the target market area.

Martin Luther King Roller Rink

1219 W. 76th St.

Chicago, IL

312-747-2602

Year opened: December 2002

Approximate SF: 40,000 SF, can hold 626 on skate floor, bowling – 120, seating - 380

Sales trend last year: Down 1-4%

Number of visitors: 5,000 per month

Employees: FT - 2; PT - 83

Fitness Factory Roller Rink

1122 E. 87th St.

Chicago, IL

773-221-2600

Year opened: 1975

Approximate SF: 35,000 SF on 5 acres

Sales trend last year: Down 5+%

Employees: FT - 1; PT - 5

Wages: FT - \$15, PT - \$8.25

Most popular attractions: Skating - \$8.00 plus \$1.00 if need skates

Additional attractions planned: Yes, during down times will bring in live entertainment such as R&B

Haunted Trails Amusement Park

7759 S. Harlem Ave

Burbank, IL

708-598-3555

Year opened: 1971

Approximate SF: Unknown

Sales trend last year: Has been up and down since mid-year last year, overall probably no change

Number of visitors per week: Never tracked, summer can be 1,000 a day

Employees: PT - 89

Wages: PT \$8.25/hr.

Most popular attractions: All equal - go karts \$5.00 - \$7.00, mini golf \$5.50 - \$7.00, rides \$2.50 - \$3.00, laser - \$3.00, batting cages \$15.00 for 30 minutes,

Additional attractions planned: No

Average weekly sales: N/A

Comments: Got rid of tokens – went to a card swipe system midyear last year so has been difficult to track trends as of yet.

Hollywood Park

5051 Calsag Rd.

Crestwood, IL

708-389-7275

Year opened: 1989

Approximate SF: 15,000 SF inside, 3 acres total

Sales trend last year: Up 5%

Employees: FT - 7; PT - 43

Wages: PT \$8.75/hr.

Most popular attractions: Game rooms - swipe card system - average game, 75 cents

Additional attractions planned: May add a kid/ family ride outdoors - would cost \$100-\$150K to add. Ride will be around \$3.00

Average weekly sales: Over \$50,000

Comments: Do a huge birthday business, no age demographic – just cater to families – family owned.

Fun Way

1335 S River St

Batavia, IL 60510

630-879-8717

Year opened: 1959

Approximate SF: 5 acres

Sales trend last year: Up 1-4%

Number of visitors per week: 2,000

Employees: FT - 2; PT – 28

Wages: PT \$8.25/hr.

Most popular attractions: Bowling - \$3.50/game plus \$3.50 for shoes

Additional attractions planned: Yes, but cannot divulge

Average weekly sales: N/A

Company

Overview

Mission Statement

The Art of Fun's mission is to provide consistent and affordable service with Integrity and Respect. We strive to create a safe environment and accessible entertainment year-round, creating "The Diamond Experience." We pride ourselves in forging lasting community relationships.

Services

Our new modern facility will offer a unique building design that provide a state of the art hybrid entertainment center. Art of Fun will be the premiere place to meet friends, enjoy family, and host community events; all without driving long distances to surrounding communities. The concept is designed to keep local and state discretionary spending within Chicago. Now, rather than driving to Burbank, Crestwood, Batavia, Alsip, or Harvey to enjoy leisure activities; Chicago residents can enjoy the same attractions and more in a smoke free family-friendly environment. This will keep entertainment and discretionary spending dollars in the city, community and within local retail businesses.

The primary service offered by Art of Fun U.F.C. is the use of its roller rink facility. Within the facility, the Company will provide birthday & event hosting, and interactive gaming for children, teens and adults. There will be an adult lounge where adults can relax and take advantage of mature activities while in the same building.

Once customers enter The Art of Fun, "The Diamond Experience" begins. On the first floor, customers will be able to take part in roller skating, go-karts, birthday parties, children games and redemption prizes. Interactive team games such as group basketball, multiple racing games, motion simulators, laser tag, and laser maze will be available for patrons.

Additionally, the business will offer a selection of food and beverage services which will include candy, hotdogs, hamburgers, hot wings, small sandwiches, coffee, and

fountain drinks. This aspect of the business is very important because it will provide an additional stream of revenue for the business while allowing parents and children to stay in the facility longer.

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Execution

Operations

Business Objectives

The Art of Fun's goal is to bring a state of the art community leisure venue to the City of Chicago. Training our associates to provide superior customer service will result in high-quality entertainment for the patrons we serve in the community. To achieve our goals, we need to accomplish these objectives:

1. Secure start-up capital to sustain operations.
2. Acquire land.
3. Hire top consultants of the Family Entertainment Center design industry.
 1. Architectural interior & exterior engineering.
4. Create a strategic marketing campaign to increase awareness of the business.
5. Establish beneficial relationships with local not-for-profits and merchants.

Locations & Facilities

The Art of Fun is looking to lease a 60,000-square-foot retail space in the City of Chicago. The 5-mile population is approximately 1,188,612 with 467,159 households. The average household income in the 5-mile radius is \$85,306. The better news is that it has good room for expansion, there is room to expand an extra 6,000-square-feet

If we decide to explore adding a public tasting room, we have the option to build that as an expansion of our current facility, sacrificing extra parking lot space. Several other microbreweries in our neighborhood have taken that path already and seem to be faring well.

