



SCOPE OF WORK

Project Name: HallandAle Brewing Company/Brewery/Restaurant/Tap Room

Proposed project is divided into four segments:

1. Interior General Improvements
2. Exterior General/Facade Improvement
3. Equipment Purchasing, Installation and Construction - Brewery, Tap Room, and Kitchen
4. Others

The following description of scope of work is based on experience, and existing field conditions. Final plans and scope may vary pending final selection and approvals, attached cost breakdown.

1. Interior General Improvements

Provide all labor, materials, and equipment necessary to the construct and renovate the space as intended for Brew Pub use and as per the following scope of work:

Demolition:

Remove existing flooring and demolishing existing bathroom walls, west side masonry beer garden walls, south side masonry beer garden walls, east side masonry patio wall, trenching for drainage and new plumbing

Construction:

Install and finish water sprinklers. Finish men and women bathroom walls and doors. Finish glass garage doors placement and installation on south side beer garden walls. Finish window installation on west side beer garden wall. Finish patio windows, and glass door. Finish brewery flooring, kitchen flooring, and tap room flooring. Relocate and add lighting per plan. Refinish wood ceiling. Open and relocate back door. Painting of interiors.

Plumbing:

Install brewery, kitchen, and restrooms water and waste lines. Install reverse osmosis treatment. Install grease trap. Install bar and kitchen sinks.

Electrical:

Increase panel capacity to accommodate needs. Install all receptacles for bar kitchen and brewing equipment. Install all lighting

Mechanical:

Install new ductwork per plans. Install new 20 ton/16 seer unit.

Total Proposed:	HABC Investment	\$152,225.00	(60%)
	COHBCRA	<u>\$100,000.00</u>	(40%)
	Total	\$252,225.00	

2. Exterior General/Façade Improvements

Adding lighting to front of building, installing wood façade at entrance, install metal awning in front doorway, glass garage doors, impact resistance windows westside fermentation room, patio lighting, patio ceiling installation, patio flooring installation, patio beer garden flooring, beer garden AstroTurf installation, landscaping, building façade painting.

Total Proposed:	HABC Investment	\$ 37,500.00	(27%)
	COHBCRA	<u>\$100,000.00</u>	(73%)
	Total	\$137,500.00	

3. Equipment Purchasing, Installation and Construction - Brewery, Tap Room, and Kitchen

Equipment will be purchased and installed by independent contractor or the factory installers. Costs in scope also include construction fees due to installation or necessary buildouts pertaining to installation

Provide all labor and equipment to construct production brewery, working kitchen, and tap room in the proposed space per preliminary plans.

Demolition:

Cut existing concrete for all underground piping, drainage, grease traps, and water lines.

Construction:

Patch concrete floor. Provide and install non slip flooring in kitchen and brewery. Install exhaust channel for brew kettle.

Plumbing:

Install grease trap, mop sinks, tankless hot water tanks, floor drains, install reverse osmosis water treatment. Install sinks in kitchen, bar and brewery. Connect water and sewer lines, backflow preventer, hookup equipment

Electrical:

Install brewhouse control panel, install fermentation vessel control panel, modify power panels to handle voltage for kitchen, brewery, and bar, provide outlets and switches throughout the building, install lighting.

Mechanical:

Install hood, provide air and venting systems in kitchen and brewery, install walk-in cooler and walk-in freezer.

Fire Suppression System:

Provide and install fire suppression system to hood and grill areas.

• Brewery equipment purchase and installation	\$130,000.00
• Glycol Chiller equipment purchase and installation	\$22,000.00
• Glycol Piping equipment purchase and installation	\$13,400.00
• Reverse Osmosis System equipment purchase and installation	\$12,550.00
• Bar equipment purchase and installation	\$11,300.00
• Kitchen equipment purchase and installation	\$46,000.00
• Kitchen Hood purchase and installation	\$21,000.00
• Walk-in cooler equipment purchases and installation	\$11,600.00
• Draft System purchase and installation	\$12,400.00
• Electrical	\$22,000.00
• Contractor Fees and contingency	\$75,590.00

Total Proposed:	HABC Investment	\$ 77,950.00	(21%)
	COHBCRA	<u>\$300,000.00</u>	(79%)
	Total	\$377,950.00	

4. Other

Additional items part of the project:

• Furniture, Fixture, & Equipment	\$25,800.00
• Mural / Art	\$12,000.00

Total Proposed:	HABC Investment	\$ 37,800.00	(100%)
	COHBCRA	<u> </u>	
	Total	\$ 37,800.00	

SUMMARY

SEGMENTS	HABC Investment	COHBCRA	Total
Interior	\$152,225.00 (60%)	\$100,000.00 (40%)	\$252,225.00
Exterior	\$37,500.00 (27%)	\$100,000.00 (73%)	\$137,500.00
Equipment	\$77,950.00 (21%)	\$300,000.00 (79%)	\$377,950.00
Others	\$37,800.00 (100%)	\$0.00 (0%)	\$37,800.00
	\$305,475.00 (38%)	\$500,000 (62%)	\$805,475.00

Grand Total proposed for all segments \$805,475



Hallandale Brewing Company
118 NE 1st Ave, Hallandale Beach FL, 33009
Brewery Buildout

October 7, 2019
License: CGC1521518

	Scope Equipment	Unit Price	Description	
1	Brewery		equipment purchase & install as per plans(owner provided)	\$ 130,000.00
2	Glycol Chiller		equipment purchase & install as per plans(owner provided)	\$ 22,000.00
3	Glycol Piping		equipment purchase & install as per plans(owner provided)	\$ 13,400.00
4	Reverse Osmosis System		equipment purchase & install as per plans(owner provided)	\$ 12,550.00
5	Bar Equipment		equipment purchase & install as per plans(owner provided)	\$ 11,300.00
6	kitchen		equipment purchase & install as per plans(owner provided)	\$ 46,000.00
7	Walk in coolers		equipment purchase & install as per plans(owner provided)	\$ 11,600.00
8	kitchen Hood		equipment purchase & install as per plans(owner provided)	\$ 21,000.00
9	Draft System		equipment purchase & install as per plans(owner provided)	\$ 12,400.00
10	Electrical			\$ 22,110.00
	Contractor Fees		15% overhead & contingency	\$ 45,354.00
	Contractors Fees		10% profit	\$ 30,236.00
				\$ 377,950.00

	Scope Interior	Unit Price	Description	
11	Mechanical HVAC		equipment and install provided by contractor	\$ 31,580.00
12	Electrical			\$ 47,500.00
13	plumbing			\$ 28,000.00
14	bathroom build out	2		\$ 26,000.00
15	floors		Removal and refinishing	\$ 35,000.00
16	Glass Garage Door	2	cutting and installation	\$ 22,500.00
17	bar buildout			\$ 11,200.00
	Contractor Fees		15% overhead & contingency- 10% profit	\$ 30,267.00
	Contractors Fees		10% profit	\$ 20,178.00
				\$ 252,225.00

	Scope Façade	Unit Price	Description	
18	Decking		beer garden and patio	\$ 16,000.00
19	Electrical		includes lighting and signage	\$ 19,700.00
20	Window	4	cutting and installation	\$ 16,800.00
21	Doors	3	cutting and installation	\$ 11,200.00
22	Canopy/Awning		beer garden and patio	\$ 30,000.00
23	Astro-turff			\$ 13,700.00
	Dumpster/Cleaning			\$ 2,600.00
	Contractor Fees		15% overhead & contingency-	\$ 16,500.00
	Contractors Fees		10% profit	\$ 11,000.00
				\$ 137,500.00

	Scope Misc.	Unit Price	Description	
	Furniture, Fixture, & Equipment		To be purchased and supplied by Hallandale Brewing Co.	\$ 25,800.00
				\$ 25,800.00
			GRAND TOTAL	\$ 793,475.00

Taxes included, proposal based on plans and equipment quotes received from Manny Jannes

Year 1 Cash Flow Statement

Breakeven Sales Total		\$	Beer COGS %	2.00%	Misc COGS %		
Expected Annual Sales	\$1,001,400.00		Food COGS %	13.48%	Payroll Rate %	20.76%	
Total			Founders COGS %				
Net Income (Annual)	\$838,275.00		Snifter COGS %				

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Retail Income

[illegible]

Total - Retail COGS	
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[illegible]

Net Income

Expenses

[illegible]

Payroll	
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Insurance

Medical	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Liability Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$834.00	\$10,000.00
Total Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$834.00	\$10,000.00

Interest Expense

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Professional Fees													
Accounting	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
Lawyer	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Pro Fees	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$14,400.00
Repairs													
Equipment Repairs	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$11,664.00
Maintenance	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$5,064.00
Total Repairs	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$16,728.00
Supplies													
Tap Room	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$15,388.80
Brew House	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,200.00
Kitchen	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
Office	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Total Supplies	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$32,788.80
Taxes													
Federal	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$12,600.00
Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$26,784.00
Total Taxes	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$39,384.00
Travel & Entertainment													
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Total Travel & Ent.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Utilities													
Grabage/Recycling	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Gas & Electric	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$24,000.00
Water	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Utilities	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$37,200.00
TOTAL EXPENSES	\$47,628.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,829.45	\$45,829.45	\$45,829.45	\$45,829.45	\$551,745.40
NET INCOME	\$89,908.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$838,275.00
PROFIT	\$42,279.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,203.88	\$22,203.88	\$22,203.88	\$22,203.88	\$286,529.60
INVESTOR PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET PROFIT	\$42,279.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,203.88	\$22,203.88	\$22,203.88	\$22,203.88	\$286,529.60

Year 1 Cash Flow Statement

Breakeven Sales Total		\$	Beer COGS %	2.00%	Misc COGS %			
Expected Annual Sales	\$1,001,400.00		Food COGS %	13.48%	Payroll Rate %	20.76%		
Total			Founders COGS %					
Net Income (Annual)	\$838,275.00		Snifter COGS %					

[illegible]

Retail Income

[illegible]

Total - Retail COGS	
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[illegible]

Net Income

Expenses

[illegible]

Payroll	
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Insurance

Medical	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Liability Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$834.00	\$10,000.00
Total Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$834.00	\$10,000.00

Interest Expense

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Professional Fees													
Accounting	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
Lawyer	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Pro Fees	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$14,400.00
Repairs													
Equipment Repairs	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$972.00	\$11,664.00
Maintenance	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$422.00	\$5,064.00
Total Repairs	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$1,394.00	\$16,728.00
Supplies													
Tap Room	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$15,388.80
Brew House	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,200.00
Kitchen	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
Office	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Total Supplies	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$32,788.80
Taxes													
Federal	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$12,600.00
Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$2,232.00	\$26,784.00
Total Taxes	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$3,282.00	\$39,384.00
Travel & Entertainment													
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Total Travel & Ent.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Utilities													
Grabage/Recycling	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Gas & Electric	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$24,000.00
Water	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Utilities	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$3,100.00	\$37,200.00
TOTAL EXPENSES	\$47,628.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,828.45	\$45,829.45	\$45,829.45	\$45,829.45	\$45,829.45	\$551,745.40
NET INCOME	\$89,908.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$68,033.33	\$838,275.00
PROFIT	\$42,279.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,203.88	\$22,203.88	\$22,203.88	\$22,203.88	\$286,529.60
INVESTOR PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET PROFIT	\$42,279.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,204.88	\$22,203.88	\$22,203.88	\$22,203.88	\$22,203.88	\$286,529.60

