

2011 Seacrest Boathouse RFP - Average Scores

Company Name	Eval 1	Eval 2	Eval 3	Eval 4	SCORE	Score
Alki Crab & Fish	56	81	81	87	305	76.25
Cowboys	46	82	54	65	247	61.75
Marination	90	90	80	87	347	86.75

Oral Interviews	Eval 1	Eval 2	Eval 3	Eval 4	SCORE	Score
Alki Crab & Fish	24	25	20	30	99	24.75
Cowboyz (no interview)	n/a	n/a	n/a	n/a	0	0.00
Marination	34	33	30	35	132	33.00

Total Points	Average	Tot. Pts
Alki Crab & Fish	101.00	404
Cowboyz (no interview)	61.75	247
Marination	119.75	479

Evaluators	#
Dan Johnson	1
Rebecca Salinas	2
Terry Roche	3
Robert Stowers (written) /Charles Ng (oral)	4

Individual Scores by Evaluators by Question

Alki Crab & Fish Company

	Dan J	Rebecca S	Terry R	Robert S		Evaluators	Max points
Question	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Total points	each question
1--Background of organization	4	4	5	5		18	5
2a--Experience-Public Fac/Comm	12	18	20	17		67	20
2b--Management Plan/Strategy	9	12	12	14		47	15
2c--Loans/3rd Party Invest-Imprvmts	4	10	8	8		30	10
2d--Goals/Objectives for Use of Bldg.	3	5	5	5		18	5
2e--Programs/Activities/Services	7	10	8	8		33	10
2f--Market/public access/welcoming	5	13	12	10		40	15
2g--In-kind/Contributions	2	4	3	5		14	5
3--Background/Mission/History etc.	5	5	5	5		20	5
4--Detailed budget for operation	5	0	3	10		18	10
Total	56	81	81	87	0	305	100

Cowboyz

	Dan J	Rebecca S	Terry R	Robert S		Evaluators	Max points
Question	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Total points	each question
1--Background of organization	4	5	3	4		16	5
2a--Experience-Public Fac/Comm	10	16	12	13		51	20
2b--Management Plan/Strategy	5	11	9	12		37	15
2c--Loans/3rd Party Invest-Imprvmts	3	10	4	5		22	10
2d--Goals/Objectives for Use of Bldg.	3	4	3	3		13	5
2e--Programs/Activities/Services	6	8	5	8		27	10
2f--Market/public access/welcoming	4	13	9	10		36	15
2g--In-kind/Contributions	2	5	3	2		12	5
3--Background/Mission/History etc.	5	5	3	3		16	5
4--Detailed budget for operation	4	5	3	5		17	10
Total	46	82	54	65	0	247	100

Marination

	Dan J	Rebecca S	Terry R	Robert S		Evaluators	Max points
Question	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Total points	each question
1--Background of organization	5	4	4	5		18	5
2a--Experience-Public Fac/Comm	16	20	15	18		69	20
2b--Management Plan/Strategy	14	14	15	13		56	15
2c--Loans/3rd Party Invest-Imprvmts	10	10	10	9		39	10
2d--Goals/Objectives for Use of Bldg.	4	4	4	4		16	5
2e--Programs/Activities/Services	8	9	6	8		31	10
2f--Market/public access/welcoming	13	15	13	10		51	15
2g--In-kind/Contributions	5	5	3	5		18	5
3--Background/Mission/History etc.	5	5	5	5		20	5
4--Detailed budget for operation	10	5	5	10		30	10
Total	90	91	80	87	0	348	100

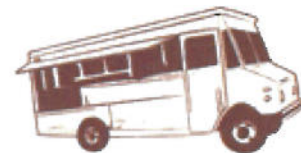
Marination LLC P.O. Box 28324 Seattle, WA 98118
Contact: Roz Edison, Co-Owner 617-875-9554 roz@marinationmobile.com

Seacrest Boathouse RFP

October 7, 2011 @ 4pm

Management Plan Summary

Marination, a Seattle-based company currently operating a food truck, a brick and mortar restaurant, and a commissary kitchen, presents its qualifications to assume the responsibilities of operating the Seacrest Boathouse on Alki Beach. Marination serves a simple, fresh, made-from-scratch menu of Hawaiian-Korean inspired food – primarily tacos, sliders, and rice bowls. The fast-casual menu is healthy and unique, and it is already enjoyed by a loyal following of customers throughout the greater Seattle region.