Technology

Multiplayer games, 3D graphics, and social networking are a few of the new technologies that could help boost the popularity of gaming arcades. A new generation of arcade machines are coming to the market, these machines incorporate 3D graphics, larger screens to grab players' attention and provide a realistic interactive gaming

experience. Connecting arcade machines to the Internet can allow for multiplayer action and extended game sessions, while social networking features that integrate Facebook, Foursquare, and Twitter can help generate word-of-mouth marketing to promote game arcades as popular entertainment spots.

The Art of Fun will take advantage of the mobile app capabilities. The mobile app will allow customers to add funds to their gaming cards using electronic forms of payment. Adult customers will be required to create a user account, including Personal Identifying Information (PII). Once this data is collected and stored, Art of Fun will be able to send promotional messages via text messaging, app notifications and personal email.

Marketing & Sales

Marketing Plan

Art of Fun intends to use a broad-based advertising campaign that will raise the awareness of Art of Fun among the targeted demographic. We will place advertisements in local newspapers like the Chicago Defender, Chicago Tribune, Chicago Sun-Times and RedEye. Chicago Public schools have approximately 1,350 elementary schools and 140 high schools.

Advertisements will be placed in 90% of these schools. With its strategic placement awareness will be raised among parents and teachers. The Art of Fun U.F.C. will create a "Student Rewards and Incentive Program, which allows kids to bring in their report cards and receive free game tokens for getting As and Bs. By providing incentives for excellent performing students, schools, and parent participation; this will raise awareness and capture guest traffic. In addition, there will be a 10 percent discount for parents who attend three PTA meetings in a row, and the percentage increases if they continue participating.

Discount coupons or coupons for free admission will be distributed in shopping mall such as Ford City, Chicago Ridge Mall, and North Riverside Mall.

Management also expects that the business will generate significant word of mouth advertising as the venue hosts events for children's birthday parties. As more and more children are invited to The Art of Fun hosted birthday parties, these youngsters will want their parents to host their next birthday party at the facility. We anticipate that this type of advertising will take three to six months to become effective.

The Art of Fun will also use an internet based strategy. This is very important as many consumers seek local services such as local entertainment by utilizing the Internet through personal computers, cellular phones, and other smart devices to conduct their preliminary searches. Mr. Griffith and management will register the facility with online portals and search engines so that potential guests can easily reach the business.

We will create and establish a personal page via multiple social media websites like, Facebook, Twitter, Instagram, and Pinterest. The social media sites will generate a real-time interaction with existing guest and potential guest. These social media sites will allow The Art of Fun to post pictures of facility events and special promotions. We will develop our own online website where guests and visitors can observe the type of environment, services, and promotions that are being offered.

The use of Television has become one of the most used form of advertising and marketing. The Art of Fun will create commercial advertisements to be placed on television stations such as WCIU channel 26, WGN Channel 9, and FOX channel 32. 190 North is another vehicle that promotes new businesses within the Chicagoland and Illinois area. A large portion of consumers drive, which will provide a great opportunity to advertise on radio stations like 107.5 WGCI, POWER 92.3, 102.7, 104.3 and 96.3. This will create an immediate draw to the business.

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Management Team

We operate under the direction of our Managing Members of Griffith Hospitality LLC. The Managing Member is responsible for the management and control of our day-to-day affairs and the acquisition and disposition of our investments. The Managing Members are required to devote their time to our business and affairs as their duties require.

Joshua I Griffith, Sr. President and Managing Member

Mr. Griffith has over 15 years of experience in customer service industry. Mr. Griffith has experience in the family entertainment center business where he has been involved in various facets of facility operations for Rainbo Roller Skating Rink and CEC Entertainment Inc. Mr. Griffith worked in all aspects of the business, from overseeing the roller rink floor to assisting management with balancing register drawers at the end of operations. In addition to the above experience, he was responsible for birthday party hosting ensuring customers were received a high-level event experience.

Mr. Griffith has led three startup and grand openings of a big-box Supercenter and small format Neighborhood market. He has directed all departments (hard lines, grocery/perishables, and customer service). He has developed merchandising and loss-control strategies, corporate programs, promotions and policies, and lowered merchandise shrink. He Supervised the management of all operational functions and revenue departments including profitability, marketing, growth, safety, proper food handling, and customer relations. He implemented and achieved budgetary goals, maintained strict adherence to all cash control policies as well as maintained control of expenses, operating costs, and appropriate inventory levels.

Mr. Griffith received his Associates of Applied Business (AAB) with the concentration in Business Management from Robert Morris University. He also received a Bachelor of Science in Human Resources Management (BSHRM).

Mr. Griffith has attended the 2017 Foundations Entertainment University workshop. This workshop is a comprehensive educational workshop and seminar covering all

aspects of planning, designing, developing and operating a location-based entertainment business or family entertainment center (FEC). Mr. Griffith has forged relationships with various FEC vendors and top consultants in the FEC planning and design industry.

Shimeka Rogers

Vice-President / Managing Member

Shimeka Rogers is a Finance Clerk who works with the general public to provide details regarding outstanding debts owed to the local government. She worked as a retail customer service professional for over 10 years supporting operations. She believes in providing the ultimate customer service experience through product placement, interaction, quality service which coincides with the "Diamond Experience". With the right attitude, customer focused service, and genuine relationships built with clientele, any service focused company can thrive.

