

“Best Italian Restaurant” by the Sea.

Nessled in one of California’s most charming seaside villages, the owner of this fine establishment will proudly tell you his place “is a gold mine.” The fact that he’s had offers to franchise it, that the food is flat-out fantastic, and that patrons are happy to wait up to an hour for a table, all suggest he is right. Walk the streets on a late weekday night when the rest of town is quietly closing its doors, and this little trattatoria is still alive with music, wine, and laughter. So too is the lively bar next door, which is always a party in progress, and quick to send customers over for hors d’oeuvres to go, or a coveted spot on the wait list. A 2009 nominee for “Best Italian Restaurant” by KRON channel 4 TV, with excellent reviews on *yelp.com*, *tripadvisor.com*, and *referralsantacruz.com*.

Described as “a neighborhood favorite” by one local paper, this is a prime location with room to grow. Cash already flows in from the referrals from next door, from catering jobs, and cooking classes, and the restaurant is promoted by the local vacation rental agencies and hotels. Churning profits from a small 790 sq. ft. space that serves dinners only, a new owner could kick up the sales by expanding into the adjoining space which is currently vacant, adding on a pizzeria, or offering a lunch menu. Competition? Sure, on the one hand, it’s everywhere; this is a seaside resort that lends itself to all types of cuisine. But on the other hand, there’s simply no place like this one in town.

So why sell? Only a wife in Italy with a baby on the way could pull a successful chef away from a creation like this. So whether you’ve got a restaurant already and you’re looking to relocate or expand, or like this owner a few years ago, you’re ready to jump into your first culinary enterprise, this is an opportunity you have to check out.

PRICE		LEASE	
Asking	\$180,000	Base Rent	\$3,648
Down Payment	\$92,000	Triple Net (NNN)	Included
Inventory Included	\$2,500	Expiration	Sept. 2009 renewal pending
Other Debt	None	Option	5 years
Training Included	Negotiable	Security Deposit	TBD
OPERATION		FINANCING TERMS	
Employees	0 FT, 3 PT	Note	Amount TBD
Working Owners	1	Term	5 yrs
Payroll/Month	\$4,065	Interest	5.5%
Hours	5 pm to 9 pm, Tue – Sun.	Payment	TBD
Business Established	2004	Covenant, non-Compete	20 miles, 5 years
FINANCIAL		FACILITIES	
Gross Sales per Month/Year	\$469,366 (annual)	Size	790 sq. ft.
Gross Profit %	72 %	Type	Commercial building
SDC* per Month/Year	\$73,519 (annual)	Parking	Street / public lots
*SDC (also, SDE) =	<i>Sellers Discretionary Earnings</i>	Business Owned Since	2004

For further information, please contact:

Christopher Balthasar at Sunbelt Greater Bay Area (408) 436-1900 cell: (831) 246-0296
 cbalthasar@sunbeltbayarea.net www.sunbeltbayarea.net

This information was prepared to inform prospective purchasers about The Company. The information contained here as provided by The Company and should be treated as Confidential by the recipient. Sunbelt Greater Bay Area, acting as exclusive agent for The Company in this transaction, makes no express or implied representation of warranty with respect to the accuracy or completeness of the information. Each prospective purchaser is responsible for the performance and expense of a due diligence review of The Company. Further detailed information is available to qualified buyers subject to execution of the attached Non-Disclosure Agreement, Disclosure Regarding Agency Relationship, and Personal Profile.

Seller has read and approved this Blind Summary and verifies its accuracy. _____

Seller

Date

Confidentiality/Non-Disclosure Agreement



The undersigned prospective purchaser (“Buyer”) hereby requests confidential information, currently and from this time forward, on businesses represented by Sunbelt Business Advisors (“Sunbelt”). Buyer hereby acknowledges that Sunbelt first provided such information to the Buyer. In consideration of Sunbelt having provided such information, the Buyer hereby agrees:

1. Any information Sunbelt provides about a business was obtained from the business owner, and Sunbelt makes no representations or warranties as to its accuracy or completeness. Buyer is solely responsible for investigating all aspects of the business and obtaining any legal, tax or other counsel Buyer deems necessary, prior to purchasing the business.
2. Any information Buyer is given about a business, including its availability for acquisition, shall be treated as confidential and proprietary. Buyer shall not disclose, without prior written permission, any such information to any third party except Buyer’s representatives/affiliates engaged in evaluating the information, and shall obtain the agreement of such third parties to maintain confidentiality. If Buyer decides not to purchase the business, Buyer shall promptly notify Sunbelt of this fact and shall promptly return all documentation without retaining copies, summaries, analyses or extracts. Any unauthorized disclosure shall constitute a material breach of Buyer’s duty to the Seller and Sunbelt and could result in their seeking recourse against the Buyer. Buyer shall indemnify, defend and hold Sunbelt harmless from any liability resulting from such unauthorized disclosure.
3. The Seller of each business about which a Buyer shall be given information by Sunbelt has entered into an agreement providing that Seller shall pay a fee to Sunbelt if, during the term of that agreement or within twenty four months thereafter, the business is transferred to a Buyer introduced by Sunbelt. Should Buyer, Buyer Family Member or anyone with whom Buyer is connected acquire any interest in or become affiliated in any capacity with such a business, Buyer shall protect Sunbelt’s right to a fee from the Seller.
4. Buyer shall conduct all inquiries into and discussion with any business about which Sunbelt provides information solely through Sunbelt, and shall not directly contact the owner, employees or other representatives of the business except by prior arrangement with Sunbelt.
5. If Buyer breaches the terms of this Agreement or in any way interferes with Sunbelt’s right to a fee, Buyer shall be liable for such fee and any other damages, including reasonable attorney’s fees. Any controversy or claim arising out of or relating to this Agreement or its breach shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with those rules. Any arbitrator so selected need not be a member of the American Arbitration Association.
6. Sunbelt may act as a dual agent representing both Buyer and Seller. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a) a fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer, b) diligent exercise of reasonable skill and care in performance of the agent’s duties, c) a duty of honest and fair dealing and good faith and d) a duty to disclose all facts known to the agent materially affecting the value or desirability of the business that are not known to, or within the diligent attention and observation of, the parties.
7. Buyer Acknowledges receiving a copy of this Agreement.
8. The undersigned executes this Agreement on behalf of Buyer and warrants that he/she is duly authorized to do so.

Business of interest: SB551 “Best Italian Restaurant” by the Sea

Name: _____

Signature: _____ Date: _____

Address: _____ City: _____ State: _____ Zip: _____ Phone: _____

Fax: _____ Cell: _____ email: _____

Agent for SUNBELT BUSINESS ADVISORS: Christopher W. Balthasar, Business Broker
Email: dbalthasar@sunbeltbayarea.net Phone: 408-436-1900 Fax: 408-436-1996
www.sunbeltbayarea.net

Disclosure Regarding Agency Relationship



When you enter into a discussion regarding a business opportunity transaction, you should from the outset understand what type of agency relationship or representation you have with a Business Broker.

AGENT IS REPRESENTING BOTH SELLER AND BUYER

A Business Broker, a California licensed Real Estate Salesperson or Real Estate Broker, can legally be the agent of both the Seller and the Buyer in a transaction (dual agency) and is hereby notifying you that this is the situation in this transaction.

In a dual agency situation, the Business Broker has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with both the Seller and the Buyer.
- (b) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (c) A duty of honest and fair dealing and good faith.
- (d) A duty to disclose all facts known to the agent materially affecting the value or desirability of the business that are not known to, or within the diligent attention and observation of, the parties.
- (e) A duty to disclose all facts known to the agent materially affecting the desirability of the Buyer - financial history, creditworthiness and background of the Buyer that are not known to, or within the diligent attention and observation of, the parties.

A Business Broker is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the asking price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a business opportunity transaction do not relieve a Seller or Buyer from the responsibility to protect his/her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A business broker is a person qualified to advise about buying and/or selling business opportunities. If legal or tax advice is desired, consult a competent professional.

Throughout your business opportunity transaction you may receive more than one disclosure form, depending upon the number of Business Brokers assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form.