MARINATION

Marination prides itself on being "Seattle's Sauciest Food Truck" and in serving Everyday Aloha both from the truck and from its restaurant on Capitol Hill. The management plan reflects these company qualities:

Simple

Marination will do what it does best – serve a core menu of Hawaiian-Korean food and operate the restaurant - and it will partner with others to complete the service package requested by DPR, primarily the rental operations

Authentic

Marination will remain faithful to its street food roots, maintaining an affordable, fun, casual atmosphere, with unique, healthy food offerings

Uncontroversial

Marination will maintain the highest professional standards, and will uphold all laws and "good neighbor" regulations required

Connected

Marination will expand its already established engagement with the community, through partnerships and philanthropy

Youthful

Marination will activate and energize the Seacrest Boathouse with excellent food, professional service, impeccable business practices, and the genuine desire to offer every patron the experience of Everyday Aloha

Fee Offer to DPR: **10%**

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A. QUALIFICATIONS

Marination started operations in June 2009, with a food truck and a commissary kitchen. In April 2010 we expanded to a small bricks and mortar restaurant on Capitol Hill. The business does not have a long history, but it is a well-run operation that handles a very high volume of business. The mobile truck and the restaurant each serve about 250 customers per day, and during the lunch hour rush can serve as many as 100 people in one hour. Our commissary kitchen supports both enterprises with all of the food preparation for both daily service and catering events.

Since opening, Marination has received numerous local and national accolades. Here are a few highlights:

- Best Food Cart in America – Good Morning America 2009
- Best Food Truck - Seattle Magazine 2009
- Best Food Truck – Best of Western Washington 2009
- Voted in Top 10 Food Trucks on Food Network's Great Food Truck Race 2010
- Best Food Truck (readers' choice) - Seattle Magazine 2010
- Best New Restaurant – Zagat 2011 Seattle
- Top 10 Happy Hour Sliders – Seattle Times 2011
- Profiled in the Wing Luke Exhibit "From Fields to Family" 2011

Marination is run by an exceptional team of professionals, with backgrounds and expertise drawn from a diverse number of fields and industry, not just restaurants. We feel strongly that this breadth of experience and skills is what makes us an ideal candidate to manage the Seacrest Boathouse. It will take much more than a seasoned restaurant owner to transform and enliven Seacrest. It will also require new community partnerships, positive marketing and public relations, and some strong operational efficiencies. The Marination team has these skills. Here are the key members of our team:

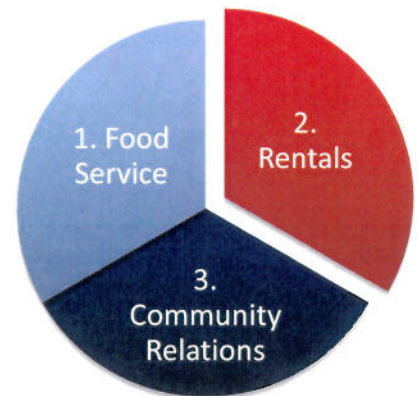
- **Roz Edison:** Co-owner, Operations, Financial Management
Roz has over 15 years in operational and project management experience and has a Masters in Education from Harvard University and a Masters in Management from the Aurthur D. Little School of Management. She keeps Marination **UNCONTROVERSIAL** and **SIMPLE**.
- **Kamala Saxton:** Co-owner, Culinary Lead, Community Relations
Kamala has held leadership positions in the non-profit, restaurant, and education fields for the last 15 years. She has a Bachelor in Communications from Menlo College and is finishing her thesis for her Masters in Sports Management from Seattle University. Kamala ensures Marination is **AUTHENTIC** and **CONNECTED**.
- **Victor Lewin:** Lead Chef, General Manager
Prior to Marination, Victor was the Executive Chef for Wolfgang Puck Catering for the last 7 years, managing all catering and culinary needs for Benaroya Hall, EMP and the Showbox Theaters. Victor manages our operations to keep them **AUTHENTIC** and **UNCONTROVERSIAL**.
- **Michelle Boline:** Marketing, Partnerships, Promotions
Michelle has over 15 years of experience managing accounts for Costco, Hormel, and ConAgra. Her specialty is keeping Marination **CONNECTED** and **YOUTHFUL**.