Professional Fees													
Accounting	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Lawyer	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Pro Fees	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$16,800.00
Repairs													
Equipment Repairs	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$2,395.16	\$28,741.92
Maintenance	\$1,026.50	\$1,026.50	\$1,026.50	\$1,026.50	\$1,026.51	\$1,026.51	\$1,026.51	\$1,026.51	\$1,026.51	\$1,026.51	\$1,026.51	\$1,026.51	\$12,318.08
Total Repairs	\$3,421.66	\$3,421.66	\$3,421.66	\$3,421.66	\$3,421.67	\$3,421.67	\$3,421.67	\$3,421.67	\$3,421.67	\$3,421.67	\$3,421.67	\$3,421.67	\$41,060.00
Supplies													
Tap Room	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$1,282.40	\$15,388.80
Brew House	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,200.00
Kitchen	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
Office	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Total Supplies	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$2,732.40	\$32,788.80
Taxes													
Federal	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$1,925.00	\$23,100.00
Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$4,092.00	\$49,104.00
Total Taxes	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$6,017.00	\$72,204.00
Travel & Entertainment													
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Total Travel & Ent.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Utilities													
Grabage/Recycling	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Gas & Electric	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$50,400.00
Water	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$30,000.00
Total Utilities	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$81,600.00
TOTAL EXPENSES	\$79,603.21	\$77,973.21	\$77,973.21	\$77,973.21	\$77,973.22	\$78,073.22	\$78,073.21	\$77,973.22	\$78,074.21	\$77,974.22	\$77,974.22	\$77,974.22	\$937,612.58
NET INCOME	\$174,902.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$153,027.44	\$1,858,204.33
PROFIT	\$95,299.23	\$75,054.23	\$75,054.23	\$75,054.23	\$75,054.22	\$74,954.22	\$74,954.23	\$75,054.22	\$74,953.23	\$75,053.22	\$75,053.22	\$75,053.22	\$920,591.75
INVESTOR PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET PROFIT	\$95,299.23	\$75,054.23	\$75,054.23	\$75,054.23	\$75,054.22	\$74,954.22	\$74,954.23	\$75,054.22	\$74,953.23	\$75,053.22	\$75,053.22	\$75,053.22	\$920,591.75

Professional Fees													
Accounting	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Lawyer	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Pro Fees	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$16,800.00
Repairs													
Equipment Repairs	\$2,605.16	\$2,605.16	\$2,605.16	\$2,605.16	\$2,605.17	\$2,605.17	\$2,605.17	\$2,605.17	\$2,605.17	\$2,605.17	\$2,605.17	\$2,605.17	\$31,262.00
Maintenance	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$1,116.50	\$13,398.00
Total Repairs	\$3,721.66	\$3,721.66	\$3,721.66	\$3,721.66	\$3,721.67	\$3,721.67	\$3,721.67	\$3,721.67	\$3,721.67	\$3,721.67	\$3,721.67	\$3,721.67	\$44,660.00
Supplies													
Tap Room	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$1,331.63	\$15,979.56
Brew House	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$1,220.00	\$14,640.00
Kitchen	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$4,200.00
Office	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$1,440.00
Total Supplies	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$3,021.63	\$36,259.56
Taxes													
Federal	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$2,450.00	\$29,400.00
Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$5,208.00	\$62,496.00
Total Taxes	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$7,658.00	\$91,896.00
Travel & Entertainment													
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Total Travel & Ent.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Utilities													
Grabage/Recycling	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Gas & Electric	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$4,700.00	\$56,400.00
Water	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$38,400.00
Total Utilities	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$8,050.00	\$96,600.00
TOTAL EXPENSES	\$91,433.51	\$89,714.76	\$89,714.76	\$89,714.76	\$89,714.78	\$89,714.78	\$89,714.79	\$89,714.79	\$89,715.78	\$89,715.78	\$89,715.78	\$89,715.78	\$1,078,300.06
NET INCOME	\$196,002.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$174,127.11	\$2,111,400.33
PROFIT	\$104,568.60	\$84,412.35	\$84,412.35	\$84,412.35	\$84,412.33	\$84,412.33	\$84,412.32	\$84,412.32	\$84,411.33	\$84,411.33	\$84,411.33	\$84,411.33	\$1,033,100.27
INVESTOR PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET PROFIT	\$104,568.60	\$84,412.35	\$84,412.35	\$84,412.35	\$84,412.33	\$84,412.33	\$84,412.32	\$84,412.32	\$84,411.33	\$84,411.33	\$84,411.33	\$84,411.33	\$1,033,100.27

Year 1 Cash Flow Statement

Breakeven Sales Total		\$	Beer COGS %	3.23%	Misc COGS %		
Expected Annual Sales	\$2,371,196.00		Food	6.54%	Payroll Rate %	24.08%	
Total			Founders COGS %				
Net Income (Annual)	\$2,131,400.33		Snifter COGS %				

[illegible]

Retail Income	
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[illegible]

Total - Retail COGS	
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[illegible][illegible][illegible][illegible]

Payroll

FICA & Medicare	\$16,729.27	\$16,729.27	\$16,729.27	\$16,729.27	\$16,729.27	\$16,729.27	\$16,729.28	\$16,729.28	\$16,729.28	\$16,729.28	\$16,729.28	\$16,729.28	\$200,751.30
Salaries & Wages	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.83	\$30,307.84	\$30,307.84	\$30,307.84	\$30,307.84	\$363,694.00
Payroll Fees	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$6,600.00
Total Payroll	\$47,587.10	\$47,587.10	\$47,587.10	\$47,587.10	\$47,587.10	\$47,587.10	\$47,587.11	\$47,587.11	\$47,587.12	\$47,587.12	\$47,587.12	\$47,587.12	\$571,045.30

[illegible]

Insurance

Medical	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Liability Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$10,000.00
Total Insurance	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$833.00	\$834.00	\$834.00	\$834.00	\$10,000.00

Interest Expense	
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[illegible][illegible]

Professional Fees													
Accounting	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Lawyer	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Total Pro Fees	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$1,400.00	\$16,800.00
Repairs													
Equipment Repairs	\$3,061.56	\$3,061.56	\$3,061.56	\$3,061.56	\$3,061.57	\$3,061.57	\$3,061.57	\$3,061.57	\$3,061.57	\$3,061.57	\$3,061.57	\$3,061.57	\$36,738.80
Maintenance	\$1,312.16	\$1,312.16	\$1,312.16	\$1,312.17	\$1,312.16	\$1,312.17	\$1,312.17	\$1,312.17	\$1,312.17	\$1,312.17	\$1,312.17	\$1,312.17	\$15,746.00
Total Repairs	\$4,373.72	\$4,373.72	\$4,373.72	\$4,373.73	\$4,373.73	\$4,373.74	\$4,373.74	\$4,373.74	\$4,373.74	\$4,373.74	\$4,373.74	\$4,373.74	\$52,484.80
Supplies													
Tap Room	\$1,559.66	\$1,559.66	\$1,559.66	\$1,559.66	\$1,559.66	\$1,559.66	\$1,559.66	\$1,559.67	\$1,559.67	\$1,559.67	\$1,559.67	\$1,559.67	\$18,715.97
Brew House	\$1,429.06	\$1,429.06	\$1,429.06	\$1,429.06	\$1,429.07	\$1,429.07	\$1,429.07	\$1,429.07	\$1,429.07	\$1,429.07	\$1,429.07	\$1,429.07	\$17,148.80
Kitchen	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$5,400.00
Office	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$1,680.00
Total Supplies	\$3,578.72	\$3,578.72	\$3,578.72	\$3,578.72	\$3,578.73	\$3,578.73	\$3,578.73	\$3,578.74	\$3,578.74	\$3,578.74	\$3,578.74	\$3,578.74	\$42,944.77
Taxes													
Federal	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$2,887.50	\$34,650.00
Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$6,138.00	\$73,656.00
Total Taxes	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$9,025.50	\$108,306.00
Travel & Entertainment													
Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Total Travel & Ent.	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Utilities													
Grabage/Recycling	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
Gas & Electric	\$4,946.62	\$4,946.62	\$4,946.62	\$4,946.62	\$4,946.62	\$4,946.62	\$4,946.62	\$4,946.61	\$4,946.61	\$4,946.61	\$4,946.61	\$4,946.62	\$59,359.40
Water	\$3,556.44	\$3,556.44	\$3,556.44	\$3,556.44	\$3,556.45	\$3,556.45	\$3,556.45	\$3,556.45	\$3,556.45	\$3,556.45	\$3,556.45	\$3,556.45	\$42,677.36
Total Utilities	\$8,703.06	\$8,703.06	\$8,703.06	\$8,703.06	\$8,703.07	\$8,703.07	\$8,703.07	\$8,703.06	\$8,703.06	\$8,703.06	\$8,703.06	\$8,703.07	\$104,436.76
TOTAL EXPENSES	\$100,035.77	\$99,817.02	\$99,817.02	\$99,817.03	\$99,817.05	\$99,817.06	\$99,817.07	\$99,817.07	\$99,818.08	\$99,818.08	\$99,818.08	\$99,818.09	\$1,198,027.43
NET INCOME	\$174,752.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$177,877.11	\$2,131,400.33
PROFIT	\$74,716.34	\$78,060.09	\$78,060.09	\$78,060.08	\$78,060.06	\$78,060.05	\$78,060.04	\$78,060.04	\$78,059.03	\$78,059.03	\$78,059.03	\$78,059.02	\$933,372.90
INVESTOR PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET PROFIT	\$74,716.34	\$78,060.09	\$78,060.09	\$78,060.08	\$78,060.06	\$78,060.05	\$78,060.04	\$78,060.04	\$78,059.03	\$78,059.03	\$78,059.03	\$78,059.02	\$933,372.90



JOBS CREATION

As part of being an integral part of the growth within FADD It is also our intent and determination to provide training, certification, and jobs to the residents of Hallandale Beach. We take great pride as residents of this great city and want to make sure we do our part to give back.

In understanding our obligation in creating jobs, we will start by giving preference to those whom reside in Hallandale Beach. For the most part we will be looking for experienced individuals that may exceed expectations within the job requirements, but we are also willing to train and certify individuals whom lack the experience but show the interest in learning about the beer industry and food. Furthermore, we will pay for our employees to be certified as Cicerone Beer Servers.