Shimeka has supported big chain retailers including Walmart and Target; specialized retailers including Foot Locker, Jewel Osco, and Mariano's. During her time at these retailers she developed strategies and supported product placement, customer satisfaction, attaining sales targets, and implementing targeted campaigns for specific products. She also has experience in the financial industry holding a position with BMO Harris as a Customer Service Representative which led to her current position with the Department of Finance as a Finance Clerk. During her career in the financial industry she became proficient in developing and reviewing payroll, generating financial reports, reviewing accounting statements for errors, and assessing risks.

Shimeka is a current student at DeVry University pursuing a Bachelors of Business Administration specializing in Accounting to enhance her strong foundation in corporate finance and accounting. With the right methods of risk assessment, financial analysis, and budgeting a company can be successful even if they have rough patches. She is a member of the National Society of Leadership and Success which takes pride in helping people discover and achieve their goals while bettering the community.

Andre A Stewart
General Manager

Mr. Stewart started his experience in customer service as part owner of Stewart's Family Affair Bar-B-Que restaurant. He managed the daily operations and maintained inventory control in addition to maintaining high customer service standards. Mr. Stewart also managed payroll, accounting, and banking functions.

Mr. Stewart is a 10-year United States Air Force Veteran. He served as a Staff Sargent, conducting Personnel Administration and Personnel Systems Management. He later received a Commander's Commendation which led to a promotion to Squadron Computer Training Instructor. Mr. Stewart achieved a Bachelor's of Computer Science from University of Illinois at Chicago.

Mr. Stewart worked as a Public Service Administrator and later promoted to Training Coordinator for the Illinois Department of Employment Security. He advanced to Assistant Program Manager where he planned as well as executed department operations. Mr. Stewart managed the Evaluation Program for the Veteran Services and participated in various policy committees.

Sales Plan

Pricing of our services and products will certainly be key and vital to be profitable and maintain a loyal customer base. Keeping up with modern trends Art of Fun will utilize the use of card system throughout the facility. At cash registers and terminals stationed within the facility, guests will be able to purchase additional credits to arcade games, bowling, laser tag arena, go-kart course, and the skating rink. Prices will be charged each attraction. But, to appeal to our guest's, premium discounts will be offered by different packages. The packaged prices will be predetermined to maximize the usage per guest.

Package cards will include the five most major attractions. (Example not actual pricing)

- The Skating card- \$20: One session
 - \$12 Arcade gameplay
 - \$5 Concession

- The Laser Tag card- \$25: One session
 - \$10 Arcade game play
 - \$8 concession
- The Bowling Card- \$25: 2 games
 - \$5 Arcade game play
 - \$10 concession
- The Go-Kart Card- \$30: 2 rides
 - \$15 Arcade game play
 - \$5 concession
- The Arcade Card(s)- Prices Varies
 - \$5 cash > \$7 Arcade game play
 - \$10cash > \$15 Arcade game play
 - \$15 cash > \$20 Arcade game play
 - \$20 cash > \$30 Arcade game play

Key Financial Assumptions

NOTES FOR PROJECTIONS

All sales projections/assumptions are based on operating at 35% +/- of capacity. Refer to the Sales Forecast topic for demographic break down and average cost per person.

1. The figure of \$7,000,856 shown in the Start-up Funding table under Total Funding Needed.
2. Our long-term commercial loan is amortized at 7% interest over 20 years.
3. Our long-term commercial mortgage is amortized at 6% interest over 20 years.
4. All pricing has been set by industry standards and the local market.

5. Revenues are strictly a projection based on gross possible players per venue.
6. Total unit sales equal to 641,016 for the first year. Year 2 growth increase 10% and Year 3 growth increased 15%.
 - A. Roller skating – 63,000
 - B. Bowling – 90,000
 - C. Laser tag – 75,816
 - D. Go-Karts – 51,000
 - E. Arcade – 360,000
7. Employees needed and wages have been projected for full time, part-time working 8-hour shifts. All payroll will be done through a payroll company, therefore giving a flatter rate and making it easier to project.
8. Cook County tax rates are:
 - A. Real Estate tax 7.145% of assessed value of property.
 - B. Business License is \$25,040 for the first two years of business operations.
9. The income tax rate is estimated before deductions and overhead assumptions are included.

Financing

Start-up Funds

Fixed Assets	Amount	Depreciation (years)	Notes			
Real Estate-Land	-	Not Depreciated				
Real Estate-Buildings	1,600,000	30				
Leasehold Improvements	1,500,000	7				
Equipment	1,980,000	10				
Furniture and Fixtures	1,130,000	5				
Vehicles	-	5				
Other	-	5				
Total Fixed Assets	\$ 6,210,000					
Operating Capital	Amount	Notes				
Pre-Opening Salaries and Wages	300,000					
Prepaid Insurance Premiums	25,000					
Inventory	15,000					
Legal and Accounting Fees	10,000					
Rent Deposits	25,000					
Utility Deposits	10,000					
Supplies	259,000					
Advertising and Promotions	30,000					
Licenses	25,040					
Other Initial Start-Up Costs	81,816	Funstruction Consulting Fee & Fetch Rev				
Working Capital (Cash On Hand)	10,000					
Total Operating Capital	\$ 790,856					
Total Required Funds	\$ 7,000,856					
Sources of Funding	Percentage	Totals	Loan Rate	Term in Months	Monthly Payments	Notes
Owner's Equity	7.86%	550,000				
Outside Investors	28.57%	2,000,000				
Additional Loans or Debt						
Commercial Loan	40.72%	2,850,856	7.00%	240	22,103	
Commercial Mortgage	22.85%	1,600,000	6.00%	240	11,463	
Credit Card Debt	0.00%	-	7.00%	60	-	
Vehicle Loans	0.00%	-	6.00%	48	-	
Other Bank Debt	0.00%	-	5.00%	36	-	
Total Sources of Funding	100.00%	\$ 7,000,856	Cell D 42 must equal cell C3I		\$ 33,566	
Total Funding Needed		\$ -				You are fully funded (Balanced)