In addition to our leadership team, Marination has a crew of over 20 employees, and we contract with several local businesses to manage our accounting, bookkeeping and public relations: Sterling Kuder & Company, EJ Kim Accounting and Suzuki+Chou Communimedia.

B. IMPLEMENTATION STRATEGIES

Marination's plan for assuming the management of the Seacrest Boathouse rests firmly on its intent to keep things **SAUCY** – Simple, Authentic, Uncontroversial, Connected and Youthful. We are proud to be Seattle's Sautiest Food Truck and we will apply the strengths of our systems, efficiencies and community relations to the operations of the Seacrest Boathouse. Simplicity is foremost in our approach, and by this we mean we will do what we do best (run a food service business) and partner with other businesses or organizations to complete the requested service offering (namely rentals).

Marination understands the operations of the Seacrest Boathouse as having three main components: 1) food service, 2) rentals and 3) community relations. Our plan for managing each of these components is detailed below.



1. Food Service

The sale of food and beverages will be Marination's primary focus at Seacrest – both to generate revenues, but also to serve as the catalyst for our other endeavors.

SIMPLE: We will keep our current menu and add some additional items (see details below in Section E). By focusing on what we know how to do and what we know is already a popular menu, we will be better prepared for the new responsibilities presented by managing the Seacrest Boathouse.

AUTHENTIC: In keeping with our street food roots, we will keep the atmosphere, pricing and format of our food service accessible to virtually all budgets, family-friendly, and speedy. We will not try to make Seacrest into something we are not. The fast-casual, Everyday Aloha feel of our bricks and mortar restaurant (Marination Station) is a good reference for the type of friendly, genuine establishment we plan to run at Seacrest.

UNCONTROVERSIAL: We have been vending with City of Seattle units (both the Housing Department and currently DPR) since we opened in 2009 and we are strong supporters of the Mayor's initiative to support increased street food vending in this city. One reason we have worked so well with these City of Seattle offices is that we play by the rules. We operate the best organization we can, maintain all of our permits, respond immediately if something is not correct and advise all of our other street food colleagues to do the same. We are proud to be one of the model street food businesses that the City can reference if wishes to. We would bring the same integrity to our management of the Seacrest Boathouse.

CONNECTED: Our food service operations will help us grow our connections to the Seattle community. The ways we will use this space and our food service for this purpose is detailed below in Sections F and G. Also in keeping with our theme of connectedness, Seacrest food service will be intimately connected to the rest of our company through staffing and also food preparation. Currently, our food truck and restaurant have 100% of the food products prepared at our commissary kitchen. This is for both health regulations and also for business efficiency. At the Seacrest Boathouse, we will continue to leverage the efficiencies of our commissary kitchen model, and we anticipate having about 50% of the food product prepared in our commissary kitchen and 50% prepared on-site. This connection is important because clearly we want our entire business to be successful, so connecting Seacrest to our complete operation is just another way we will ensure quality and consistency in our food service there. *Please note that we are fully aware of the RFP stipulation that Seacrest finances remain separate from all other*

business entities, and if we are awarded this contract we will create the systems to do this with our accountant and bookkeeper.

YOUTHFUL: Lastly, we would like the food service at Seacrest Boathouse to generate a fun, lively customer base. We would strive to generate excitement about what we serve and how we serve it – Everyday Aloha – in all the dishes and for every customer.

