



October 18, 2017

Dear Fellow Owners:

When you've been profitable for 54 consecutive years, you have dealt with a variety of financial and societal changes. One of those years, 1974, was pivotal in determining our structure even today. Our earnings were growing and in the early 70's we had settled a lawsuit favorably, with a cash payment to Bowl America. We began to invest in ground and by 1974 had opened a new center in Richmond and reached agreement on ground in Loudoun County, beginning a shift from leased premises to ownership of our facilities.

At the same time, the bowling business in Japan, after rapid expansion, had imploded. Many high quality bowling lanes and pin setting equipment were for sale. Under the supervision of our employees – Bert Lauer, Ron Kuhn and John Bailey and continuing to this day, Billy Krug and Roger Wright, we began to buy and store for future use. Our skilled employees handled much of the installation and maintenance of this equipment themselves, developing skills which continue to benefit us. Once our original investment in the new centers (and in existing centers which we bought back) was paid off, we had a cost basis that could not be duplicated. In addition, when we made a mistake we were able to sell the resulting real estate at a profit.

Furthermore, once debt free, you no longer have a major expense faced by most bowling centers. A lot of us think our liberal dividends are financed by the rent no longer paid at sixteen of our eighteen bowling centers. It also provides us a cushion should conditions change.

At the end of that year the Board of Directors established a profit sharing plan to which we have contributed every year since. Later an employee stock ownership plan was added. Both plans are non-contributory for employees. These plans will provide long term employees with a more secure future.

Our actions during that year reflect a conservative approach. That requires two important things. The first would be a patient and supportive group of fellow owners for which I thank you all very much. Equally important, it requires a skilled and experienced staff of employees with which we are blessed.

These things make it enjoyable to come to work.

Regards,

A handwritten signature in black ink, appearing to read "Leslie H. Goldberg". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Leslie H. Goldberg, *President*