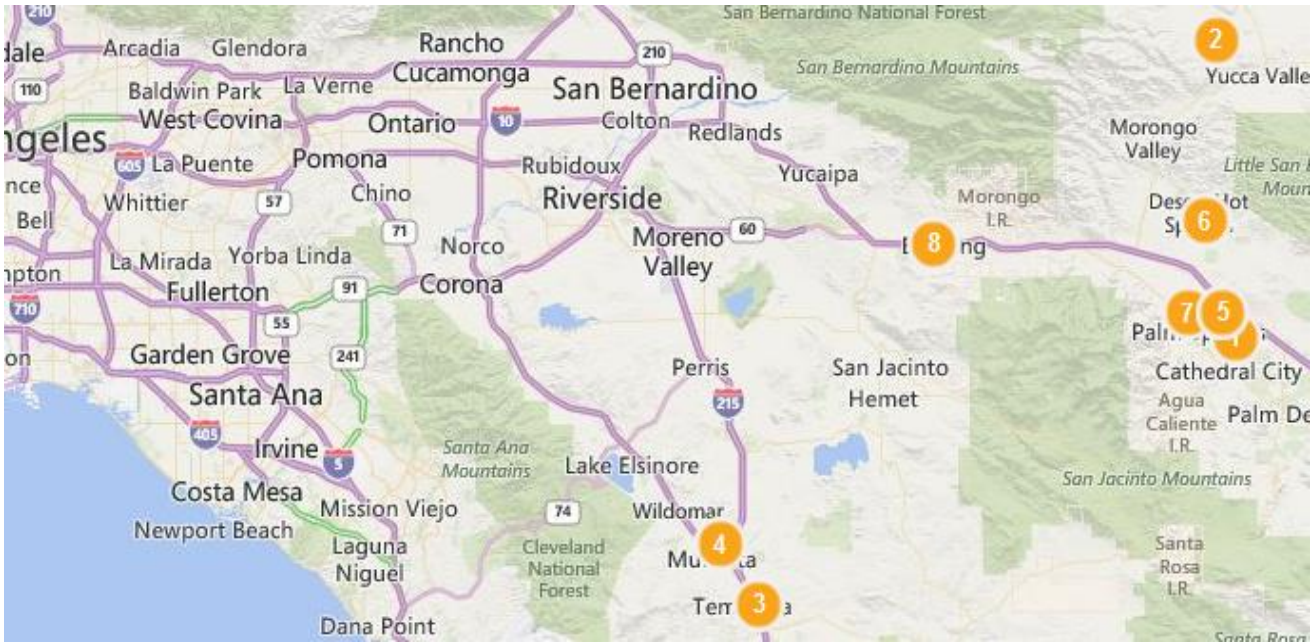


## 8 Little Caesars- Palm Springs, CA \$2,750,000



Founded in 1959, Little Caesar's is one of the largest and fastest the growing pizza carry-out chains in the world. Franchisor requires a minimum of \$250K net worth with \$100K liquid. Restaurant experience preferred but not required. Franchisor provides 6 weeks of training in Detroit, MI and at the stores. Transfer fee is \$5K per location.

These Little Caesars locations are located about 115 miles east of Los Angeles. All stores are within an hour and a half of each other. Price does not include inventory of about \$3K per store.

Store	T12 Sales Thru Sept 2014	T12 Cash Flow Thru Sept 2014
LC #1265-0001 Cathedral City	\$1,136,625	\$209,163
LC #1265-0002 Yucca Valley	\$808,079	\$128,394
LC #1265-0005 Temecula	\$571,884	\$72,145
LC #1265-0006 Murrieta	\$827,443	\$97,090
LC #1265-0008 Rio Vista	\$562,319	\$41,536
LC #1265-0009 Desert Hot Springs	\$847,642	\$127,829
LC #1265-0009 Palm Springs	\$639,001	\$55,593
LC #1265-0011 Banning	\$673,872	\$78,843
<b>TOTAL</b>	<b>\$6,066,865</b>	<b>\$810,593</b>