2. Rentals

The expertise of our team, described in Section A, clearly contributes to our business model as a community-oriented, food service company. Therefore, with the intent of Simplicity and Authenticity, Marination will focus its management on food service and community relations, and partner with another organization for rentals. Since our organization does not currently have staff with specific expertise in marine activities, watercraft management, or any of the outdoor activities currently offered at the Seacrest Boathouse we feel strongly that it would complicate and distract our company to attempt to lead the operational aspect of the boat rentals. Especially at the beginning of our management tenure, we propose to partner with a business or organization that specializes in these activities to manage this component of the Seacrest Boathouse. The financial model that we will detail later will show that we consider boat rentals to be a break-even component of our operations – more of a community service offering than a profit generating activity. An exciting benefit of this approach is that we will be able to consider organizations with whom to partner based not only on their technical skills and professionalism, but also on their community or philanthropic focus. For instance, an organization that offers marine education tours, may wish to manage the boat rentals in exchange for use of the facilities for its patrons. Regardless of the partner, Marination would still provide overall management of the rental activities including some administrative support (marketing, promotions). The daily operations would be subcontracted out however. *By subcontracting out the rental operations, Marination will be able to fully focus on the profit generating activities of the Seacrest Boathouse – through the sale of food and beverages - and the social- good generating activities – through the development of an exceptional rapport with the community.*

3. Community Relations

Our plan to develop incredible community relations will be detailed later in this proposal in Sections F and G.

Overall Operations

Staffing Plan

We will staff the Seacrest Boathouse with a mix of our current staff as well as additional staff who we will hire. Our current staff are already used to working shifts in multiple locations (truck, restaurant, and commissary) so we will leverage their familiarity with our company, menu and current customers to help our expansion go smoothly. Although our staff will be “shared” among our other locations, we will have at least one and likely two dedicated managers for the Seacrest Boathouse.

Hours of Operation

We intend to have the following hours of operation:

Monday – Thursday: 6am – 10pm
Friday: 6am – 11pm
Saturday: 7am -11pm
Sunday: 7am – 10pm

Maintenance and Operations Support

We expect ongoing maintenance and operations to be supported by our revenues from the sale of food and beverages, as well as the rentals. However, our plan assumes that the restaurant will support its operations and maintenance and that the rental will do the same. The rental operation should be self-sustaining. After our initial facility improvements to that area (see Section C below), we expect all maintenance and operations costs of the rental operation to be supported by the revenues generated from rentals alone.

Currently the operations of the truck and the station support the operations of the commissary kitchen. With the addition of the Seacrest Boathouse, we would be able to allocate some of the cost of the commissary kitchen to the Boathouse operations as well, thus lowering our Cost of Goods Sold and increasing our available working capital to use for maintenance if necessary.

C. FACILITY IMPROVEMENTS

In preparing this proposal, we were not able to obtain floor layouts of the interior of premises, and limited information about utilities, tenant improvements or existing kitchen equipment. As such, we do propose a number of facility improvements but they are contingent upon what we discover should we be awarded this contract and once we are able to fully explore the premises. What is important to note is that Marination has a vision for the Seacrest Boathouse, and that this vision consistent with our theme of SAUCY.

SIMPLE: We will not make major structural or layout changes, and what changes we make will be to simplify and streamline our food service, and the experience of our patrons. We would like to explore the possibility of putting a bathroom indoors for our customers and staff, but we recognize that this may be contingent on the sewage capacity of the facility.

AUTHENTIC: We will certainly adjust the aesthetic of the interior and exterior space to reflect the brand and the values of Marination. This would entail new paint, new furniture, different lighting perhaps, and some design elements from our truck and restaurant.

UNCONTROVERSIAL: We will not build signage or structures that would violate the “good neighbor” regulations we have been informed of. We do intend to improve the patio area, probably with a new fence and a covered solution to help make that area more of a year round option for our customers, but all of this work would be done to code and with consideration of our apartment neighbors across the street.

CONNECTED: One key change we would like to make would be to the rentals area. Although we do not intend to manage the day-to-day operations of this service, we do believe that the perception of this area impacts greatly the perception of the entire Seacrest Boathouse operation. Currently there is no obvious connection between the rentals and the restaurant, and the rental entrance is neither welcoming, nor helpful. Given that the rental area occupies all of our street presence along Harbor Avenue SW, it is critical to us that we make this area more inviting and more obvious.

