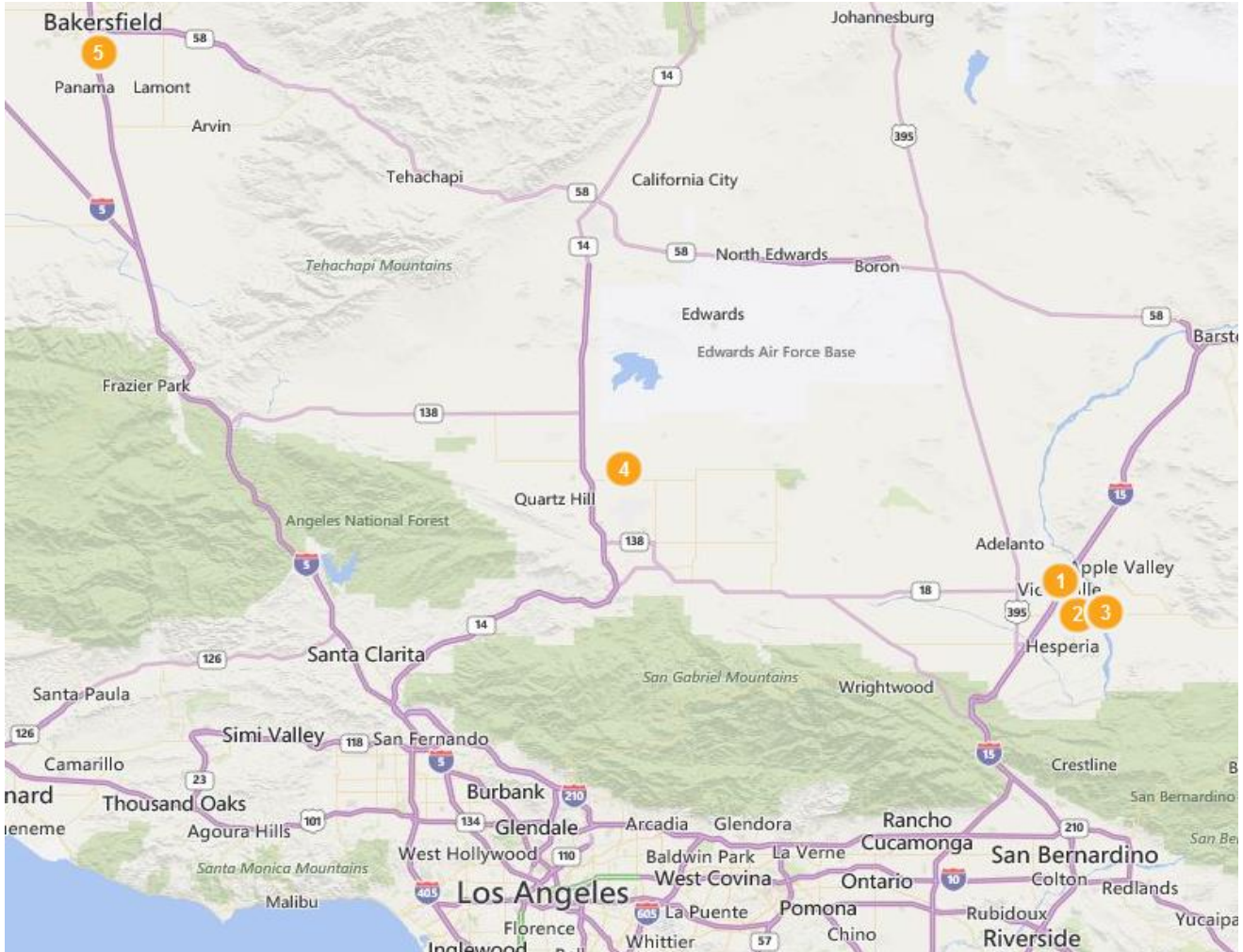


5 Papa John's SoCal \$1,425,000



Papa John's is the 3rd largest take-out and delivery pizza chain in the U.S. with over 3,300 units in all 50 U.S. states and 30 international markets. New franchisees must have a minimum of \$150K net worth and \$50K liquid, plus sufficient resources to make the purchase. Restaurant experience preferred but not required. Relevant general management experience required for Operator. 6 weeks of training in KY required.