That said, we also have an obligation to the success of Hallandale Brewing Company and will always hire and retain the staff which gives us the best opportunity to grow. Therefore, we will also have employees that do not reside in Hallandale Beach but that bring strength in leadership, experience, teamwork, and motivation.

Employment Expectation Forecast

	Kitchen		Servers		Bar		Brewery	Total
Year 1	4		5		4		1	14
Year 2	6		10		6		2	24
Year 3	10		10		8		4	32
Year 4	10		10		8		4	32

At minimum, our goal is to have at least 30% of our employees reside in Hallandale Beach each year.

Expected Hallandale Beach Resident Employment

Year 1: 4 Hallandale Beach Employees

Year 2: 7 Hallandale Beach Employees

Year 3: 10 Hallandale Beach Employees

Year 4: 10 Hallandale Beach Employees



TAPS AND TAPAS

A LOCAL PLACE WHERE EVERYTHING IS MADE IN HOUSE AND SOURCED LOCALLY. AND IF YOU LOVE OUR BREW YOUR GOING LOVE OUR GRUB! WELCOME TO TAPS AND TAPAS BY HALLANDALE BREWING COMPANY!

TAPAS

GAMBUS AL AJILLO 15 shrimp/ chili/ roasted garlic/ crostini	PULPO GALLEGO 17 Spanish Octopus/ garlic/ lemon/ Extra virgin olive oil/ white wine/ oregano	CALAMARI STEAK 16 Pan sautéed/ artichoke/ caper/ garlic
STEAK CON PAPPAS 14 Pan roasted ribeye/ French fries / chimichurri dipping sauces	CRISPY EGGPLANT 14 eggplant/ flash fried/ sea salt/ local honey	COCONUT SHRIMP 15 Gulf shrimp/ fresh coconut/ flash fried/ Sweet chili
MUSSELS 14 PEI/ lemon butter/ white wine/ toy box heirloom tomato	CARNE ASADA AREPA 16 White corn/Skirt Steak/ cojita cheese/ fresh cilantro/ Salsa verde/queso blanco	SWEET PLANTAINS 13 Fried sweet plantain/queso Blanco/ honey
CHICKEN AREPA 14 White Corn / queso blanco/advacado/cilantro		

SANDWICHES

CHORIZO & CHEDDAR 16 Medianoche Bread/ chili/salsa chedder	CHICKEN MILANESE 16 Thin breast/ Italian bread crumb/ 24-month Reggiano/ fresh greens/ ciabatta	BUFALA MOZZARELLA 14 Heirloom tomatoes/basil/Modena aged balsamic/ ciabatta
CHICKEN CEASAR WRAP 15 Romaine heart/ crispy chicken tenders/24-month Reggiano/ low carb tortilla	SHRIMP TORTA 17 Jumbo shrimp/roast pablano Pepper jack cheese/onion/ guacamole	BARBACOA TORTA 15 Caramelized onions/ seasonal mozzarella cheese/jalapeno Queso blanco
		CLASSIC BURGER 14 14oz prime/ cheese of choice/ homemade brioche/lettuce/ tom/onion

EMPANADAS

HAM 14 Roast Ham /queso blanco /mozzarella/ Fresh herb/ creme	CHEESE 12 Cojita cheese/queso blanco/ mozzarella	Beef 14 Ribeye/ chimichuri/ black beans/ queso blanco
PLANTAIN 12 Queso Freso/ Sweet plantain/ mozzarella/	CHICKEN AND BEEF 16 Ribeye, chicken/ chimichuri/ black beans/ queso Blanco	CHICKEN 14 Caramelized chicken/cojita cheese/avocado Cilantro/Limon
	SEAFOOD 16 Shrimp/ fresh fish/ poblano pepper/ pepper jack cheese	

SIDES & MORE TAPAS! / 10

TEQUENOS	QUESO FRIES	COCONUT JASMINE RICE
HOMEMADE FRIES	CHILI CHESE FRIES	CACHACA
	MOZZARELLA STICKS	



TAPS AND TAPAS

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VEGAN OPTIONS

GAZPACHO | 14

Typical Spanish cold tomato soup with garnish

PATATAS BRAVAS | 12

Fried potato cubes served with spicy tomato sauce

ESPINACAS CON GARBANZOS | 16

Smoky paprika flavored spinach with chickpeas

PISTO | 14

Mediterranean vegetable stew similar to ratatouille

CRISPY EGGPLANT | 14

eggplant/ flash fried/ sea salt/ local honey

ACEITUNAS | 12

Green or black marinated olives with herbs and garlic

SWEET PLANTAINS | 13

Fried sweet plantain / honey

HALLANDALE

BREWING COMPANY

A HALLANDALE DESTINATION

Hallandale Brewing. Company goal is to become the destination where local people and visitors will come and enjoy not only high-quality beers and trendy food but also live music and a series of recurrent projects. All of this will make Hallandale Brewing Company *"the place"*.

The Umbrella Sky Project

Hallandale Brewing Company is projected to be the anchor of the Fashion, Art and Design District (FADD) of Hallandale Beach city, for that reason the company will invest on adapting the umbrella sky project into our facilities.

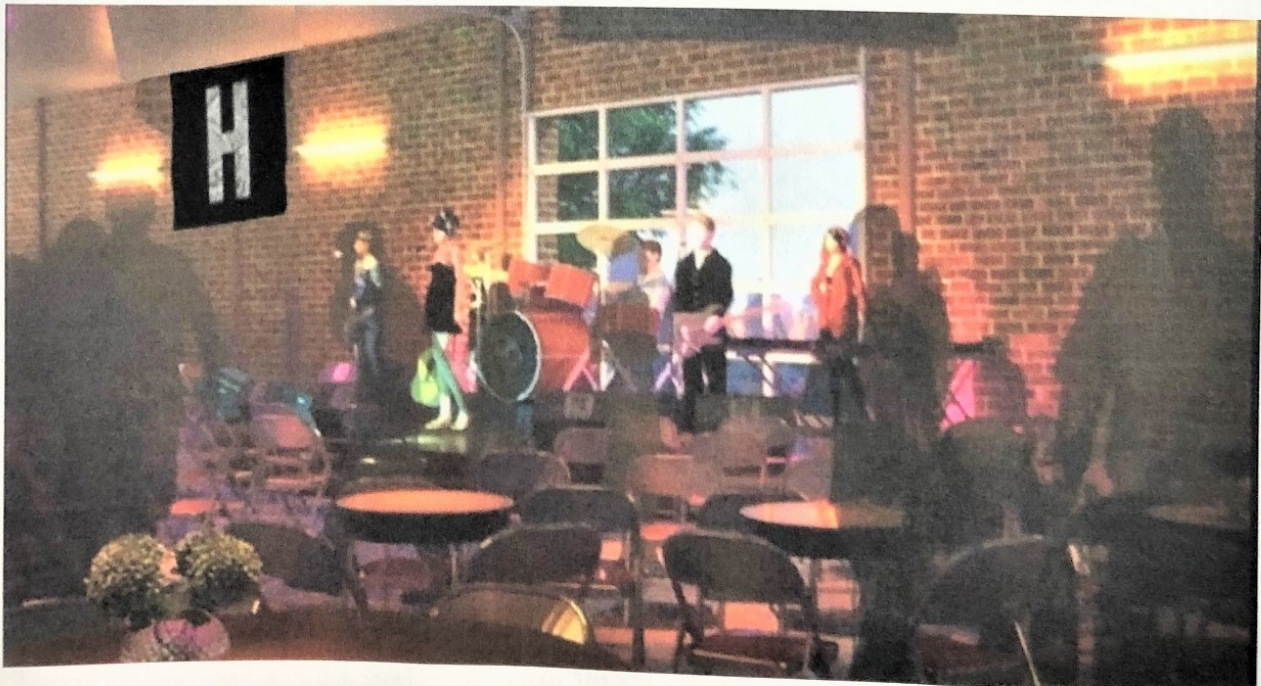
Originally designed by Portuguese creative visionaries Sextafeira Productions and has been featured all over the world in places such as Paris, Lisbon and Madrid will be a unique distinction of our brewery



Live Music

No destination can become remarkable without the vibe of some good music and Hallandale Brewing Company is not the exception, as part of our recurrent events, we'll have live music during the weekends. A list of selected performing musicians will be part of this project.

- Brews and Blues
- Latin nights - Rock en Español
- Acoustic night
- Karaoke



Other events

These are some of the recurrent events planned to be hosted at the Hallandale Brewing Company

- Monthly movie night (family)
- Block party with vendors -farmer market style- the first Sunday of the month
- Local shelter to adopt a dog/cat every second Sunday of the month
- Sunday "Brewnch" (brunch style), unlimited beer for \$25 include tapas for extra \$10
- Car show every third Sunday of the month
- Kids eat free on weekdays
- Trivia nights



Celebrate at the Brewery

Hallandale Brewing Company will be available to host gatherings and celebrations of all shapes and sizes; from birthdays to retirement parties, baptisms, wedding receptions and everything in between



Kids and pet friendly

Everybody is welcome to the brewery, specially the little ones and of course the four-legs friends. With a variety of amenities, the time will fly at the brewery.

- Board games, shuffleboard and a bean bag toss keep all ages occupied.
- Kid drinks and snacks
- High chairs
- Baby changing station in the restrooms.
- Dog treats and water stations





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EXECUTIVE SUMMARY

Description of the Business: HallandAle Brewing Company is a privately held corporation owned and managed by the HallandAle Brewing Company LLC. The business of the company is the production of high quality, innovative, fresh hand-crafted beers and food for the local and regional markets. HallandAle Brewing Company will be located at 118 NE 1st Ave, Hallandale Beach, FL 33009. It will be a tenant improved warehouse space located within the Fashion Art and Design District. It will within walking distance of restaurants, bars, galleries, and shopping. A five-year lease with a five year renewals, has been negotiated with the landlord. HallandAle Brewing Company will initially produce three core beers for distribution: A dark ale, an amber ale, and a golden ale. Occasionally HallandAle Brewing Company will produce seasonal beers for distribution. These products will be distributed in kegs to licensed retail outlets. The products of HallandAle Brewing Company will be wholesaled to premium pubs, taverns, and restaurants in the Dade and Broward counties, and then to the broader regional markets. In addition HallandAle Brewing Company will have its' own tap room and restaurant where retail customers will have an opportunity to view the operations, and take tours, while purchasing beer by the glass, beer to go, and eat elevated pub food that reflects the mix of Latin American cuisine. We will also sell retail items such as T-shirts and glassware with our logos printed on them. The tap room will not only showcase the core beer produced for distribution, but also a lineup of specialty, and seasonal beers only produced for the tap room. HallandAle Brewing Company will produce craft beer with a 5 Barrel, stainless-steel brewing plant. First year production capacity for our 5-barrel brewing plant is approximately 1040 barrels a year (1 barrel equals 31 gallons, which equals to two standard 15.5-gallon kegs). The addition of more fermentation tanks will increase to approximately 2040 barrels annually (this will depend on brewhouse square feet) which is the estimated limited imposed by the size of the space being leased. The

management team intends to produce and sell approximately 1040 barrels in the first year. Thereafter the management team will increase production and sales by approximately 2080 barrels annually until we reach barrel the limit imposed by the space we have has been reached.