YOUTHFUL: The combined facility improvements described above will result in a completely refreshed look and feel to the Seacrest Boathouse that will be more engaging and inviting for customers.

Financing of Facilities Improvements

We are prepared to invest \$100,000 - \$150,000 in facility improvements at Seacrest Boathouse. We will not be securing loans for these facility improvements. We will fund the facility improvements from our company bank account and from the personal savings of the owners (see BUDGET below). Currently, Marination has zero debt, and is in a strong financial situation to support an investment such as this. The company banks with Bank of America, the owners bank with Charles Schwab. Additional financial details can be provided upon request.

D. RENTAL OPERATION GOALS AND OBJECTIVES

Our vision for the rental operation is to bring significant value and opportunity of beach-side aloha to the people of Seattle through our core SAUCY values:

Creating **SIMPLE** and **AUTHENTIC** Community: The rental operation managed by Marination will seek to build community by creating a spot where people can learn and come together and share in a number of unique beach and waterfront activities. We will look to partner with an organization that will integrate education into all of their programs – to teach about Puget Sound, Boathouse history, environmental stewardship, or the health benefits of the various beach activities offered at Seacrest. Marination’s financial goal for the rental operations is **SIMPLE** – it should be self-sustaining. It should be able to generate enough revenue to pay for its share of overhead, its staff and all maintenance and operational costs.

UNCONTROVERSIAL

Marination will ensure that the rental operation is as **UNCONTROVERSIAL** as the restaurant. It will carry all required insurance and permits, have clear safety plans and equipment, and promote access for all to the rental activities. To promote access, we will clarify and promote to the public what, how and when rental activities are available. Additionally, it is of primary importance that the rental operation retains a reasonable fee structure to keep the water and beach sports accessible to all. We anticipate renting the following variety of equipment: stand up paddle boards, quad and inline skates, longboards, bicycles and fishing boats. Our goal is to keep an impeccable safety record while increasing the communities that use the Boathouse rentals.

CONNECTED and YOUTHFUL

The rental component (although managed by a partner organization) will feel connected to the rest of the Seacrest Boathouse - as it will be visually and integrally connected to the food service business. By unequivocally connecting the two we will create a ‘total’ community space that meets both the social and activity needs of individuals and groups; young and old alike, all while providing Everyday Aloha inside and out. The rental operation will also be included in all marketing materials and plans moving forward as a key piece of the complete boathouse operation. Our goal is to get “a fun activity and a fantastic meal the Seacrest Boathouse” listed as one of the Top Five Things to Do in Seattle.



This photo is an example of the type of clean, organized rental facility we would create. Source: Kavak Center of Rhode

E. PROPOSED MENU

At Seacrest Boathouse, Marination will serve its core Hawaiian-Korean menu, as well rotating specials. The menu will undoubtedly be SAUCY.

SIMPLE: Our core menu has about 10 items on it – four types of tacos, 2 types of sliders, kimchi fried rice and a kalua kimchi quesadilla. All of these items are made with fresh ingredients and a minimum of salt and oil, none are deep fried. We have learned that although it is not a broad menu, this core menu has something for everyone, and by keeping the menu simple, we can do it very well, consistently, and quickly. Our menu with photos is available online at www.marinationmobile.com.

AUTHENTIC: We respect that the Seacrest Boathouse has been serving fish and chips for the past ten years and there are surely patrons who would be very disappointed to not have this item on the menu. So we plan to offer one fish and chip option – with a Hawaiian-Korean culinary twist of course.

UNCONTROVERSIAL: Our menu will continue to be healthy, with options for vegetarians, vegans and gluten-free eaters.

CONNECTED: Other than our core menu which we know we will serve, we do not want to lock into any other menu variations at this time. We would like to develop our menu offerings based on what the patrons of the Seacrest Boathouse want to eat, including the commuters on the Water Taxi. We want our menu to be connected to Marination (Hawaiian –Korean street food), the tradition of the Seacrest Boathouse for the past decade (fish and chips), and the future of this establishment in the Seattle community (fun and delicious food items to be created).