**Little Caesars 8 Palm Springs**  
Sales History

Store	YE 2012 Sales	YE 2013 Sales	% Change	YTD Sales Thru Sept 2014	% Change Thru Sept	T12 Sales Thru Sept 2014	% Change from YE 2013 to T12 2014 thru Sept
LC #1265-0001 69030 Ramon Rd. #C Cathedral City, CA 92234	\$1,190,548	\$1,139,328	-4.30%	\$851,594	-0.32%	\$1,136,625	-0.24%
LC #1265-0002 29 Palm Hwy. Yucca Valley, CA 92284	\$787,608	\$794,890	0.92%	\$608,284	2.22%	\$808,079	1.66%
LC #1265-0005 29700 Rancho California Rd. Temecula, CA 92591	\$587,198	\$613,668	4.51%	\$413,399	-9.18%	\$571,884	-6.81%
LC #1265-0006 40525 California Oaks Murrieta, CA 92562	\$802,735	\$837,011	4.27%	\$615,662	-1.53%	\$827,443	-1.14%
LC #1265-0008 27800 Landau Blvd. Cathedral City, CA 92234	\$699,081	\$652,276	-6.70%	\$420,251	-17.63%	\$562,319	-13.79%
LC #1265-0009 13313 Palm Dr. Desert Hot Springs, CA 92240	\$812,645	\$826,292	1.68%	\$646,947	3.41%	\$847,642	2.58%
LC #1265-0010 1717 E. Vista Chino, Palm Springs, CA 92262	\$0	\$278,081		\$483,973		\$639,001	
LC #1265-0011 3485 W. Ramsey St. Banning, CA 92220	\$0	\$78,366		\$505,015		\$673,872	
<b>TOTAL</b>	<b>\$4,879,815</b>	<b>\$5,219,912</b>		<b>\$4,545,125</b>		<b>\$6,066,865</b>	

NOTES:

#1265-0010 opened July 2013

#1265-0007 opened Nov 2013. T12 Sales Thru Sept 2014 extrapolated.

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**Little Caesars 8 Palm Springs  
Leases & Franchise Agreements**

Store	T12 Sales Thru Sept 2014	Monthly Base Rent	Monthly CAM	Monthly Prop Tax	Annual Rent+CAM+Prop Tax	As % of Sales Thru Sept 2014	Lease Expiration	Lease Options	Franchise Agmt Expiration	Royalty	Nat'l Adv	Local Ads	Business Est.	Employees
LC #1265-0001 69030 Ramon Rd. #C Cathedral City, CA 92234	\$1,136,625	\$2,875	\$1,875	\$99	\$58,186	5.1%	10/31/19	2x5 yr	11/20/2021	6%	3.0%	3%	2001	4 F/T, 18 P/T
LC #1265-0002 29 Palm Hwy. Yucca Valley, CA 92284	\$808,079	\$1,263	\$585	\$33	\$22,577	2.8%	1/20/19	2x5 yr	11/20/2021	6%	3.0%	3%	2001	3 F/T, 15 P/T
LC #1265-0005 29700 Rancho California Rd. Temecula, CA 92591	\$571,884	\$3,775	\$674	\$96	\$54,545	9.5%	2019	2x5 yr	3/25/2023	6%	3.0%	3%	2003	3 F/T, 12 P/T
LC #1265-0006 40525 California Oaks Murrieta, CA 92562	\$827,443	\$3,575	\$420	\$31	\$48,307	5.8%	11/30/16	1x5 yr	3/25/2023	6%	3.0%	3%	2003	4 F/T, 12 F/T
LC #1265-0008 27800 Landau Blvd. Cathedral City, CA 92234	\$562,319	\$2,218	\$685	\$39	\$35,306	6.3%	7/1/18	2x5 yr	6/26/2018	6%	3.0%	3%	2008	3 F/T, 12 P/T
LC #1265-0009 13313 Palm Dr. Desert Hot Springs, CA 92240	\$847,642	\$1,210	\$685	\$56	\$23,415	2.8%	3/1/20	2x5 yr	4/20/2020	6%	3.0%	3%	2009	3 F/T, 15 P/T
LC #1265-0010 1717 E. Vista Chino, Palm Springs, CA 92262	\$639,001	\$3,035	\$676	\$73	\$45,402	7.1%	2/27/17	2x5 yr	7/28/2023	6%	3.0%	3%	11/2013	4 F/T, 11 P/T
LC #1265-0011 3485 W. Ramsey St. Banning, CA 92220	\$673,872	\$1,600	\$150	\$50	\$21,600	3.2%	9/14/18	2x5 yr	11/17/2023	6%	3.0%	3%	7/2013	2 F/T, 12 P/T
<b>TOTAL</b>	<b>\$5,392,993</b>	<b>\$17,951</b>	<b>\$5,600</b>	<b>\$427</b>	<b>\$287,738</b>	<b>5.3%</b>								

**NOTES:**

Murrieta lease calls for percentage rent at 11% for sales over \$12K/week.  
 Leases on all locations call for 3% increases annually.  
 New Buyer will pay current royalty rate of 6%, Nat'l Ad rate of 3% and Local ad rate of 3%.  
 All stores have digital menu boards. No stores have POS systems.  
 No remodels are due at this time or in the next few years.  
 All stores carry about \$3K in inventory which is not included in the purchase price.  
 Transfer fee is \$5K per store.