Management Responsibilities: As a Co-Founder, Manny Jannes is responsible for the overall implementation of the Plan of Action and the daily operations of the business. Manny will acquire and service retail accounts, and direct daily start-up operations. Manny will supervise the installation of the brewery, and will carry out the licensing process. Manny will also secure financing of operational expenses. Manny will also be the head brewer and, will be responsible for all task related to beer production. As Co-Founder Leonardo Amaya will be responsible in all areas related to the daily operations of the kitchen and tap room. Leo will also be specifically responsible for, advertising, promotions, purchasing, inventory control, and the management of the tap room and its retail sales.

Marketing and Distribution: HallandAle Brewing Company produces beer in kegs for wholesale for distribution for the licensed liquor retail market. Kegs will be distributed by Crafty Connoisseur Distributing Company to its local clients. In the first year Manny and Craft Connoisseur Distribution Company will market the company's products and be responsible for acquiring local retail accounts and distributing kegs to those accounts, but Manny is the individual most familiar with the company's products and with the local market for those products. Manny is therefore the best qualified person to represent the company to its customers. The marketing strategy will consist of direct person to person sales, sales calls, and events to local retail outlets. In the future, HallandAle Brewing Company will seek to advertise in local print media and online resources.

Hallandale Brewing Company will also have a tap room on site where customers may come to purchase our products at retail price. This retail outlet will allow



us to receive pint prices on the sale of beer, which will make an important contribution to our profit margin. The tap room will also showcase a food menu that compliments the unique craft beers being made on premise. This will allow our customers experience great hand-crafted beers and food made purposefully with the intention to deliver a full gastro-experience. There will also be special beer releases, events, and promotional merchandise such as glassware and T-shirts will be sold to increase our public exposure and profit margin. The tap room will also have Flat Screen TVs, games and an outdoor beer garden, in order to increase length of stay

Sources of Funds: HallandAle Brewing Company is seeking funding form

Proposed CRA Contribution

1. \$100,000 Façade Grant
2. \$100,000 Interior Grant
3. \$300,000 Equipment Grant

HallandAle Brewing Company Contribution

1. \$298,475

BUSINESS PLAN INTRODUCTION

Craft breweries are a historic means for satisfying the public's demand for a greater variety of fresh quality beer. In the late nineteenth and early twentieth century, the United States supported nearly four thousand breweries, the majority being independent local and regional operations producing a vast array of Old World beer styles. Without question, Prohibition nearly destroyed this brewing tradition.

Today America is experiencing a revival of its brewing tradition. Craft breweries are defined by the industry as small breweries which produce less than 15,000 barrels of beer annually, and distribute their beer for off-premise consumption. As of January 2006, there were more than 7500 craft breweries and brewpubs operating in the United States and Canada. In 2005 the craft brewery and brewpub industry in the United States experienced a 9% annual increase

in barrels of beer produced, when compared to production in 2004. This was the first major spike for craft beer.

The current demand for greater variety of more flavored beer originated with the import beer market. As the import beer market grew, beer drinkers had an opportunity to further educate their taste for the great variety of world beer styles. As a result the craft brewing industry in the United States has benefited from the public's increased awareness of and demand for more flavorful beers. Imported beers account for more than 10% of all beer sales in the United States, which represents a significant market share (in 2013 Craft Beer represented 7.8% of all beer sales). However the craft beer industry has demonstrated significant growth in recent years. Craft beer sales have risen at least 10 percent annually since 2008. In 2013 the overall national beer sales finished at -1.9%. In comparison the craft beer segment finished at 17.2%. 2018 showed an 11% increase of market share, giving craft beer an 18% volume growth.

Florida has seen tremendous growth in volume, growing nearly 10 times over the past seven years. Florida now ranks amongst the top 5 states in craft beer growth, but still ranks 44th in breweries per capita.

Beer drinkers are clearly demonstrating their demand for a greater variety of full-flavored beers. Unfortunately, beer does not transport well, and most styles of beer begin to deteriorate in quality if they are not consumed within a few weeks of having been brewed. While this is clearly a disadvantage for imported beers, craft breweries are at a clear advantage in being able to deliver the freshest product to the consumer.

Advantages of the Craft breweries: One of the advantages of the craft brewery is its ability to supply its product to the consumer when it is at its peak of freshness. Craft breweries are brewing a handcrafted product on a more limited scale where



quality is the more important concern. For this reason, using the highest quality traditional ingredients - malted barley, hops, yeast, and water – is justified, rather than the chemical, and cheaper adjuncts such as corn and rice which are used by larger scale brewers to cut cost. Fresh quality beer produced locally, without chemicals in processing or for preservation is the key note of the craft brewing industry.

The craft brewery has the additional advantage of brining the beer drinking public into immediate contact with the equipment and operation associated with beer production. A well-designed craft brewery with a tap room allows the public to witness firsthand the creation of the handcrafted beer they are drinking.

The Market: Our cities have a growth population which supports a variety of restaurants and pubs. Many of these restaurants and pubs are carrying several craft brewed beers on several taps and enjoying significant sales of these products. These currently operating licensed retail outlets are our primary targets as customers. Our craft brewery will be identified with the local community and will appeal to the city residents who, with friends, family members, and business associates, are eager to support a locally produced beer. Having once tasted our fresh ales, these consumers will be sure to ask for our product at their favorite local restaurant or pub. Specialty beers can be produced for seasonal holidays, community events, and local bars that desire to offer a unique, specially contracted beer to their customers. To increase our market exposure, table tents, coasters, beer menus, T-shirts, decorative keg tap handles, and other promotion materials will be utilized at the brewery to and distributed to our licensed liquor retail clients.

Since our products will be sold to licensed retail outlets, promotions will be handled at the point-of-sale using these low-cost promotional items, which will be provided free of charge to our accounts. We will earn the confidence of our retail licensees and

their beer drinking customers by providing a consistent quality product and supporting that product with point-of-sale promotional items, and creating tap takeovers and beer pairings with food.

Production Process: HallandAle Brewing Company will initially produce three styles of ales. Brewing begins by cracking the highest quality malted barley with a roller mill. This grist is then mixed with hot water in the mash tun, producing mash. A sweet liquid called wort is filtered out of the mash and transferred to the brew kettle. The wort is then brought to a rolling boil and hops are added to contribute bitterness, flavor, and aroma. After boiling the wort is transferred through a heat exchanger, cooling the liquid down to fermentation temperature. The wort is then pumped into a primary fermenter where yeast is added. After one week of fermentation the fresh ale is transferred to a cold conditioning tank where it is clarified and carbonated for a second week. Now at the height of freshness, the ale is racked to kegs where it is ready to be distributed to the market and served. (See attached designs for the specifications on the major brewing equipment)

Management Team: HallandAle Brewing Company is a privately held corporation managed by its Co-Founders. All decisions will be made by the management team, officers, and shareholders, in compliance with the company's articles of incorporation and bylaws.

Co-Founder: Manny Jannes is an accomplished brewer and brewery owner with five years of experience brewing award winning beers for several local breweries. He is one of the owners and master brewer of Descarga Brewing Company. He has consulted for Weed Reaper Brewing Company and is currently consulting for Holy Mackerel Brewing Company. He has a solid understanding of the brewing process and the market for craft brewed beer. Manny has over twenty years' experience in a General Manager roll within the retail industry; successfully managing stores in excess of 8 million



dollars annually. Manny will be responsible for all brewery operations and sales.

Co-Founder: Leonardo Amaya has over 20 years' experience in the food and beverage industry and was owner of Bold Brew Cafe. He is one of the owners of Kombi Beer. Leo has an incredible flair for the culinary infusion of many styles and has a strong understanding of food and beer pairings. He has lived in Hallandale Beach since 2008 and owns several properties in the city. Leo's wife Diana Amaya is on the Hallandale Beach Education Advisory Board.

The management team is committed to the success of this plan. All decisions will be made with the best interest of the business and other investors in mind. Whenever necessary, the management team will rely on the assistance of professionals on a contractual basis.

Plan of Action: Having signed the Grant Agreement with the Hallandale Beach CRA the following tasks in order of priority will be completed. Manny and Jessica (Architect) will complete the final building utility and brewery layout designs. Once these plans have been finalized, Manny and Leo will place an order for the capital brewing and kitchen equipment. The capital brewing equipment will be delivered 8-12 weeks from time of order. Kitchen will be delivered when requested Manny and Leo will personally supervise the installation of the brewery and kitchen once the equipment has been delivered. While the capital equipment is being fabricated, Manny and Jessica will complete the process of acquiring all permits, submit application for conditional use with Planning and Zoning Division, Planning and Zoning Board, and City Commission Hearings. Once a building occupancy permit has been issued, and while waiting for the main brewing plant to be fabricated and delivered, the management team will carry out the building improvements which have been designated as their responsibilities in the lease. At this time, the management team will also complete the process of filing for liquor and business

license from the relevant federal, state, county, and city authorities.

PRODUCTS

Initial Products: Hallandale Brewing Company will initially produce three flagship beers; a dark ale, an amber ale, and a pale ale. The dark ale, brewed within the general porter style parameters which have proven so popular in South Florida will have a distinct roasted –chocolate flavor, nicely balanced with the mild-spicy hop nose characteristic of premium hops. This ale will be fairly dry, medium/full bodied and quite dark, with a beautiful mocha colored head. Our experience with the many different porters and dark ales being produced throughout the United States, leads us to anticipate that this ale will be very popular with beer drinkers who enjoy dark American porters, stouts, and brown ales.

Our second flagship will be an amber ale brewed within the style parameters commonly known as a pale ale, which includes amber-colored ales. This amber ale will have a lightly sweet, malty flavor, balanced by the aroma hops. This ale will have a fruity-hop flavor in the finish, and the hop nose, which is so characteristic of amber ales. It will be light to medium bodied and amber-red in color. Pale ales are one of the most popular American beer styles being produced by craft breweries today. It is a beer that is both satisfying to the experienced beer drinker and yet not too overpowering as to frighten off the neophyte.

Our third flagship product will be a hefewiesen, a light bodied, pleasantly phenolic and quite clean wheat ale. It has an attractive banana-clove aroma that pushes to the front of the nose. This beer is designed to be light and thirst quenching, with a lower alcohol content. The hops chosen for this beer do not get in the way. Therefore, it's low in bitterness but, due to the acidity, you will not miss it a bit. It finishes very clean and dry. The hefewiesen is a style highly influenced from the northern German wheat beer style. This beer is intended to appeal to the



experienced ale drinkers, as well as novice beer drinkers who have not experienced the ale revolution.