Payroll Year 1

Employee Types	Number of Owners /Employees	Average Hourly Pay (to 2 decimal places, ex. \$15.23)	Estimated Hrs./Week (per person)	Estimated Pay/Month (Total)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals
Managers(s)	3	20.00	50	\$ 13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	\$ 156,000
Full-Time Employees	6	12.50	35	\$ 11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	\$ 136,500
Part-Time Employees	12	11.00	20	\$ 11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	11,440	\$ 137,280
Security	6	15.00	50	\$ 19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	\$ 234,000
Total Salaries and Wages	27	\$ 58.50	155	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 55,315	\$ 663,780
Payroll Taxes and Benefits	Wage Base Limit	Percentage of Salary/Wage	Estimated Taxes & Benefits/Month (Total)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals	
Social Security	\$ 117,000	6.20%	\$ 2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	\$ 26,646	
Medicare	--	1.45%	\$ 519	519	519	519	519	519	519	519	519	519	519	519	519	\$ 6,232	
Federal Unemployment Tax (FUTA)	\$ 7,000	0.60%	\$ 95	95	95	95	95	95	95	95	95	95	95	95	95	\$ 1,134	
State Unemployment Tax (SUTA)	\$ 7,000	3.45%	\$ 543	543	543	543	543	543	543	543	543	543	543	543	543	\$ 6,521	
Employee Pension Programs	--	0.00%	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Worker's Compensation	--	0.00%	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Employee Health Insurance	--	0.00%	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Other Employee Benefit Program	--	0.00%	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Total Payroll Taxes and Benefits		11.70%	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 3,378	\$ 40,533	
Total Salaries and Related Expenses			\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 704,313	

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Payroll Year 2 & 3

Employee Types	Totals	2	Second Year	3	Third Year
Owner(s)	156,000	1.8%	158,808	1.9%	161,825
Full-Time Employees	136,500	1.7%	138,821	1.8%	141,319
Part-Time Employees	137,280	1.7%	139,614	1.8%	142,127
Independent Contractors	234,000	0.0%	234,000	0.0%	234,000
Total Salaries and Wages	\$ 663,780		\$ 671,242		\$ 679,271
Payroll Taxes and Benefits					
Social Security	26,646	0.0%	26,646	0.0%	26,646
Medicare	6,232	0.0%	6,232	0.0%	6,232
Federal Unemployment Tax (FUTA)	1,134	0.0%	1,134	0.0%	1,134
State Unemployment Tax (SUTA)	6,521	0.0%	6,521	0.0%	6,521
Employee Pension Programs	-	0.0%	-	0.0%	-
Worker's Compensation	-	0.0%	-	0.0%	-
Employee Health Insurance	-	0.0%	-	0.0%	-
Other Employee Benefit Programs	-	0.0%	-	0.0%	-
Total Payroll Taxes and Benefits	\$ 40,533		\$ 40,533		\$ 40,533
Total Salaries and Related Expenses	\$ 704,313		\$ 711,775		\$ 719,804

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Sales Forecast Year 1

Product Lines	Units	Sales Price Per Unit	COGS Per Unit	Margin Per Unit													
Roller skating	63000	\$ 16.50	\$ 2.85	\$ 13.65													
Bowling	90000	\$ 8.00	\$ 2.15	\$ 5.85													
Laser tag	75816	\$ 7.00	\$ 2.00	\$ 5.00													
Indoor go-karts	51000	\$ 12.00	\$ 4.50	\$ 7.50													
Party Events & Food & Beverage	1200	\$ 510.00	\$ 200.00	\$ 310.00													
Arcade	360000	\$ 2.00	\$ 1.00	\$ 1.00													

Product Lines	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals	Category Breakdown	Category / Total
Roller skating															
63000 Sold	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000		9.8%
Total Sales	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	\$ 1,039,500	100.0%	24.6%
Total COGS	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	\$ 179,550	17.3%	13.3%
Total Margin	71,663	71,663	71,663	71,663	71,663	71,663	71,663	71,663	71,663	71,663	71,663	71,663	\$ 859,950	82.7%	29.9%
Bowling															
90000 Sold	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000		14.0%
Total Sales	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	\$ 720,000	100.0%	17.0%
Total COGS	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	\$ 193,500	26.9%	14.3%
Margin	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	\$ 526,500	73.1%	18.3%
Laser tag															
75816 Sold	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	75,816		11.8%
Total Sales	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	\$ 530,712	100.0%	12.5%
Total COGS	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	\$ 151,632	28.6%	11.2%
Margin	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	\$ 379,080	71.4%	13.2%
Indoor go-karts															
51000 Sold	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000		8.0%
Total Sales	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	\$ 612,000	100.0%	14.5%
Total COGS	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	\$ 229,500	37.5%	16.9%
Margin	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	\$ 382,500	62.5%	13.3%
Party Events & Food & Beverage															
1200 Sold	100	100	100	100	100	100	100	100	100	100	100	100	1,200		0.2%
Total Sales	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	\$ 612,000	100.0%	14.5%
Total COGS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	\$ 240,000	39.2%	17.7%
Margin	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	\$ 372,000	60.8%	12.9%
Arcade															
360000 Sold	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	360,000		56.2%
Total Sales	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	\$ 720,000	100.0%	17.0%
Total COGS	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	\$ 360,000	50.0%	26.6%
Margin	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	\$ 360,000	50.0%	12.5%
Total Units Sold	53,418	53,418	53,418	53,418	53,418	53,418	53,418	53,418	53,418	53,418	53,418	53,418	641,016		
Total Sales	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 4,234,212		
Total Cost of Goods Sold	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 1,354,182		
Total Margin	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 2,880,030		