YOUTHFUL: We will be adding Hawaiian Shave Ice to our menu for the kids we serve, and the kid in all of us. We love this dessert and we will have fun creating homemade sweet and savory options.

Marination Menu and the Healthy Parks, Healthy You Program

Our food is healthy and fresh. It is prepared with a minimum of salt, sugar and oil and does not contain preservatives or weird stuff. We are confident that if delicious, healthy food was an option after 30 minutes of activity in the park (walking, running, boating, skating), that more folks would be interested in both. We think our food is tasty enough to be an attraction all by itself. Combined with the opportunity to do an activity for 30+ minutes and it's a bonus that will be hard to resist. We will actively look for ways to encourage doing both an activity and eating at Marination. For instance, every rental may come with a free taco or slider.

Beverages

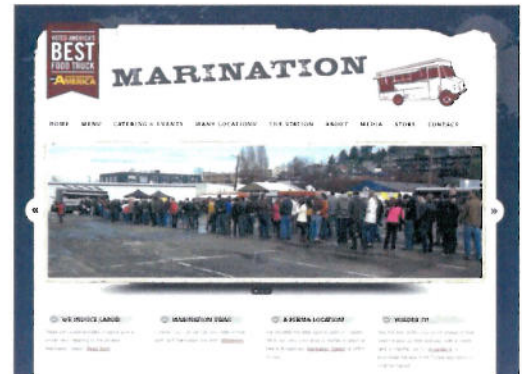
We will continue to serve our current non-alcoholic beverage selection of Hawaiian Sun Fruit drinks and selection of 1-2 sodas. We will add coffee service – primarily for water taxi commuters, but also because we know it is a beautiful place to sit and drink a coffee. We will also apply for a full liquor license – in keeping with the offering of the current management company. We currently have a license for beer and wine at our restaurant, but we believe that the Seacrest Boathouse should continue its current beverage offerings for the happy hour/evening clientele who will certainly contribute to the revenue generation of this establishment. The sale of alcoholic beverages will not be our primary focus. As we have said before, we are a food-service company. It is what we do best and it is what we want to do at the Seacrest Boathouse. However, we cannot ignore how alcoholic beverages may contribute to the bottom line, and as business owners, we would like to keep this revenue stream option open.



F. MARKETING PLAN

SIMPLE and AUTHENTIC

Marination LLC has been recognized for its innovative use of social media to promote both Marination Mobile and Marination Station. Just this month we were profiled in Entrepreneur Magazine as a small business that effectively uses social media to grow its business. This method is cost effective and meaningful. To keep things simple and true our brand, we will employ a similar model to promote the Seacrest Boathouse using our current loyal customer base - currently over 10,000 followers on Facebook and Twitter. That's a lot of people (mostly in Seattle) who we reach every day through our website, Facebook page, and Twitter feed.



UNCONTROVERSIAL

Marketing will in no way conflict with Marination nor DPR core values.

CONNECTED

We recognize that to be successful at the Seacrest Boathouse we will need to weave ourselves into the fabric of the West Seattle community. So in addition to our social media outreach, we will look to advertise in local, relevant publications and to sponsor local organizations and teams. We will work diligently to become a community hub; connected to teams, youth activities, fundraisers, non-profits, etc. These connections are our best source of marketing energy and the positive word of mouth that our current and future West Seattle customers can generate for us is a fundamental part of our marketing plan.

YOUTHFUL

All marketing will be fun and lively like the environment we wish to create - and importantly, inclusive to all.

G. IN-KIND SERVICES & CONTRIBUTIONS

In addition to our 10% fee to SPD, we would also like to offer the following SAUCY activities and services:

Beach Clean Up

Each year Marination will organize and host a large-scale effort for beach clean-up. We will invite our staff and their families, our customers and our partner organizations to join us for a day of activities that support the goal of keeping Alki, and Seacrest Park in particular, a clean and safe place to live and to visit.