Future Products: In addition to these three flagship beers, other highly innovative styles are being planned as limited, seasonal offerings. For example, IPA's, Stouts, Fruit Ales, Lambics, Sour Ales, Barley Wines, Wheat Wines, Belgian Styles, and Saisons. All of these styles are popular specialty styles enjoying steady seasonal demand.

The production of specialty beer will depend on local demand as expressed in customer surveys by management. They will be produced on a limited rotating basis, depending on the availability of fermenters. The management team will actively pursue contract brewing accounts with local licensed retailers who are interested in having a special beer produced solely for sale to their own customers. In addition our tap room will allow us to offer new products on our own taps to test the public's response to these new products before offering them for wholesale to other retailers.

Although our beer recipes will be designed to meet certain style parameters which have been proven to be popular by other breweries in the industry, our beer recipes will be adjusted to showcase our innovation and unique quality. We are not looking to imitate the products of other brewers. On the contrary, we are going to produce our own unique ales within certain style parameters which have a demonstrated track record of success.

Suppliers: One important element of our beers which will help to ensure their popularity will be the use of the highest quality, traditional ingredients. All of our ingredients will be purchased from the most reputable local suppliers. Our malted barley will be supplied by Country Malt Group. They carry the finest domestic and imported specialty malts which are needed for our ales. Our hops will be supplied by Hop Union. They carry all of the premier hops produced in the Pacific Northwest, and many of the noble hops varieties of Europe which are essential for producing original versions of traditional ales.

Finally, our yeast will be supplied by White Labs. They specialize in storing and shipping yeast cultures in such a variety that brewers have the opportunity to craft beers to their own particular flavor profile. As the growth of the industry indicates, there is an increasing variety of handcrafted beers being made available to the American public. The advantage our beers enjoy in this market will stem from using the finest ingredients provided by the most reliable local suppliers. In addition our beers will have their own unique flavor profile and be the freshest available to our local customers. Finally, our products will benefit from the additional demand which is generated by the customers knowledge that these beers have been produced within the community with local pride.

Bottling and Export: When starting a craft brewery, it is necessary to consider all available options. This is especially true when it comes to the issue of how the product will be packaged for sale. The issue of packaging is largely dependent on the amount of capital available and the nature of the local market. While there are some benefits to bottling a portion of the breweries capacity for local retail sales, a top-quality bottling line entails a large initial capital investment and a much larger input of labor.

After having carefully researched the local market, we have determined that our best option is to initially concentrate solely on draft sales. We have concluded that sufficient demand exists to support our business with draft sales alone. Our strategy is based on the belief that the most important task is to first concentrate on developing a sound local base of satisfied retail accounts and loyal draft beer drinkers, before diversifying our product line.

Despite our decision to initially concentrate on local draft sales, we recognize that a bottled product on local grocers' shelves would help to raise our public profile and increase our profit margin. For this reason, the management team of Hallandale Brewing Company is carefully examining the option of hiring another brewery to produce for us sometime after the second year of operation if necessary, to meet this demand. Many small scale brewing



companies in the United States have enjoyed tremendous success by contracting with a different brewery to produce a bottled product which the contracting company then distributes to its own customers. By contracting a bottled product from another brewery we will be able to service our own draft accounts without reducing our draft capacity. In addition, contracting would allow us to increase both market exposure and profit margins, without the great expense associated with owning and operating a bottling line.

Finally, we would like to raise the issue of exporting a contracted bottled product. We have carefully researched the beer market and developed several important relationships with beer importers and retailers. It is our firm belief that a specially designed product, contracted from a local brewery and then wholesaled by HallandAle brewing company, would receive shelf space and enjoy steadily growing sales.

THE INDUSTRY

Industry History: Within the brewing industry, HallandAle Brewing Company is considered to be a production craft brewery in planning. A production craft brewery is a small brewery that sells beers in bottles or kegs to other retailers. Today these small breweries are proliferating rapidly, but they are a relatively new phenomenon which can be considered revolutionary.

The craft brewing revolution began in 1977 with the birth of the New Albion Brewing Company in Sonoma, California. The primary characteristics, which distinguished New Albion and other new craft breweries from the established industrial breweries, were there small size, limited financing, and concentration on producing premium, specialty lagers and ales rather than the standard pale lagers. The most significant difference was the fact the most new craft breweries were build from the grass roots by home brewers with more enthusiasm than formal training.

Today there are about 7500 craft breweries and brew pubs operating in the United States. Industry statistics demonstrate that while the major brewing companies are flat-to-declining in sales, the

market for premium specialty product is expanding. Tastes are changing, and quality, variety, flavor, and freshness are what the beer drinking public is coming to demand. It has become evident that every city, even small communities, have the potential to support at least one local brewery, and larger cities such as Portland and Seattle are already supporting many more.

As the craft brewing industry has grown and prospered, a whole host of associated industries has sprung up to meet the needs of craft brewers. Brewing consultants, equipment fabricators, ingredient suppliers, publicist, distributors, and even educational programs are now catering to the special needs of craft brewers, as a result, making the business of small-scale craft brewing much easier today than just ten years ago. These enterprises are now devoting large sale staffs and significant resources to servicing the craft brewing industry, because they are confident that this is a growth industry for the future.

Institutional Support: As the craft brewing industry has grown and prospered, a variety of new professional organizations, trade associations, and educational programs have been established to assist craft brewers to educate the public. Take for example the Brewers Association, this professional organization performs many essential tasks for the craft brewing industry including: publishing industry statistics and information; presenting the industry in legislative lobbying efforts; conducting trade shows and conferences; undertaking public relations with the media; and developing programs for brewery insurance, quality control, and continuing education for brewers.

Some important examples of the quality publications provided by this organization include: *Zymurgy* (American Homebrewers Association), *The New Brewer* (Brewers Association), the *North American Resource Directory* (Brewers publication). These and other publications are an invaluable resource for starting and successfully operating a craft brewery.

The ever-increasing number of trade



conferences and craft brewing festivals which help to improve the quality of our product and educate the beer drinking public about our products includes: The Great American Beer Festival, the Craft Brewers Conference, the American Hombrewers Association National Conference, and a rich range of local and regional beer festival.

Finally, in any discussion of institutional support we cannot neglect the educational programs which recently have been designed specifically to further educate craft brewers. These programs include: the Beer Judge Certification program; courses on quality control and brewing technology at the Siebel Institute of Technology in Chicago; and a variety of programs on sanitation, microbiology, brewing business management, etc., at the University of California at Davis.

The sources above represent only of the proliferating number of institutional resources available to craft brewers today.

Industry Prospects: Well into the second decade of the craft brewing revolution, a variety of statistical clearly demonstrates that this industry is much more than a temporary fad. We are at this time witnessing a proliferation of craft brewing enterprises, trade associations, institutional support, and beer festivals, organized specifically to celebrate craft brewing. Likewise the great number of associated industries which view the craft brewing industries which view the craft brewing industry as an important market for their products and services is a strong indication that the craft brewing phenomenon has matured into a stable industry.

Industry statistics on annual production levels, malt beverage sales, tax assessments, and contemporary trends in the sale and consumption of various alcoholic beverages, indicate a growing consumer preference for craft brewed beers. In both the United States and Canada, beer is the alcoholic beverage of choice. However, while the production of major domestic brewers and the volume of imported beers has declined recently, the specialty beer market shows no signs of losing momentum. In one interesting recent

development, a number of craft breweries have even begun to export their product to Europe and Asia, with Japan being a particularly promising market.

Two potential negative trends which may affect the industry are neo-Prohibitionist and tax increases. Neo-Prohibitionist legislation which cuts into the profit of brewers or restricts their market (i.e., alcohol warning label requirements and restrictions on sale and consumption of alcoholic beverages) will always remain a threat in a pluralistic society. However, lately a greater amount of information has become available providing the healthful aspects of moderate drinking. In addition the craft brewing industry and support institutions such as the Institute for Brewing Studies are working to protect small brewers' interests.

Unfortunately, in times of economic instability, many government bodies may look at the success of today's and tomorrow's brewers as a way to increase revenues by raising taxes on beer. One answer to this threat are the lobbying associations which have been organized to protect the interest of small brewers. One important example of these lobbying efforts is the exemption won by small brewers (less than 60,000 barrels production) from the new Federal Excise Tax on beer, imposed in 1991. In our region, the Florida Brewers Guild, and the Miami Brewers Alliance are actively lobbying the State Government.

Growth in Adversity: Despite the important efforts of these groups, the potential for new taxes will continue to be the greatest threat to the craft brewing industry. Although small brewers have been exempted from the latest Federal Excise Tax increase, this exemption could be lifted, or other state and local taxes could be imposed. It is important for this reason to consider the potential impact of higher taxes on our industry.

Recent statistical analysis of beer sales have reached the conclusion that beer sales are relatively price inelastic and respond more slowly to increases in the price of beer. These studies would seem to indicate that a not unreasonable rise in taxation on beer would only result in a minor drop in beer sales. Although the



determination of who bears the cost of a given price increase is complicated, these studies indicate that with a product as price inelastic as beer, the increase will probably be paid by the retail customer.

One additional set of conclusions from these studies concerns price increases and product substitution. The evidence indicates that there is probably little substitutability, among customers between beer, wine, and distilled spirits. This means that (all other factors remaining constant) an increase in price of one category, should not result in the substitution of another category of alcoholic beverage. Consequently we may conclude that the growth in sales of specialty beers, which are priced as a premium product, is the result of changing consumer tastes, not changes in the price structure of beers.

Studies of income elasticity also demonstrate that beer sales are relatively inelastic with respect to the customer's income. Recent industry reviews, which consider the impact of the recession and the business cycle on beer sales, have reached the conclusion that the business cycle has little discernible influence on the craft brewing industry. Finally, industry statistics clearly show that throughout the last recession, the craft brewing industry continued to grow at an impressive rate.

Clearly there are threats to our industry, but statistics demonstrate that consumer tastes and preferences are changing. In such a market, the best strategy is to provide the consumer with the highest quality product. Beer drinkers are also voters who will go to great lengths to reject unreasonable attacks on their favorite beverage.

THE MARKET AND COMPETITION

Potential Customers: The most important customers of Hallandale Brewing Company are the owners and managers of local licensed liquor retail outlets. These local outlets consist of pubs, taverns, and restaurants in the counties of Broward, Dade, Monroe, and Palm Beach. However, since it's our marketing strategy is to concentrate on satisfying the demand of a core group of customers in the first

year, a select number of retail outlets in these counties will receive priority.

Lazer Wolf	Broward County
Tap 42	Broward County
World of Beer	Broward County
The Brass Tap	Broward County
The Yard House	Broward County
American Social	Broward County
Original Fat Cats	Broward County
Beer Punx	Broward County
Kush	Dade County
Lokal	Dade County
The Yard House	Dade County
OTC	Dade County
World of Beer	Dade County
World of Beer	Dade County
The Brass Tap	Dade Count
Box Elder	Dade County
305 Brews	Dade County
Game Time	

All of these establishments listed above are located in our core local market. Most of these establishments have at least four taps allocated to specialty and local craft brewed beers, several have more than six craft beer taps. Manny and Leo have spoken with the owners of all these establishments, and they have all expressed strong interest in featuring our quality locally produced beer once it is available.