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Operating Expenses Year 2 & 3

Line Item	First Year	Growth Rate 1 to 2	Second Year	Growth Rate 2 to 3	Third Year
Advertising	30,000	3.0%	30,900	5.0%	32,445
Car and Truck Expenses	-	3.0%	-	3.0%	-
Commissions and Fees	-	5.0%	-	5.0%	-
Contract Labor (Not included in payroll)	26,400	3.0%	27,192	3.5%	28,144
Insurance (other than health)	36,000	3.0%	37,080	3.0%	38,192
Legal and Professional Services	6,000	3.0%	6,180	3.0%	6,365
Licenses	20,000	2.0%	20,400	5.0%	21,420
Office Expense	12,000	3.0%	12,360	3.0%	12,731
Rent or Lease -- Vehicles, Machinery, Equipment	60,000	3.0%	61,800	3.0%	63,654
Rent or Lease -- Other Business Property	-	3.0%	-	3.0%	-
Repairs and Maintenance	24,000	5.0%	25,200	5.0%	26,460
Supplies	30,000	5.0%	31,500	3.0%	32,445
Travel, Meals and Entertainment	-	3.0%	-	3.0%	-
Utilities	102,000	3.0%	105,060	3.0%	108,212
Miscellaneous	-	3.0%	-	3.0%	-
Total Expenses	\$ 346,400		\$ 357,672		\$ 370,068
Other Expenses					
Depreciation	691,619		691,619		691,619
Interest					
Commercial Loan	197,411		192,509		187,252
Commercial Mortgage	94,838		92,203		89,406
Credit Card Debt	-		-		-
Vehicle Loans	-		-		-
Other Bank Debt	-		-		-
Line of Credit	-		-		-
Bad Debt Expense	-		-		-
Total Other Expenses	\$ 983,868		\$ 976,331		\$ 968,277
Total Operating Expenses	\$ 1,330,268		\$ 1,334,003		\$ 1,338,345

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Cash Flow Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Beginning Balance	\$ 10,000	\$ 219,157	\$ 338,035	\$ 456,913	\$ 575,792	\$ 694,670	\$ 813,548	\$ 932,426	\$ 1,051,305	\$ 1,170,183	\$ 1,289,061	\$ 1,407,935	
Cash Inflows													
Cash Sales	352,851	352,851	352,851	352,851	352,851	352,851	352,851	352,851	352,851	352,851	352,851	352,851	\$ 4,234,212
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Cash Inflows	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 4,234,212
Cash Outflows													
Investing Activities													
Cost of Goods Sold	22,570	112,849	112,849	112,849	112,849	112,849	112,849	112,849	112,849	112,849	112,849	112,849	\$ 1,263,903
Operating Activities													
Operating Expenses	28,866	28,866	28,866	28,866	28,866	28,866	28,866	28,866	28,866	28,866	28,870	28,870	\$ 346,400
Payroll	58,693	58,693	58,693	58,693	58,693	58,693	58,693	58,693	58,693	58,693	58,693	58,693	\$ 704,313
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Financing Activities													
Total Cash Outflows	\$ 143,694	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,973	\$ 233,977	\$ 233,977	\$ 2,717,403
Net Cash Flows	\$ 209,157	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,878	\$ 118,874	\$ 118,874	\$ 1,516,809
Operating Cash Balance	\$ 219,157	\$ 338,035	\$ 456,913	\$ 575,792	\$ 694,670	\$ 813,548	\$ 932,426	\$ 1,051,305	\$ 1,170,183	\$ 1,289,061	\$ 1,407,935	\$ 1,526,809	
Ending Cash Balance	\$ 219,157	\$ 338,035	\$ 456,913	\$ 575,792	\$ 694,670	\$ 813,548	\$ 932,426	\$ 1,051,305	\$ 1,170,183	\$ 1,289,061	\$ 1,407,935	\$ 1,526,809	