SPD Discount

Marination will gladly offer Seattle DPR discounted prices on food and rentals for official programs run from the Seacrest Boathouse.

Philanthropy

Since opening in 2009, Marination has supported over 50 non-profits in the local Seattle area, ranging from Powerful Schools, The Susan G. Koman Foundation Puget Sound Affiliate and the Wing Luke Museum to smaller organizations such as Faith in Action, The Service Board, and the Franklin High School Ultimate Frisbee team. Managing the Seacrest Boathouse would provide us with a means to expand our philanthropic efforts.

BACKGROUND INFORMATION

Company Mission

Serve Everyday Aloha

Company History (from our website)

Marination – A Story

Once upon a time Kamala and Roz sent their very hard-earned money to Wall Street to grow. Turns out Wall Street wasn't raised well by its parents, and the once-healthy bundle they sent eastward limped back home, a broken sliver of its former self. The ladies considered the anemic remains they were dealing with, and wondered how on Earth to prop it back up and get it going again?

All the thinking and no play made Kamala and Roz hungry. So Kamala marinated some stuff. Then over came a shoulder to lean on and, talking with her mouth full, Kamala admitted things like "I work so hard, I can't start from scratch again, there's got to be a way to stop this train before it totally derails. Wow these spicy pork tacos are the best I've made in weeks."

The shoulder, being a friend with a full belly and therefore a full brain, replied "Your marinades are exquisite, bordering on ambrosial. Hey, I know, you can build a marinated meat stand on wheels. Ha ha ha."

Kamala's eyes grew as big as a kimchi rice bowl and Roz's brain spun like a chrome hubcap. Marination, The Saucy Food Truck, was born.

Roz is at the wheel a lot, and you'll find Kamala's taking orders and "talking story" every week. Check our website and Twitter <http://twitter.com/curb_cuisine> for current location updates. Come kick it on the curb! There isn't a drive-through, but there's always plenty of feet parking.

And while the Big Blue fills their hearts with mucho glee, the opportunity to add a brick 'n mortar location to the family was too good to believe, and too good to pass up. Marination Station is alive and well, serving Everyday Aloha in Seattle's Capitol Hill neighborhood (holla!) as of April 2011.

The End.

Other Relevant Information

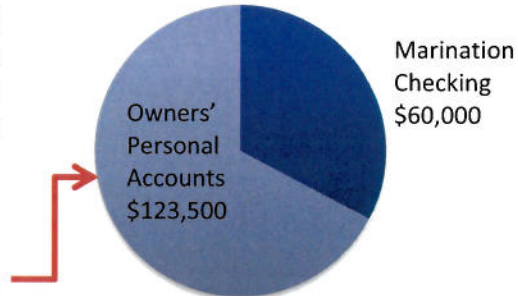
- Marination is a 100% minority-owned business
- Marination is a 100% women-owned business

BUDGET

Start-Up Budget

Working Capital	\$50,000
Fixtures and Equipment	\$60,000
Decorating and Remodeling	\$50,000
Legal and other professional fees	\$15,000
Licenses and Permits	\$ 5,000
Starting Inventory	\$ 3,000
Advertising and promotion for opening	\$ 500
Funds needed for Start-Up	\$183,500

Sources of Start-Up Funds



Marination will not be using any outside investors, bank loans or other financial instruments to finance the facility improvements or start-up phase of the management transition at Seacrest. Since the company carries no debt, cash generated from current operations may be used to provide working capital and some additional start-up funding for this project. Savings in the owners' personal accounts will provide the rest of the necessary funding.

Five-Year Profit Projection

The assumptions underlying this sales projection are on the following page.