An important part of our marketing strategy is to concentrate on providing our customers with the best possible, most responsive service they have ever received when purchasing beer. Consequently, it will be necessary to take on new accounts carefully, so as to have enough beer in stock to meet the demand of our core accounts. One potential mistake would be to try to provide beer for more customers than our initial capacity allows. For this reason we will coordinate with our distributor on prioritizing our accounts according to certain criteria which we would like to see our retail customers meet. The fact is that we do not want to sell our product to simply any



retailer that expresses an interest. We want our products in the right places, alongside other quality beers, and receiving the proper attention necessary for serving craft brewed beer at its peak of quality. For this reason we will initially concentrate our sales efforts on establishments which are already serving craft brewed beers, before offering our products to bars which are not yet carrying craft brewed beers.

There are additional licensed retail outlets in Hallandale Beach, which would be satisfactory retailers of our products. The fact is that there has been a very positive response from licensed retailers in our local market. Our only problem will be to decide which outlets may carry our products in the early months when production is still limited, and which will have to wait. We will make this decision carefully and with the help of our distributor so as to develop a core group is satisfied, loyal clients, while planning for a much broader distribution in the future. Eventually we intend to introduce our products in local restaurants and taverns which have not yet begun to offer their customer craft brewed beer.

Competition: Our competitors in the local market are primarily those craft breweries in California, Colorado, and New York who distribute their product to this region, in addition to the super-premium draft imports being offered. The local breweries include:

- Funky Buddha Brewing Company
- Wynwood Brewing Company
- Concrete Beach Brewing Company
- Biscayne Bay Brewing Company
- MIA Brewing Company
- J. Wakefield Brewing Company
- Miami Brewing Company
- Saltwater Brewing Company
- Hollywood Brewing Company
- Gulf Stream Brewing
- Bangin' Banjo Brewing Company
- Weed Reaper Small Batch Beers
- Lincolns' Beard Brewing Company

- 26 Degrees Brewing Company
- Tank Brewing Company

All these breweries distribute their product to local licensed retail outlets in our local market, through licensed liquor distributors. These local distributors include:

- Brown Distributing
- Gold Coast Distribution
- Cavalier Distribution
- Crafty Connoisseur

First let us begin this evaluation of our competition with a brief discussion of the super-premium imported draft beers which we consider to be our competitors because many of them are similar in style and price to domestic craft brewed beers. Although these beers are by a large excellent product, the fact remains they find it difficult to compete with craft brewed beers. The imports do have strong name recognition in many cases, but they cannot compete in the areas of freshness, direct and personal service to local retailers, or local brand loyalty. Furthermore, shipping costs and advertising for these products usually place them several dollars above craft brewed beers in price, and these beers are subject to newer, higher Federal Excise Tax rates. Statistics demonstrate that while craft brewed beers are enjoying steady annual growth in sales, the market share of super-premium imports has recently begun to decline.

By and large, the domestic craft breweries listed above, all consistently produce quality products. For this reason, it is the responsibility of HallandAle Brewing Company to make all efforts to help consumers distinguish its beers from those of their competitors. Some brewing companies rely on the excellent quality of their products and word of mouth as their strongest marketing point. This strategy is used by new brewing companies which in the early years have less capital available for advertising. Other pioneer craft breweries benefit from greater brand recognition, due to their longer operating history and easily recognizable logos.



Another way to win loyal customer support is to develop distinctive flavor profiles, such as a characteristically assertive hop flavor. In contrast to these methods, some breweries spend thousands of dollars on strong advertising campaign through the local and national media to increase their market share. Others with smaller advertising budgets may choose to rely on less expensive, but often equally effective, point-of-sale promotional materials.

Finally, the most fundamental marketing strategy which may be employed is through pricing. Some brewers choose to under price their competition to gain market share. Others choose to price their products above the market average, in order to capture an image as the brewer with the most premium products. Still others may price their products near the industry average. This strategy helps them to avoid being seen as a discount brewer, while at the same time avoids driving off potential customers who refuse to buy beer which is priced significantly above that of the competition.

All the brewers competing in our market rely on some mix of the above marketing strategies to acquire a base of loyal local support and then increase their market share. HallandAle Brewing Company will likewise pursue a marketing strategy appropriate to its production goals, financial means, and the characteristics of our local market. Our marketing strategy will be carefully discussed in the next section of this business plan. However, it should be emphasized here that the demand for craft brewed products is growing and as the statistics demonstrate, the craft brewing industry's share of the beer market is also growing.

Most craft brewers are in agreement that competition is healthy. The great variety of craft brewed products available to consumers has only served to further educate the beer drinking public to the quality of our products, creating ever greater demand. Although we are in competition with other craft brewers, our share of the market will not come so much at their expense, as it will at the expense of imported beers and domestic industrial brewers

whose customers are gradually shifting to fresher and more flavorful craft brewed products.

Market Size and Trends: The size of our local craft brewed and specialty ale market in South Florida is sufficiently large to provide us with a market share which will ensure the initial success of HallandAle Brewing Company. Likewise, this market has been steadily growing at a rate which is more than adequate to achieve our projected growth in sales. Our market research and conclusions are based on statistical analyses of beer sales volumes by individual breweries, which are reported to the State Liquor Control Board each month. These sales reports have also been analyzed and reprinted in a more comparative form published monthly by the Florida Division of Alcohol Beverages and Tobacco. In addition to these reports, we have carefully questioned all the local breweries, local licensed retailers, and local licensed beer distributors to determine the average monthly level of craft brewed beer sales and the growth in sales which have occurred over the last several years.

Using the above sources, we have determined that for last year, average sales of locally craft brewed beers in our market was approximately 2,596,402 gallons. Consequently, a careful analysis of our local market leads us to the conservative estimate that the size of the local market for our products last year was approximately 27,357 kegs of specialty beers each month on average.

The same sources, which we relied on to determine the size of our local market, have also helped us to determine that for the last several years the Florida market has been growing by approximately 32% annually. When questioned on their expectation for future growth, local beer distributors expressed the opinion that our local market will continue to grow at or near the present level of 47% annually. If we trust the experts which are most familiar with our market, we can anticipate that with 47% growth this year, sales of beers in our market should reach approximately 40,214 kegs of specialty beers each



month on average. Given the demographic and economic growth trends of our local region, we believe this estimate to be on the conservative side.

Local Demographic Growth: The Fashion Arts and Design District is a few miles away from white sandy beaches. The Fashion Arts and Design District will act as the hub for local entertainment, creative businesses and artists. Designers, urban planners, photographers, printers, social media gurus, performers, and musicians will reside in and around the area. Retail sales can be expected to grow along with the Fashion Arts and Design Districts' population. More and more restaurants and pubs will be opened to serve the needs of our growing community. Consequently, local restaurant and bar sales of specialty beers can also be expected to grow with the State, its government, and the city.

The management team of HallandAle Brewing Company is determined to produce approximately 6448 kegs (1040 barrels), during the first twelve months of production. All the 6448 kegs will be marketed and sold in the tap room and within our local market in the first year of production. These approximate 6448 kegs will be sold in our local market through the following marketing channels:

1. Retail pint sales to the public in our taproom on average: \$6 per pint. The following is the estimated breakdown of sales in our local market through these channels in the first year of production:

2. Retail pint sales to the public in

Tap room:	940 kegs
Distribution:	5,508 kegs

This means we will be marketing approximately 3 Barrels or approximately 78 kegs each month on average during the first year in the tap room and approximately 84 Barrels or approximately 440 kegs each month on average in distribution. If we assume a total local market of approximately 27,357 kegs each month on average for this year, then

HallandAle Brewing Company intends to capture 1.8 percent of the local market during this time.

We intend to be competitive in our local market. Therefore, let us examine what we believe to be the important advantages which we have over our competitors in the local market which will help us to win 1 percent market share in our first year.

First, HallandAle Brewing Company will be a local entity in which the community can take special pride. Our brewery and tap room will create jobs and enhance the atmosphere of the Fashion Arts and Design District. It is common sense to assume that given everything is equal in the areas of price, style, and quality, people will choose to patronize local producers rooted in their community.

Second, HallandAle Brewing Company will be able to provide the freshest most innovative beers to our local market. Consequently, kegs of our ales will never reach the market beyond their peak level of maturity, nor before they are perfectly matured either.

Third, we are committed to making the best, most innovative beers possible, using the highest quality ingredients available. We are serious when we make this commitment. We would not be entering this market if we were not certain that we could make excellent ales which will be highly competitive. Brewing innovative flavorful beers is what we do and we believe that a commitment to quality will go a long way towards assuring our long term success. Consistently high quality beer can sell itself without much promotion, but poor quality beer will not succeed for long, no matter how actively it is promoted.

Fourth, HallandAle Brewing Company will be able to serve its products on its own taps in our very own tap room. Our own retail outlet will permit us to try new products before offering them for light distribution to the wholesale market. In addition, our tap room will allow us to receive the full retail pint price on a significant percentage of our barrel



production. Every keg sold at retail pint price rather than wholesale keg price, will significantly increase our profit margin, while at the same time helping us to reach our 1.8 percent market share target. Our tap room will be a casual drinking and dining room with the stainless-steel brewing equipment physically present and in the same space as our customers. This will allow customers to view the activities on the production floor while enjoying their favorite beverage and eating their favorite meal. There will also be an outdoor beer garden with outdoor games lounge chairs and an entertainment area for live bands to play. The beer garden will host a movie night once a month. We will be family and pet friendly. Our tap room will also have games, and TV's that will increase length of stay. Our tap room will also be the display and sales center for our retail promotional items which will bear our corporate and product logos. Although the cash profit on these items is only 50 percent, they represent a much greater value as free advertising by increasing our exposure in the community.

By bringing the management team into direct contact with the customers in our local community, our own retail outlet will help us to increase our market share as well as compete more effectively with outside craft brewers. Two-way communication between our management team and our customers will provide us with invaluable feedback on our products. Furthermore, as beer drinkers make themselves more comfortable at our establishment, HallandAle Brewing Company's image as a local community enterprise will be enhanced.

Fifth, HallandAle Brewing Company intends to price its products competitively amongst our strongest competitors. It is simply part of our strategy to always price our innovative products at a competitive level, since this is what our local customers have told us would be of particular importance when they are making decisions on trying new beer on their taps.