From Bakersfield to Lancaster is about 1 hour 20 min. From Lancaster to Apple Valley is another 1 hour 20 min. Price does not include inventory of about \$3K/store and transfer fees of \$4K/store.

Store	T13 Sales Thru P10 2014	T13 Cash Flow Thru Q3 2014
1- Victorville	\$871,140	\$108,530
2- Hesperia	\$658,070	\$78,221
3- Apple Valley	\$720,985	\$90,948
4- Lancaster	\$521,104	\$37,421
5- Bakersfield	\$381,207	\$35,591
TOTAL	\$3,152,506	\$350,711

PJ 5 Bakersfield Sales History

Store*	YE 2012 Sales	YE 2013 Sales	% Change	YTD Sales Thru P10 2014	% Change Thru P10	T13 Sales Thru P10 2014	% Change from YE 2013 to T13 2014 thru P10
PJ #3183 Victorville 15683 Roy Rogers Dr. Victorville, CA 92394	\$944,460	\$916,716	-2.94%	\$663,847	-6.42%	\$871,140	-4.97%
PJ #3307 Hesperia 17003 Bear Valley Rd. Hesperia, CA 92395	\$638,197	\$608,322	-4.68%	\$507,619	10.87%	\$658,070	8.18%
PJ #4209 Apple Valley 12218 Apple Valley Rd. Apple Valley, CA 92308	\$75,406	\$713,537		\$549,421	1.37%	\$720,985	1.04%
PJ #4359 Lancaster 1721 E. Avenue J Lancaster, CA 93535		\$192,292		\$394,822		\$521,104	
PJ #4370 Bakersfield 2401 White Lane Bakersfield, CA 93304		\$42,172		\$309,889		\$381,207	
TOTAL	\$1,658,063	\$2,473,039		\$2,425,598		\$3,152,506	

*Victorville and Hesperia opened in 2009

Apple Valley opened P13 2012

Lancaster opened P9 2013

Bakersfield opened P12 2013. T13 2014 sales extrapolated.

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5 Papa John's SoCal Leases & Franchise Agreements

Store	T13 Sales Thru P10 2014	Monthly Base Rent**	Annual Rent	As % of Sales Thru P10 2014	Lease Expiration	Lease Options	Franchise Agmt Expiration***	Royalty	Nat'l Adv
PJ #3183 Victorville	\$871,140	\$3,731	\$44,772	5.1%	1/1/2016	None	2019	5%	6.5%
PJ #3307 Hesperia	\$658,070	\$3,951	\$47,412	7.2%	2/1/2015	None	2019	5%	6.5%
PJ #4209 Apple Valley	\$720,985	\$3,669	\$44,028	6.1%	7/1/2017	1x5yr	2022	5%	6.5%
PJ #4359 Lancaster*	\$521,104	\$2,750	\$33,000	6.3%	8/1/2017	1x5yr	2023	5%	6.5%
PJ #4370 Bakersfield*	\$381,207	\$1,600	\$19,200	5.0%	Aug-23	2x5 yr	2023	5%	6.5%
TOTAL	\$3,152,506	\$15,701	\$188,412	6.0%					

*Papa John's incentive program calls for no royalties for the first 18 months, the next 6 mos at 2%, the next 6 mos at 3%, then 5% for the remaining term. **Royalties for all stores were recast at 5% in EBITDA calculations here. The royalty rate at Lancaster and Bakersfield is currently 0% but will graduate to 2% in Feb 2015.** The incentive also included new ovens.