Cash Flow Year 2

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 2 Totals
Beginning Balance	\$ 1,526,809	\$ 1,677,154	\$ 1,818,471	\$ 1,959,787	\$ 2,101,104	\$ 2,242,420	\$ 2,383,737	\$ 2,525,054	\$ 2,666,370	\$ 2,807,687	\$ 2,949,004	\$ 3,090,320	
Cash Inflows													
Cash Sales	388,136	388,136	388,136	388,136	388,136	388,136	388,136	388,136	388,136	388,136	388,136	388,136	\$ 4,657,633
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Cash Inflows	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 388,136	\$ 4,657,633
Cash Outflows													
Investing Activities													
Cost of Goods Sold	115,105	124,133	124,133	124,133	124,133	124,133	124,133	124,133	124,133	124,133	124,133	124,133	\$ 1,480,572
Operating Activities													
Operating Expenses	29,806	29,806	29,806	29,806	29,806	29,806	29,806	29,806	29,806	29,806	29,806	29,806	\$ 357,672
Payroll	59,315	59,315	59,315	59,315	59,315	59,315	59,315	59,315	59,315	59,315	59,315	59,315	\$ 711,775
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Financing Activities													
Loan Payments	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	\$ 402,787
Total Cash Outflows	\$ 237,792	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 246,819	\$ 2,952,806
Net Cash Flows	\$ 150,344	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 141,317	\$ 1,704,827
Operating Cash Balance	\$ 1,677,154	\$ 1,818,471	\$ 1,959,787	\$ 2,101,104	\$ 2,242,420	\$ 2,383,737	\$ 2,525,054	\$ 2,666,370	\$ 2,807,687	\$ 2,949,004	\$ 3,090,320	\$ 3,231,637	
Ending Cash Balance	\$ 1,677,154	\$ 1,818,471	\$ 1,959,787	\$ 2,101,104	\$ 2,242,420	\$ 2,383,737	\$ 2,525,054	\$ 2,666,370	\$ 2,807,687	\$ 2,949,004	\$ 3,090,320	\$ 3,231,637	

Cash Flow Year 3

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 3 Totals
\$ 3,231,637	\$ 3,425,748	\$ 3,604,963	\$ 3,784,178	\$ 3,963,393	\$ 4,142,607	\$ 4,321,822	\$ 4,501,037	\$ 4,680,252	\$ 4,859,467	\$ 5,038,682	\$ 5,217,897	
446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	\$ 5,356,278
-	-	-	-	-	-	-	-	-	-	-	-	\$ -
446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	446,357	\$ 5,356,278
127,857	142,753	142,753	142,753	142,753	142,753	142,753	142,753	142,753	142,753	142,753	142,753	\$ 1,698,144
30,839	30,839	30,839	30,839	30,839	30,839	30,839	30,839	30,839	30,839	30,839	30,839	\$ 370,068
59,984	59,984	59,984	59,984	59,984	59,984	59,984	59,984	59,984	59,984	59,984	59,984	\$ 719,804
-	-	-	-	-	-	-	-	-	-	-	-	\$ -
33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	33,566	\$ 402,787
\$ 252,246	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 267,142	\$ 3,190,803
\$ 194,111	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 179,215	\$ 2,165,475
\$ 3,425,748	\$ 3,604,963	\$ 3,784,178	\$ 3,963,393	\$ 4,142,607	\$ 4,321,822	\$ 4,501,037	\$ 4,680,252	\$ 4,859,467	\$ 5,038,682	\$ 5,217,897	\$ 5,397,112	
\$ 3,425,748	\$ 3,604,963	\$ 3,784,178	\$ 3,963,393	\$ 4,142,607	\$ 4,321,822	\$ 4,501,037	\$ 4,680,252	\$ 4,859,467	\$ 5,038,682	\$ 5,217,897	\$ 5,397,112	

Income Statement Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals
Revenue													
Roller skating	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	86,625	1,039,500
Bowling	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Laser tag	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	44,226	530,712
Indoor go-karts	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	612,000
Party Events & Food & Beverage	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	612,000
Arcade	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Total Revenue	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	\$ 352,851	4,234,212
Cost of Goods Sold													
Roller skating	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	14,963	179,550
Bowling	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	193,500
Laser tag	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	12,636	151,632
Indoor go-karts	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	229,500
Party Events & Food & Beverage	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Arcade	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Total Cost of Goods Sold	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	\$ 112,849	1,354,182
Gross Margin	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	\$ 240,003	2,880,030
Payroll	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	\$ 58,693	704,313
Operating Expenses													
Advertising	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Contract Labor (Not included in payroll)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
Insurance (other than health)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Legal and Professional Services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Licenses	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,670	20,000
Office Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Rent or Lease - Vehicles, Machinery, Equipment	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Repairs and Maintenance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Supplies	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Travel, Meals and Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expense 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expense 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,866	\$ 28,870	346,400
Income (Before Other Expenses)	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,444	\$ 152,440	1,829,217
Other Expenses													
Amortized Start-up Expenses	21,274	21,274	21,274	21,274	21,274	21,274	21,274	21,274	21,274	21,274	21,274	21,274	255,285
Depreciation	57,635	57,635	57,635	57,635	57,635	57,635	57,635	57,635	57,635	57,635	57,635	57,635	691,619
Interest													
Commercial Loan	16,330	16,330	16,330	16,330	16,330	16,330	16,330	16,330	16,330	16,330	16,330	16,330	197,411
Commercial Mortgage	8,200	7,963	7,963	7,963	7,963	7,963	7,877	7,877	7,877	7,877	7,877	7,877	94,338
Total Other Expenses	103,519	103,489	103,440	103,390	103,340	103,290	103,239	103,188	103,137	103,086	103,034	102,982	1,239,154
Net Income Before Income Tax	\$ 48,905	\$ 48,954	\$ 49,004	\$ 49,054	\$ 49,104	\$ 49,154	\$ 49,205	\$ 49,256	\$ 49,307	\$ 49,358	\$ 49,406	\$ 49,458	590,144
Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Profit/Loss	\$ 48,905	\$ 48,954	\$ 49,004	\$ 49,054	\$ 49,104	\$ 49,154	\$ 49,205	\$ 49,256	\$ 49,307	\$ 49,358	\$ 49,406	\$ 49,458	590,144