**Little Caesars 8 Palm Springs  
Controllable Costs**

<b>YE 2013</b>	LC #1265-0001	LC #1265-0002	LC #1265-0005	LC #1265-0006	LC #1265-0008	LC #1265-0009	LC #1265-0010	LC #1265-0011	TOTAL
Sales	\$1,135,169	\$791,810	\$610,730	\$836,607	\$663,725	\$823,363	\$275,848	\$75,583	\$5,212,835
COGS	38.7%	40.4%	38.2%	40.0%	39.4%	39.6%	42.0%	69.0%	40.0%
Crew Labor	10.9%	11.7%	9.7%	7.2%	12.4%	11.5%	13.7%	21.1%	10.9%
Management	3.8%	5.5%	6.5%	12.2%	9.4%	4.9%	6.7%	10.7%	6.9%
R&M	1.0%	0.7%	0.7%	0.6%	0.7%	1.0%	11.9%	15.4%	1.6%
Utilities	2.8%	2.4%	2.9%	2.7%	3.6%	2.8%	3.8%	2.9%	2.9%
Non-Ingredient	0.9%	1.1%	1.0%	0.8%	1.0%	0.9%	7.8%	11.0%	1.5%
TOTAL	58.1%	61.7%	59.0%	63.5%	66.5%	60.9%	85.8%	130.0%	63.6%

**NOTES:**

COGS includes Food&Paper. These costs are up by 2.5% in 2014 thru Sept, so adjustment was made in EBITDA Analysis.

Crew Labor includes employee benefits.

Management includes store manager and assistant managers and bonuses. Not include Area Manager. Seller is currently acting as Area Manager.

One GM could be promoted to AM with a salary of \$15/hr.

Labor figures do not include payroll tax or workers comp.

Store 10 opened July 2013.

Store 11 opened Nov 2013.

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**Little Caesars 8 Palm Springs**  
YE 2013 EBITDA Analysis

<b>YE 2013</b>	LC #1265-0001	LC #1265-0002	LC #1265-0005	LC #1265-0006	LC #1265-0008	LC #1265-0009	LC #1265-0010	LC #1265-0011	TOTAL	%
Sales from 2013 P&L	\$ 1,135,169	\$ 791,810	\$ 610,730	\$ 836,607	\$ 663,725	\$ 823,363	\$ 275,848	\$ 75,583	\$5,212,835	100.0%
Net Operating Income	\$241,365	\$150,409	\$79,111	\$124,141	\$54,548	\$142,786	-\$68,881	-\$51,012	\$672,467	12.9%
<i>Adjustments</i>										
<i>Vendor rebates</i>	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125	\$25,000	0.5%
<i>Mileage</i>	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$20,000	0.4%
<i>Royalty Adj</i>	-\$11,352	-\$7,918		-\$8,366					-\$27,636	-0.5%
<i>Advertising Adj</i>				-\$5,856					-\$5,856	-0.1%
<i>Occupancy Cost Adj</i>	\$1,636	-\$2,512	\$7,578	\$3,537	\$5,446	-\$3,659			\$12,026	0.2%
<i>COGS Adj</i>	-\$28,379	-\$19,795	-\$15,268	-\$20,915	-\$16,593	-\$20,584	-\$6,896	-\$1,890	-\$130,321	-2.5%
<i>Total Adjustments</i>	-\$32,470	-\$24,600	-\$2,065	-\$25,975	-\$5,522	-\$18,618	-\$1,271	\$3,735	-\$106,787	-2.0%
<b>Adj YE 2013</b>	<b>\$208,895</b>	<b>\$125,809</b>	<b>\$77,046</b>	<b>\$98,166</b>	<b>\$49,026</b>	<b>\$124,168</b>	<b>-\$70,152</b>	<b>-\$47,277</b>	<b>\$565,680</b>	<b>10.9%</b>
<b>Estimated EBITDA T12 Thru 9/2014</b>	<b>\$209,163</b>	<b>\$128,394</b>	<b>\$72,145</b>	<b>\$97,090</b>	<b>\$41,536</b>	<b>\$127,829</b>	<b>\$55,593</b>	<b>\$78,843</b>	<b>\$810,593</b>	<b>13.4%</b>

**T12 Sales thru 9/2014** **\$6,066,865**  
**Estimated T12 Adj EBITDA** **\$810,593**

**NOTES:**

Vendor rebates were not included on P&Ls

Mileage was expensed at \$23,821. This cost is mostly due to poor inventory control, as employees had to travel to pick up supplies.

New Buyer will pay 6% royalty at all stores.

New Buyer will pay 6% for franchisor mandated local and nat'l advertising. Seller paid less at store 6.

Regarding Rent, CAM and property tax, Seller overpaid at some stores and underpaid at others.

COGS Adjusted to account for increased Food and Paper costs in YTD 2014.

Estimated EBITDA for T12 Thru 9/2014 calculated by applying Adj. 2013 NOI % to T12 Sales thru Sept 2014, except for stores 10 and 11.

Store 10 opened 7/2013 and store 11 opened 11/2013. Estimated T12 EBITDA for those stores was calculated by applying 2014 NOI % to T12 sales thru Sept 2014.

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