**All leases call for annual 3% increases. Rent includes property taxes and building insurance.

***All stores need new POS, estimated at \$8K each. Franchise agreements may be renewed for another 10 year term for a min of \$4K.

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5 Papa John's SoCal Controllable Costs

2014 Thru Q3 2014	PJ #3183 Victorville	PJ #3307 Hesperia	PJ #4209 Apple Valley	PJ #4359 Lancaster	PJ #4370 Bakersfield	TOTAL
Sales	\$628,446	\$478,846	\$515,988	\$370,889	\$271,600	\$2,265,769
COGS	31.9%	28.9%	30.9%	32.9%	34.7%	31.5%
Labor*	26.7%	26.9%	26.8%	26.3%	35.0%	27.7%
R&M	0.8%	0.3%	0.2%	0.5%	0.2%	0.5%
Utilities	2.4%	3.2%	3.0%	3.9%	3.3%	3.0%

*Labor includes Crew Labor plus GMs at each store who are paid \$11/hr. Figures do not include District Manager who currently makes \$64K/yr. DM may be available to work for new Owner.

Labor does not include payroll taxes or workers comp.

Labor recast at 24% in EBITDA analysis to more closely align with brand norms.

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5 Papa John's SoCal
3Q 2014 EBITDA Analysis

2014 thru Q3	PJ #3183 Victorville	PJ #3307 Hesperia	PJ #4209 Apple Valley	PJ #4359 Lancaster	PJ #4370 Bakersfield	TOTAL	%
Sales	\$ 628,446.00	\$ 478,846.00	\$ 515,988.00	\$ 370,889.00	\$ 271,600.00	\$2,265,769	100.0%
Net Income	\$46,368	\$34,096	\$36,318	\$23,292	-\$4,281	\$135,793	6.0%
<i>Adjustments</i>							
<i>Add back DM Salary*</i>	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$41,500	1.8%
<i>Royalty Adjustment**</i>	\$1,877	-\$4,522	\$766	-\$18,544	-\$13,580	-\$34,003	-1.5%
<i>Add back Business Insurance***</i>	\$13,950	\$13,950	\$13,950	\$13,950	\$13,950	\$69,750	3.1%
<i>Recast Business Insurance***</i>	-\$8,861	-\$8,861	-\$8,861	-\$8,861	-\$8,861	-\$44,305	-2.0%
<i>Add back Labor****</i>	\$167,487	\$128,878	\$138,453	\$97,510	\$95,014	\$627,342	27.7%
<i>Recast Labor****</i>	-\$150,827	-\$114,923	-\$123,837	-\$89,013	-\$65,184	-\$543,785	-24.0%
<i>Total Adjustments</i>	\$31,926	\$22,822	\$28,771	\$3,342	\$29,639	\$116,499	5.1%
Adj EBITDA for Q3	\$78,294	\$56,918	\$65,089	\$26,634	\$25,358	\$252,292	11.1%
Adj EBITDA for T13 thru Q3	\$108,530	\$78,221	\$90,948	\$37,421	\$35,591	\$350,711	11.1%

T13 Sales thru P10 2014

\$3,152,506

T13 Adj EBITDA

\$351,030

* District Manager salary not a store-level expense. He currently earns \$64K annually.

**Papa John's incentive program for new stores calls for no royalties for the first 18 months, the next 6 mos at 2%, the next 6 mos at 3%, then 5% for the remaining term. The royalty rate at Lancaster and Bakersfield is currently 0% but will graduate to 2% in Feb 2015. Royalties were recast at 5% in EBITDA calculations here. The incentive also included new ovens at Lancaster and Bakersfield.

*** Seller's insurance policy is higher than industry standard. Recast to \$64K annually.

**** Recast to brand norm (According to 2014 FDD, Papa John's average of 24.7% for Labor, including payroll taxes and w/c. Seller's Labor figure does not include payroll taxes or w/c).

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