	2012	2013	2014	2015	2016
Sales	\$ 604,800	\$ 725,760	\$ 798,336	\$ 838,253	\$ 855,018
Cost/ Goods Sold (COGS)	181,440	195,955	207,567	209,563	213,754
Gross Profit	<u>\$ 423,360</u>	<u>\$ 529,805</u>	<u>\$ 590,769</u>	<u>\$ 628,690</u>	<u>\$ 641,263</u>
Operating Expenses					
Payroll (taxes etc.)	\$ 151,200	\$ 181,440	199,584	209,563	209,563
Outside Services	\$ 1,512	\$ 1,814	1,996	2,096	2,096
Supplies	\$ 6,048	\$ 7,258	7,983	8,383	8,383
Repairs/ Maintenance	\$ 6,048	\$ 14,515	15,967	16,765	16,765
Advertising	\$ 9,072	\$ 9,072	7,983	8,383	8,383
Car, Delivery and Travel	\$ 6,048	\$ 7,258	7,983	8,383	8,383
Accounting and Legal	\$ 12,096	\$ 14,515	15,967	16,765	16,765
Rent (10% of Adjusted Gross)	\$ 54,432	\$ 65,318	71,850	75,443	75,443
Telephone	\$ 3,024	\$ 3,629	3,992	4,191	4,191
Utilities	\$ 18,144	\$ 21,773	23,950	25,148	25,148
Insurance	\$ 9,072	\$ 10,886	11,975	12,574	12,574
Taxes (sales tax etc.)	\$ 66,528	\$ 79,834	87,817	92,208	92,208
Interest	\$ -	\$ -	-	-	-
Depreciation	\$ 12,096	\$ 14,515	15,967	16,765	16,765
Total Expenses	<u>\$ 355,320</u>	<u>\$ 431,827</u>	<u>\$ 473,014</u>	<u>\$ 496,665</u>	<u>\$ 496,665</u>
Net Profit Before Tax	68,040	97,978	117,755	132,025	144,599

Financial Assumptions

- Sales are based on 12 months and 28 days per month of operation. In year one, we use the current average daily sales of the Marination truck and restaurant. Year 2-5 sales are % increases of the previous year.
- Sales volume takes into consideration food and beverage sales only. Rental sales are not present in this projection as this business line would be outsourced and managed as a break-even profit center. As such, these projections could be quite conservative.
- Sales projections are fairly conservative – as they do not take into account ANY catering or special events.
- Growth from year 1 to year 2 is assumed to be the largest “jump” (20%) and then sales are predicted to grow, but not as intensely (10%) in years 2-4 and then they are expected to even off in year 5.
- Expenses are primarily for the restaurant food business, as the corresponding expenses for the rental operation will be handled by the organization we partner with for that.
- We expect some expenses, mainly Cost of Goods Sold, to decrease a bit over the 5 years because of increased operational efficiencies. This is based on what we have seen with the expansion from Marination Mobile to Marination Station. In 5 years, we’d expect to see COGS decrease by 5%.
- Marination is proposing to pay SPD a rent commission of 10%. However, since this amount is 10% of gross sales LESS Seattle sales tax, the effective rate as a percentage of sales is 9%.
- There is no interest expense as Marination will not be borrowing any funds for start-up.
- Marination would be happy to present additional details about any financial element upon request.

Financial Summary

Marination is a company that is in excellent financial standing - it has a strong, steady, positive cash flow and zero debt. It has the opportunity to leverage assets and systems that it already has in place to achieve greater efficiencies, and therefore a higher profit margin. The break-even point will be approximately 2 years with these conservative sales estimates, although it may be sooner. The Marination Station break-even point was projected at about 18 months, and turned out to be about 4 months. We would hope for such success at the Seacrest Boathouse as well, but we are prepared and comfortable with a 2 year break-even term.

SUMMARY & SIGNATURES

Marination is a young but exciting (and SAUCY) company that has captured the hearts and taste buds of many Seattle patrons. Marination offers customers the opportunity to experience Everyday Aloha through a healthy, unique, Hawaiian-Korean menu and its commitment to the patrons and communities it serves. Marination would like the opportunity to bring its SAUCY spirit to the shores of Alki and the people of West Seattle and beyond. We feel we have a menu that people will enjoy, a business model that will be successful, and the right people to make it all happen. *Mahalo for your consideration.*



Roz Edison, Co-Owner

10/7/11

Date



Kamala Saxton, Co-Owner

10/07/2011

Date