Unless the potential buyer discloses to Sunbelt at this time that they are currently represented by a broker, the potential buyer acknowledges that they are not represented by another broker and that Sunbelt will be acting as a dual agent. Buyer retains the right to their own representation; however, by signing, they recognize that Sunbelt is not under compulsion or responsible to co-broke, once signed.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

BUYER/SELLER	_____	Date	_____
BUYER/SELLER	_____	Date	_____
BUSINESS BROKER	_____	Date	_____

Sunbelt • Business Sales & Acquisitions

2001 Gateway Place, Suite 230E • San Jose, California 95110 • 408-436-1900 • www.sunbeltbayarea.net

Buyer Profile



BUYER PROFILE FOR: _____ Please Print Name **Email:** _____

Home Address: _____ City: _____ State: _____ Zip: _____

Home Phone: _____ Work Phone: _____

Fax: _____ Cell Phone: _____

How did you hear about us? _____ If Internet, which website? _____

We provide each seller the following confidential facts about you prior to releasing any information about their business.

BACKGROUND INFORMATION:

Are you currently employed? _____ If so, in what industry and what position? _____

Please give a brief description of your responsibilities: (Plan to prepare and submit a formal Resume for consideration.)

Please list the industries in which you've worked and the positions you've held:

Does your spouse work? _____ Full time? _____ Industry and position? _____

Do you own or have you ever owned your own business? _____ If Yes, what type? _____

Education: High School College / Degree _____ Post-College / Degree _____

Other Special Education or Training _____

Why are you looking for a business opportunity? _____

What is your timeframe to purchase? Immediate No hurry How long have you been looking? _____

Would you work in the business Full-time Part-Time

Place a check mark beside each business category that interests you:

- | | |
|--|--|
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Any Business that can be relocated |
| <input type="checkbox"/> Distribution | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Computer/Hi Technology/Sciences | <input type="checkbox"/> Services: postal, copy centers, tax prep etc. |
| <input type="checkbox"/> Absentee Ownership | <input type="checkbox"/> Restaurant /Fast Food |
| <input type="checkbox"/> Turnaround Situations | <input type="checkbox"/> Gas Stations/Mini Marts/Car Washes |
| <input type="checkbox"/> New or Existing Successful Franchises | <input type="checkbox"/> Dry Cleaning |
| <input type="checkbox"/> Any Business which receives cash payments | <input type="checkbox"/> Home Based Business |

List 3 things that are important to you about any business you might consider buying:

1. _____
2. _____
3. _____

Geographic Location Desire: _____

How far from your home are you willing to drive one way to the business you will buy? _____

If you reside outside California and have inquired about a California based business, what are your relocation plans and timeframe? _____

Additional information that you think may help us locate a desirable business opportunity for you:

Buyer Financial Information



FINANCIAL INFORMATION: _____ (Please attach prepared financial statement, if available)
(Name)

What is your current annual income? \$ _____

What are your income expectations the first year of owning your own business? \$ _____

Have you ever filed bankruptcy? _____ Had a foreclosure? _____ Had a judgment filed against you? _____

Is there any reason you might be declined a loan for a business acquisition? _____

Will anyone advise you in the review of business records and the decision to purchase any business? _____

What is the down payment amount and the source of funds that you **are prepared to substantiate** at the time of making an offer? \$ _____ Source: _____

Do you have a financial partner or any other personal source of investment capital? Yes No

If Yes, please explain: _____

Do you have additional income sources? Yes No If Yes, please explain: _____

NET WORTH:

ASSETS

Cash in checking accounts \$ _____
Cash in savings accounts \$ _____
Stocks and bonds \$ _____
IRA's, retirement plans, 401K's \$ _____
Cash surrender of life insurance \$ _____
Real Estate, home \$ _____
Real Estate, other \$ _____
Automobile(s) \$ _____
Your own business \$ _____
Appraised collectibles \$ _____
Money due you \$ _____
Other assets (describe): \$ _____
Total: \$ _____

LIABILITIES

Notes payable to banks \$ _____
Notes payable to finance co's \$ _____
Real estate indebtedness \$ _____
Automobile(s) indebtedness \$ _____
Owing on life insurance \$ _____
Charge accounts \$ _____
Credit Cards \$ _____
Taxes payable \$ _____
Other liabilities (describe): \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
Total: \$ _____

NET WORTH (total assets minus total liabilities): \$ _____

TOTAL INVESTMENT \$ _____

I certify that the above information is true and correct and acknowledge receipt of a copy of this profile.

Signature

Date