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Income Statement Year 1 - 3

Revenue	First Year		Second Year		Third Year	
Roller skating	1,039,500		1,143,450		1,314,968	
Bowling	720,000		792,000		910,800	
Laser tag	530,712		583,783		671,351	
Indoor go-karts	612,000		673,200		774,180	
Party Events & Food & Beverage	612,000		673,200		774,180	
Arcade	720,000		792,000		910,800	
Total Revenue	\$ 4,234,212	100%	\$ 4,657,633	100%	\$ 5,356,278	100%
Cost of Goods Sold						
Roller skating	179,550		197,505		227,131	
Bowling	193,500		212,850		244,778	
Laser tag	151,632		166,795		191,814	
Indoor go-karts	229,500		252,450		290,318	
Party Events & Food & Beverage	240,000		264,000		303,600	
Arcade	360,000		396,000		455,400	
Total Cost of Goods Sold	1,354,182	32%	1,489,600	32%	1,713,040	32%
Gross Margin	2,880,030	68%	3,168,033	68%	3,643,238	68%
Payroll	704,313		711,775		719,804	
Operating Expenses						
Advertising	30,000		30,900		32,445	
Car and Truck Expenses	-		-		-	
Commissions and Fees	-		-		-	
Contract Labor (Not included in payroll)	26,400		27,192		28,144	
Insurance (other than health)	36,000		37,080		38,192	
Legal and Professional Services	6,000		6,180		6,365	
Licenses	20,000		20,400		21,420	
Office Expense	12,000		12,360		12,731	
Rent or Lease -- Vehicles, Machinery, Equipment	60,000		61,800		63,654	
Rent or Lease -- Other Business Property	-		-		-	
Repairs and Maintenance	24,000		25,200		26,460	
Supplies	30,000		31,500		32,445	
Travel, Meals and Entertainment	-		-		-	
Utilities	102,000		105,060		108,212	
Miscellaneous	-		-		-	
Other Expense 1						
Other Expense 2						
Total Operating Expenses	\$ 346,400	8%	\$ 357,672	8%	\$ 370,068	7%
Income (Before Other Expenses)	\$ 1,829,317	43%	\$ 2,098,586	45%	\$ 2,553,366	48%
Other Expenses						
Amortized Start-up Expenses	255,285		255,285		255,285	
Depreciation	691,619		691,619		691,619	
Interest						
Commercial Loan	197,411		192,509		187,252	
Commercial Mortgage	94,838		92,203		89,406	
Credit Card Debt	-		-		-	
Vehicle Loans	-		-		-	
Other Bank Debt	-		-		-	
Line of Credit	-		-		-	
Bad Debt Expense	-		-		-	
Total Other Expenses	\$ 1,239,154	29%	\$ 1,231,616	26%	\$ 1,223,562	23%
Net Income Before Income Tax	\$ 590,164		\$ 866,970		\$ 1,329,804	
Income Tax	\$ -		\$ -		\$ -	
Net Income/Loss	\$ 590,164	14%	\$ 866,970	19%	\$ 1,329,804	25%

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Balance Sheet Year 1 - 3

ASSETS	First Year	Second Year	Third Year
Current Assets			
Cash	1,526,809	3,231,637	5,397,112
Accounts Receivable	-	(0)	(0)
Inventory	15,000	15,000	15,000
Prepaid Expenses	456,027	228,013	-
Other Initial Costs	54,544	27,272	-
Total Current Assets	\$ 2,052,380	\$ 3,501,922	\$ 5,412,112
Fixed Assets			
Real Estate -- Land	-	-	-
Real Estate -- Buildings	1,600,000	1,600,000	1,600,000
Leasehold Improvements	1,500,000	1,500,000	1,500,000
Equipment	1,980,000	1,980,000	1,980,000
Furniture and Fixtures	1,130,000	1,130,000	1,130,000
Vehicles	-	-	-
Other	-	-	-
Total Fixed Assets	\$ 6,210,000	\$ 6,210,000	\$ 6,210,000
(Less Accumulated Depreciation)	\$ 691,619	\$ 1,383,238	\$ 2,074,857
Total Assets	\$ 7,570,761	\$ 8,328,684	\$ 9,547,254
LIABILITIES & EQUITY			
Liabilities			
Accounts Payable	90,279	99,307	114,203
Commercial Loan Balance	2,783,036	2,710,312	2,632,332
Commercial Mortgage Balance	1,557,283	1,511,932	1,463,783
Credit Card Debt Balance	-	-	-
Vehicle Loans Balance	-	-	-
Other Bank Debt Balance	-	-	-
Line of Credit Balance	-	-	-
Total Liabilities	\$ 4,430,598	\$ 4,321,551	\$ 4,210,318
Equity			
Common Stock	2,550,000	2,550,000	2,550,000
Retained Earnings	590,164	1,457,133	2,786,937
Dividends Dispersed/Owners Draw	-	-	-
Total Equity	\$ 3,140,164	\$ 4,007,133	\$ 5,336,937
Total Liabilities and Equity	\$ 7,570,761	\$ 8,328,684	\$ 9,547,254
Balance sheet in or out of balance?	\$ -	\$ -	\$ -
	Balanced!	Balanced!	Balanced!