Finally, and most important, we believe that our commitment to service will assure that we earn a

leading share of our local market and increase that share into the future. No other brewer has the potential to provide the level of prompt service to our customers and licensed retailers in our local market that HallandAle Brewing Company has. We have already begun to develop close relationships with our fans and the licensed retailers in our local market. We have questioned them as to their priorities when deciding which beers to drink or put on their taps, and we have carefully observed the preferences of their customers. We at HallandAle Brewing Company are committed to the relationships we have begun to develop with our future customers, licensed retailers and their customers. By using customer surveys, working closely with our employees, and carefully listening to licensed retailers, their customers, our customers, and beer drinkers in South Florida, we are sure to earn a strong share in our local market and keep it.

MARKETING PLAN

The Fundamentals: It is the intention of the management team to establish the long-term profitability and success of the HallandAle Brewing Company by carefully concentrating on building a core group of satisfied local customers. This core group consists of the residents of Hallandale Beach and the surrounding cities, as well as licensed liquor retailers operating pubs, taverns, and restaurants in the counties of Dade, Broward, and Palm Beach. Ultimately our customers are the beer drinkers within our local market who patronize the establishments of our licensed retail customers and more importantly our own tap room. Consequently, the key to our marketing strategy is to make the highest possible quality beers which will satisfy the tastes and demands of beer drinkers in our market.

Our efforts to make the best beer possible will be achieved by the following means. First, all beer profiles and recipes have been selected after careful market research to determine exactly what is popular amongst beer and ale drinkers in our market. The most important parts of our research consisted of



actual beers being served at many local festivals, where our beers drinks are eager to provide us with instant feedback and conversations with licensed retailers whom we've had many long conversations about what their customers preferred when ordering a craft brewed beer and what they were looking for when buying beer to stock their bar taps. In addition, interviews with local beer distributors have been particularly helpful in pointing out which beers sell well in our local market, why they sell well, and what styles will compete well in this market. Having made the decision as to what flavor profiles we would like to produce in our beers, Manny will determine the exact balance of ingredients and specific brewing techniques necessary to achieve those flavor profiles.

Our three initial products have been designed specifically to satisfy local tastes and demands, as they have been identified by our market research. However, we believe that ale drinkers in our local market have similar preferences to ale drinkers throughout the Florida beer market, and we expect our products to be competitive throughout that broader market once we start distribution. As a final note regarding the design of our recipes, we intend to carefully monitor the responses of beer drinkers to our products when they first reach the local market and long after. Consumer feedback will be the means by which we gauge the reactions of beer drinkers to our products, so that we may make any necessary adjustments.

Another key aspect of our marketing strategy, which is intended to ensure we make the best beer possible and then sell that beer, our determination to use the finest brewing ingredients available. Only premium ingredients will be used, without exception. We have made certain that our suppliers all have excellent reputations among the craft brewing community in our region. Nevertheless, as our operations progress, we continue to demand the highest quality from our suppliers and will be prepared to find new sources of brewing materials

whenever our current suppliers fail to meet the exacting standards of Hallandale Brewing Company.

Brewing the best beer most innovative beers possible is our motto, and we will not cut corners to save a few dollars at the expense of beer quality. We will use the finest ingredients, top quality brewing equipment, and well-proven brewing methods to establish our market share. Only a quality product will create consumer loyalty in our core local market and ensure regular growth in sales as our market expands

On-Premise Retail Sales: The tap room is an important sales and distribution outlet for our products. Our tap room will be designed to accommodate a maximum occupancy of patrons. The space will contain a serving bar, a retail promotional area, seating for approximately 70 inside and 60 patrons outside, with some additional standing room available. The tap room is designed to be an extension of the brewery where patrons can witness the brewing operation first hand and talk to the brewery staff, while enjoying some of our quality ales.

Our tap room is intended to enhance the experience of drinking a quality ale and eating quality food, when all of one's senses are brought into play. There will be no smoking in our tap room because tobacco smoke would interfere with the beer drinkers' ability to fully appreciate the flavors and aromas of the beers being served. Furthermore, we believe that a no smoking environment will be greatly appreciated. We will be giving the tap room a warm feel by using reclaimed wood on the walls and Edison bulbs to provide mood. Decorations will be limited to a few local artists painting and a few tasteful beer related sculptures. A variety of comfortable chairs and tables will be provided for casual seating as well as a lounge area with sectional seating and coffee table. In addition, flat screen TVs and a sound system will add to the comfort and feel of tap room. Game boards, shuffleboard tables, and other bar games will be available. In our



tap room, customers will be able to make a variety of retail purchases. Initially we will have a small selection of T-shirts and glass wear for sale, but as cash flow permits, we will include other promotional items to increase our merchandise sales. Regarding beer sales, customer will be able to purchase beer in a variety of volumes. Besides pints and 10-ounce schooners, a sampler or beer flight which includes a small glass of each of our products will be offered for sale. In addition, customers will be able to have take-out vessels called “growlers” filled for off-premise consumption. Regarding food sales, we will have the option of have tapas style Latin infused fair. Customers will be allowed to do takeout and we will partner up with services like Deliver Dude, Uber Eats, and Postmates to provide delivery services to our fans.

Distribution: Even though one of our strong focuses in our first year will be to build our report with our local customers inside the taproom, it is our strategy to concentrate on winning the loyalty of licensed retailers on our local market. In this effort, with the help from one of Crafty Connoisseur will have primary responsibility for local sales outside our building. We believe that only through close personal contact with our local customers can lines of communication and a long term business relationship be established. Therefore, a big emphasis will be placed inside our four walls. At the same time, we are firmly establishing these relationships with our local community, a properly trained employee of the company will assist on acquiring new accounts and increasing sales in the local and market

Promotional Merchandise: Promotional merchandise, such as T-shirts, glassware, tins, bottle openers, etc., at two-to-three times our cost in order to realize a consistent and reasonable profit.

Advertising and Promotions: Leo is responsible for point-of-sale promotions and advertising. Initially point-of-sale of promotions table tents, coasters, and tap-handle. When cash flow permits, other items such as neon signs, bar towels, bottle openers, and mirrors, all displaying our logo

will be given to local retailers. All promotional items are considered to be an advertisement tool since they will display the corporate logo and logos of individual products.

Leo’s experience working in the food and beverage industry has taught him that the owners of these establishments and their service employees are especially grateful when promotional materials are maintained by the company distributing them.

Our research of the food and beverage service industry has also led us to conclude that only a knowledgeable bar and wait staff can properly represent our products to the consumer. Consequently, Manny and Leo will provide brief, yet informative, introductions to our products for the wait staff of our licensed retail customers. These product introductions are intended to familiarize these important representatives of our products with the brewing methods of HallandAle Brewing Company. In addition, our licensed retail customers and their wait staff will be invited to visit the brewery and witness firsthand the production of the beer they will later be selling. These brewery tours are intended to help develop a special relationship between HallandAle Brewing Company and those who serve our products to beer drinkers in our core market.

Raul Diaz Gonzalez is also responsible for carrying out the direct advertising of HallandAle Brewing Company products to the consumers in our local market. When cash flow permits, advertising will be conducted throughout the local print media. Throughout the year, at specific times we will run adds in New Times, the paper with the largest circulation in our local market. Social media will also be a large component of our exposure to our fans, and customer. Through application like Facebook, Instagram, and Twitter we can reach a broad fan base while delivering promotional, and events at no to minimal costs to the brewery. We believe that this advertising strategy will provide the greatest exposure for our products, in the most cost effective



manner. However, we will regularly survey our customers to determine whether or not the learned of our products through these printed ads and social media outlets. Depending on the results of these surveys, certain changes in our advertising strategy may be considered.

In regards to surveying our customers and the general beer drinking public, the following method will be employed. Manny will design a survey sheet to determine the public's response to our products and our advertising campaign. These survey sheets will be distributed and collected in the establishments of our licensed retail customers. In addition Manny will conduct regular visits to these establishments to maintain contact with our licensed retail customers, their employees, and their customers. These fact-finding visits will be most frequent in the first year of distribution, particularly in the first months of distribution when product evaluation and recipe adjustments will take place. It is our determination to never lose touch with the needs of our customers and the tastes of the beer drinking public.

Finally, regarding the issue of public relations, we at Hallandale Brewing Company believe that an ounce of prevention is worth a pound of cure. What this means in a practical sense, is that Manny will actively pursue a strategy of meeting with local groups which are concerned about issues related to excessive drinking. It is our intention to develop an open dialogue and positive relationship with local citizen groups which advocate responsible drinking. Likewise, we will take the initiative to foster a cooperative relationship with local law-enforcement agencies, to show them we are as concerned about alcohol misuse as they are. At the Hallandale Brewing Company we advocate the enjoyment of quality beer in moderation, not the consumption of alcohol in large quantities. In order to avoid any potentially harmful publicity in the future, which may stem from misuse of our products, we will make certain that the relevant interest groups understand that we take issue of alcohol misuse as seriously as they do

COMPANY STRUCTURE

Management Team: The following is a list of the key management roles and the individuals who will be responsible for them.

Co-Founder: Manny Jannes has overall responsibility for the start-up and daily operations of Hallandale Brewing Company. Manny will also be responsible for brewing flagship beers, brewing experimental batches of beer, quality control, inventory management, outside event coordination. Manny's final area of responsibility as co-founder is that of promotions, advertising, and public relations for Hallandale Brewing Company.

Co-Founder: Leonardo Amaya will have overall responsibility of the kitchen and tap room operations. Leo will also be responsible for maintaining the retail inventory and required. tracking sales. Leo will oversee the employees hired to run the tap room and the kitchen. Leo will manage the daily operation including but not limited to menu creation, daily specials creations, event planning, scheduling of staff and training program management.

Co-Founder: Cesar Saavedra will assist as brewer and will be responsible for cellaring. In the daily operations phase of the project, Manny and Cesar will be responsible for all tasks related to the production of beer. Both Manny and Cesar will supervise the design of all product recipes and any necessary adjustments to those recipes. They will also perform the regular brewing routine and all the tasks associated with preparing Hallandale Brewing Company products for the market.

Co-Founder: Raul Diaz Gonzalez will be responsible for all tasks associated with purchasing, inventory control, accounts receivable, accounts payable, record keeping, and the preparation of all production and sales reports required by the relevant licensing agencies. Raul has overall responsibility of all financials. Raul will supervise the creation of all corporate and product logos in these tasks, Raul will be assisted by Manny and Leo whom will provide



information on sales, beer inventory, and the status of raw materials' stocks.

In addition, HallandAle Brewing Company will hire an accountant to review our books regularly in preparation for the quarterly tax filling which is required by law.

The Co-founders believe it is important to be personally involved with every facet of the company's operations. No task will be assigned to an employee before we have repeatedly performed that task ourselves and can then instruct and oversee the employee properly. This same philosophy extends to the management of our corporate accounting, which we intend to be directly involved in.