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Breakeven Analysis Year 1 - 3

Gross Margin % of Sales	
Gross Margin	\$ 2,880,030
Total Sales	\$ 4,234,212
Gross Margin/Total Sales	68.0%
Total Fixed Expenses	
Payroll	\$ 704,312.67
Operating Expenses	\$ 1,330,268.46
Operating + Payroll	\$ 2,034,581
Breakeven Sales in Dollars (Annual)	
Gross Margin % of Sales	68.0%
Total Fixed Expenses	\$ 2,034,581
Yearly Breakeven Amount	\$ 2,991,235
Monthly Breakeven Amount	\$ 249,270

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Breakeven Analysis Year 1 - 3

Ratios	Year One	Year Two	Year Three	Industry Norms
Liquidity				
Current Ratio	0.5	0.8	1.3	
Quick Ratio	0.3	0.7	1.3	
Safety				
Debt to Equity Ratio	1.4	1.1	0.8	
Debt-Service Coverage Ratio - DSCR	0.3	0.4	0.5	
Profitability				
Sales Growth	0.0%	10.0%	15.0%	
COGS to Sales	32.0%	32.0%	32.0%	
Gross Profit Margin	68.0%	68.0%	68.0%	
SG&A to Sales	24.8%	23.0%	20.3%	
Net Profit Margin	13.9%	18.6%	24.8%	
Return on Equity (ROE)	18.8%	21.6%	24.9%	
Return on Assets	7.8%	10.4%	13.9%	
Owner's Compensation to Sales	3.7%	3.4%	3.0%	
Efficiency				
Days in Receivables	0.0	0.0	0.0	
Accounts Receivable Turnover	0.0	-5001095567690960.0	-5751259902844600.0	
Days in Inventory	4.0	3.7	3.2	
Inventory Turnover	90.3	99.3	114.2	
Sales to Total Assets	0.6	0.6	0.6	

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Amortization & Depreciation Schedule Year 1 - 3

Commercial Loan													
Principal Amount	\$	2,850,856											
Interest Rate	7.00%												
Loan Term in Months	240.00												
Monthly Payment Amount	\$22,102.66												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Year One													
Interest	16,630	16,598	16,566	16,534	16,501	16,469	16,436	16,403	16,369	16,336	16,302	16,268	\$ 197,411
Principal	5,473	5,505	5,537	5,569	5,601	5,634	5,667	5,700	5,733	5,767	5,800	5,834	\$ 67,820
Loan Balance	2,845,383	2,839,879	2,834,342	2,828,773	2,823,172	2,817,537	2,811,870	2,806,170	2,800,437	2,794,670	2,788,870	2,783,036	
Year Two													
Interest	16,234	16,200	16,166	16,131	16,096	16,061	16,026	15,991	15,955	15,919	15,883	15,847	\$ 192,509
Principal	5,868	5,903	5,937	5,972	6,006	6,041	6,077	6,112	6,148	6,184	6,220	6,256	\$ 72,723
Loan Balance	2,777,167	2,771,265	2,765,328	2,759,356	2,753,350	2,747,308	2,741,232	2,735,120	2,728,972	2,722,788	2,716,568	2,710,312	
Year Three													
Interest	15,810	15,773	15,737	15,699	15,662	15,624	15,587	15,549	15,510	15,472	15,433	15,394	\$ 187,252
Principal	6,293	6,329	6,366	6,403	6,441	6,478	6,516	6,554	6,592	6,631	6,669	6,708	\$ 77,980
Loan Balance	2,704,020	2,697,691	2,691,325	2,684,921	2,678,481	2,672,002	2,665,486	2,658,933	2,652,340	2,645,710	2,639,040	2,632,332	
Commercial Mortgage													
Principal Amount	\$	1,600,000.00											
Interest Rate	6.00%												
Loan Term in Months	240.00												
Monthly Payment Amount	\$11,462.90												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Year One													
Interest	8,000	7,983	7,965	7,948	7,930	7,913	7,895	7,877	7,859	7,841	7,823	7,805	\$ 94,838
Principal	3,463	3,480	3,498	3,515	3,533	3,550	3,568	3,586	3,604	3,622	3,640	3,658	\$ 42,717
Loan Balance	1,596,537	1,593,057	1,589,559	1,586,044	1,582,512	1,578,961	1,575,393	1,571,807	1,568,203	1,564,581	1,560,941	1,557,283	
Year Two													
Interest	7,786	7,768	7,750	7,731	7,712	7,694	7,675	7,656	7,637	7,618	7,598	7,579	\$ 92,203
Principal	3,676	3,695	3,713	3,732	3,751	3,769	3,788	3,807	3,826	3,845	3,864	3,884	\$ 45,351
Loan Balance	1,553,607	1,549,912	1,546,199	1,542,467	1,538,716	1,534,947	1,531,159	1,527,351	1,523,525	1,519,680	1,515,816	1,511,932	
Year Three													
Interest	7,560	7,540	7,521	7,501	7,481	7,461	7,441	7,421	7,401	7,380	7,360	7,340	\$ 89,406
Principal	3,903	3,923	3,942	3,962	3,982	4,002	4,022	4,042	4,062	4,082	4,103	4,123	\$ 48,149
Loan Balance	1,508,029	1,504,106	1,500,163	1,496,201	1,492,219	1,488,218	1,484,196	1,480,154	1,476,092	1,472,009	1,467,906	1,463,783	

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