The Co-Founders feel confident they can perform the tasks outlined above. They have a long-standing relation and a well demonstrated record of working together to solve problems. In addition, the management team will be assisted by contracted professionals as needed

Employees: HallandAle Brewing Company is scheduled and budgeted to hire employees at regular intervals. The first full-time employee will be hired in **TBD** to have enough time to properly train that employee before full brewing and sales operations commence. The first employees will be hired primarily as a servers and retail person in the tap room and be a Certified Cicerone. If they are not Certified Cicerones, then we will pay for their certification. As per our agreement with the HBCRA we are dedicated to hire local talent whenever possible. We will make jobs available first to residents of Hallandale Beach, keeping firmly in mind that we will hold each interview to the standards of HallandAle Brewing Company's guidelines. Furthermore, this individual must be flexible and prepared to perform a variety of additional task, including cleaning, and festivals. At the beginning of the sixth month of operation and again in the twelfth month, additional employees will be hired and trained to perform a variety of tasks associated with beer production and sales. The need to hire these

additional employees at regular intervals is anticipated because of the work load associated with projected increases in brewing capacity and sales in our local market. This should bring our total number of employees to help with retail sales and beer production at near full-production capacity to a total of 5 (beer side) employees by the end of year two of operations. It is not anticipated that any additional employees will be required beyond this point. However, the growth and need of the business will dictate the how often we hire and for what positions.

It is the management's philosophy that employees are an asset to the company, not a drain on resources. We intend to train our employees thoroughly, treat them well, and provide them with responsibility when they earn it. Employees who perform well and demonstrate an interest in long term employment with HallandAle Brewing Company will be compensated for their efforts in year-end bonuses to be decided by the management team. Eventually we hope to develop a profit-sharing program to properly reward all those employees of HallandAle Brewing Company who make a significant contribution to the company's success.

Supporting Professional Services: The following individuals will be contracted by HallandAle Brewing Company to provide services during the start-up and operational phases of this project.

Architect/General Contractor: The Everglades Architecture Group. They will draw up the plans for formal approval by the city and county. The General Contractor will also help to choose utility subcontractors and coordinate their activities with the overall construction project.

Legal Representation: Amida Frey will act as attorney for the HallandAle Brewing Company. Amida will review our lease; prepare the initial articles of incorporation, bylaws, and subscription agreement; and provide legal counsel whenever necessary.



BUILDING AND CONSTRUCTION PLANS

Leased Facilities: The facilities being leased by Hallandale Brewing Company are comprised of the following three distinct sections: (refer to the attached site drawings).

1. The Production Floor of open-floor warehouse, with 14-foot ceiling, containing the brewing plant, fermentation vessels and keg washer
2. The Tap Room: ground floor retail sales space, adjacent to the Production Floor
3. Kitchen: full production kitchen
4. Beer Garden: outdoor are partially enclosed

These spaces have been acquired in accordance with the conditions specified in the enclosed Lease Agreement.

Building Improvements: The leased space will be constructed to our specifications by Contractor TBD. The expectation of Hallandale Brewing Company and the City of Hallandale Beach are that the leased space will be delivered in turnkey conditions and ready for brewhouse installation and tenant improvements.

Subcontracting: The following utilities upgrades will be carried out by licensed professionals:

1. Plumbing: Installation of drainage system, connecting of all sinks and bathrooms to the drainage system, all welding necessary to prepare the brewing plant, kitchen and tap room for operation
2. Electrical: All wiring necessary to install appropriate lighting, all wiring necessary to prepare the brewing plant, kitchen, and tap room for operation, all wiring necessary to bring newly constructed walls and rooms up to code, installation and update of utility meter. Installation of signage.
3. HVAC: Installation of Air Conditioning unit, installation of cool room refrigeration unit and primary fermentation glycol system.

4. Telecommunications: Installation of business telephone lines, installation of cable/satellite service.

The subcontractors listed above will be chosen by the general contractor. The general contractor will oversee all the work of these professionals.

THE LEASE AGREEMENT

The management team has negotiated a five-year lease with two (2) five-year renew on a piece of commercial real estate located at 118 1st Avenue, Hallandale Beach, FL. 33009 The Lease Agreement has been signed by all parties.

See attached Lease Agreement Draft for full details.

The total area being leased is approximately 5,000 square feet of floor space. The lease is to commence on January 20, 2020. A provision delaying our full responsibility for the lease has been included, which states that should HBCRA grant funding not be acquired by Hallandale Brewing Company then the lease will be invalid. This clause is intended to protect Hallandale Brewing Company should the necessary grant funding nit be awarded.

OVERALL SCHEDULE

The following is an outline of the specific tasks which must be performed or milestones which must be achievable during the stat-up phase of operation. This outline represents our projections of the time required to perform these tasks. These tasks have been ordered both chronologically and by priority.

MILESTONES

Period – Month Sept 2019 to Nov 2019:

- Prepare for Building Permit Plan Review
- Seek Bids on Fabricating Brewing Vessels
- Seek Bids for Build Out of Brewery
- Finalize and Sign Letter of Intent
- Apply for HBCRA Funding.
- Apply for Trademark on Brewery Name
- Approve Graphic Designs for Logos



- Design and Blueprint Brewery Layout

Period – Month Nov 2019 to Dec 2019:

- Choose General Contractor
- Order Brewing Equipment
- Receive All Building Permits
- Sign HBCRA Agreement

Period – Month Jan 2020 to Feb 2020:

- Begin Building Improvements/Demolition
- Cut Interior Floors for Drains and Plumbing
- Hook-up to City Sewer System
- Begin to Install HVAC

Period – Month Jan 2020 to May 2020:

- Make Final Payment on Brewing and Kitchen Equipment
- Building Improvements
- Begin to Design the Interior of the Tap Room
- Begin to Design Beer Garden
- Pour Cement Floor Slabs
- Begin to Install Glass Garage Doors to Side of Building

Period – Month Jan 2020 to Jun 2020:

- Building Improvements
- Install Kitchen Equipment
- Frame in Bathrooms
- Frame in New Walls
- Schedule Framing and Wiring Inspections

Period – Month May 2020 to Jun 2020:

- Purchase Miscellaneous Brewing Equipment
- Purchase Miscellaneous Kitchen Equipment
- Continue Building Improvements
- Receive Delivery of Brewing Plant
- Install and Hook-up Brewing Plant
- Complete Framing of New Wall, Doors, Etc.
- Install Water Treatment System
- Frame and Wiring Inspections

Period – Month March 2020 to May 2020:

- Continue to Purchase Miscellaneous Brewing Equipment
- Continue to Purchase Miscellaneous Brewing Equipment
- Purchase Tap Room Furnishings
- Purchase Beer Garden Furnishings
- Install Cold Room Refrigeration
- Complete Building Improvements
- Have Exterior Building Painted
- Install Tap Room Taps

Period – Month June 2020 to July 2020:

- Final Occupancy and Health Inspection
- Receive Final Permits and Licenses to Operate
- Complete Brewery Installation and Hook-up
- Make Final Equipment Purchases
- Begin Installing Fixtures and Furnishing for Tap Room
- Install Tap Room Bar, and Sink
- Final Utility Inspections
- Purchase Brewing Ingredients
- Begin Test Recipe Brewing
- Begin Advertising in Local Printed and Radio Media

Period – Month July 2020 to Aug 2020:

- Complete Tap Room Preparations
- Install Corporate Logo
- Hire and Train Waite Staff
- Keg First Brew Runs
- Begin to Market Product at Local Licensed Retailers
 - Soft Opening for Founders, Media, and City
 - Grand Opening for Public

We believe these tasks can be completed within the scheduled time periods above. However, one serious potential delay would be in achieving the minimum of level of investor capital which is



necessary for us to begin ordering brewing equipment and scheduling building improvements. Further delays might arise in acquiring a building permit and in coordinating the work of the contractors with the overall project and with the city inspectors which review many stages of the building improvement process. Any such delays would influence the timing of the entire project and could potentially delay start-up by as much as several months. A delay in your start-up of beer production would entail certain additional expenses until sales of beer began. Nevertheless, we are confident that should certain reasonable delays occur, the overall success of this project would not be jeopardized.

THE FINANCIAL PLAN

Assumptions: The following information has been provided in order to fully identify the assumptions which the management team has made in projecting the growth in sales, expenses, revenue, and profit of Hallandale Brewing Company for the first four years of operations

Revenue: The revenue section is broken down into several categories: wholesale through distribution, and retail tap room sales. All beer sales are based on barrel volumes where one barrel equals 31 gallons or two 15.5-gallon kegs. First year production and sales levels are based on our research of the local market and are considered to be relatively conservative projections of local demand. Retail pint sales are projected to flatten out to 101 kegs each month since they will be limited by the size of our tap room.

Cost of Goods Sold: This figure includes the ingredients only. Water, energy, excise tax, and business taxes are itemized separately. Nevertheless, they are major component of the production of beer. The number of brewing ingredients are based on actual costs from supplier and correspond with the given production cost averages.

Utility costs are based on estimates of local energy and water rates for a given level of

production. Tax rates are based on current rates of \$7.00 per barrel federal excise tax, approximately \$14.88 per barrel state excises tax, and a nominal business and occupation tax. These excise taxes could be subject to increases in the near future. Costs of merchandise sold in our retail outlet are taken to be 50 percent of the retail sales price. Cost of brewing ingredients, water, energy, and supplies are project to remain relatively constant over time as the proportion of the costs of producing a given volume of beer. We anticipate that rising prices for these ingredients will be offset by the savings realized through larger volume purchases.

Gross Profit: When the total Cost of Goods Sold is subtracted from the Gross Sales, the resulting figure represents the Gross Profit. Our Gross Profit percentage from year to year will decrease slightly as the ratio of beer sales through a distributor (which has the smallest profit margin) increase, while our ratio of retail beer sales (which have the largest profit margin) remain relatively stable.

Operating Expenses – General and Administrative Expenses: Refer to the Pro Forma Variable Cost Section. These numbers are based on cost estimates from suppliers and service providers. In some cases, irregularly billed payments are spread out over the twelve months of the year as average monthly payments. The different expenses on the general and administrative schedules are projected to by 1 percent each month. The exception is rent which remains constant, and salaries and payroll taxes which will be increased in accordance with the discussions in the sections of this proposal on employees and management compensation.

The final expense which is factored into the Company's Operating Expenses is the depreciation rate on certain assets. The assets being depreciated include: start-leasehold improvements (building construction costs), brewery equipment, handling equipment (forklift, keg dolly, etc.), cooperage (kegs), fixtures and furnishings (tap room furnishings, office equipment, lighting, etc.), and other capital assets



purchased during the operational phase to expand production capacity. Depreciation is based on a straight line method over a period of seven years.

EBIT (Earnings Before Income Taxes): When Operating Expenses are subtracted from the Gross Profit, the resulting figure represents the Company's Earnings before corporate income taxes. Interest Income from cash in the Company's general account at Bank of America is then added to the EBIT line, with the resulting sum being the Company's Profit before corporate income taxes. Corporate Income Taxes are calculated at current rates and when subtracted from the Profit before taxes, result in the Company's earnings once paid out dividends, any loan principle, and any new equipment purchases have been subtracted from the Company's Net Income/Loss.