

David Glanville & Company LLC

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FULL M&A ANALYSIS

Hillcrest Fine Foods, Inc. — M&A Buy-Side Analysis

YONKERS, NY | SPECIALTY DELI & PREPARED FOODS | ASKING PRICE:
\$695,000

> **Analyst Note:** All figures are drawn from owner-prepared, unaudited, cash-basis statements. No CPA review or audit exists. Every number in this analysis must be treated as a **starting point for verification**, not a confirmed fact. This analysis represents the buyer's perspective and is intentionally skeptical where warranted.

Section 1: Revenue Trend & Business Composition

Three-Year Revenue Summary

| Metric | FY 2022 | FY 2023 | FY 2024 | 2-Yr CAGR |

| --- | --- | --- | --- | --- |

| Retail counter | \$860,000 | \$901,000 | \$941,000 | +4.6% |

| Corporate catering | \$582,000 | \$645,000 | \$700,000 | +9.7% |

| Holiday/seasonal | \$170,000 | \$192,000 | \$201,000 | +8.7% |

| **Total Revenue** | \$1,612,000 | \$1,738,000 | \$1,842,000 | +6.9% |

Revenue Quality Assessment

Positives:

- Consistent top-line growth across all three channels — no year-over-year declines in any segment
- Catering is growing fastest (+9.7% CAGR), which is margin-favorable if priced correctly
- Three revenue streams provide modest diversification

Concerns:

- ****Revenue is entirely relationship-dependent.**** The owner is present 6 days/week and explicitly acknowledges that catering relationships are personal. This is the single biggest revenue quality risk in the deal.
- ****Holiday revenue (\$201K, 10.9% of total) creates meaningful seasonality.**** Cash flow in January–October is structurally lower than the November–December spike implies. A buyer needs monthly cash flow data, not just annual figures.
- ****No online ordering, no delivery app presence.**** The business is running on manual infrastructure. Growth has come from the owner's personal effort, not scalable systems.

Section 2: Gross Profit & Margin Analysis

Gross Margin Trend

| | FY 2022 | FY 2023 | FY 2024 |

|---|---|---|---|

| Total Revenue | \$1,612,000 | \$1,738,000 | \$1,842,000 |

| Total COGS | \$751,000 | \$822,000 | \$872,000 |

| **Gross Profit** | **\$861,000** | **\$916,000** | **\$970,000** |

| **Gross Margin %** | **53.4%** | **52.7%** | **52.7%** |

COGS Component Analysis

| COGS Line | FY 2022 | FY 2023 | FY 2024 | % of Rev (2024) |

|---|---|---|---|---|

| Food & beverage | \$612,000 | \$658,000 | \$690,000 | 37.5% |

| Packaging & paper | \$38,000 | \$41,000 | \$44,000 | 2.4% |

| Direct labor (prep) | \$101,000 | \$123,000 | \$138,000 | 7.5% |

| **Total COGS** | **\$751,000** | **\$822,000** | **\$872,000** | **47.3%** |

Key Observations:

- Gross margin has been remarkably stable at ~52.7%–53.4% — a positive quality-of-earnings signal
- ****Direct labor (prep) is the fastest-growing COGS component**** — up 36.6% over two years vs. revenue growth of 14.3%. The owner added a second prep shift for catering volume. If catering grows further, labor will continue to pressure gross margins. This is a ****structural cost creep issue**** to watch carefully.
- Food & beverage cost (37.5% of revenue) is reasonable for a specialty deli with house-prepared items, but commodity input costs (dairy, charcuterie, imported goods) are volatile. No hedging or fixed-supply contracts are mentioned.
- ****Gross margin of ~52.7% is strong for this format**** — typical specialty food retail runs 45–55%. The house-prepared model creates value-add margin that a sandwich counter or convenience format cannot replicate.

Section 3: SDE & EBITDA Normalization

3A. The Owner's SDE Schedule vs. The Buyer's View

This is where the analysis gets serious. The owner claims \$480,000 in FY 2024 SDE. **That number is aggressive and should not be used for valuation without adjustment.**

OWNER'S ADD-BACK SCHEDULE — FY 2024 (REPRODUCED)

Item	Owner's Add-Back
---	---
Net income (per books)	\$251,000
Owner salary	\$110,000
Owner spouse salary	\$32,000
Owner family health insurance	\$22,000
Owner vehicle (lease + fuel)	\$12,000
Owner meals & travel	\$8,000
Depreciation	\$19,000
Interest expense	\$8,000
Walk-in refrigeration (one-time)	\$11,000
Transaction-prep professional fees (one-time)	\$7,000
Owner's SDE 	\$480,000

The owner's SDE of \$480,000 is not the buyer's SDE. Here is the buyer's view:

3B. Buyer's Adjusted SDE — FY 2024

Item	Amount	Buyer's Treatment
------	--------	-------------------

|---|---|---|

| Net income (per books) | \$251,000 | Starting point |

| **Add back — fully justified** | | |

| Owner salary (Marco [REDACTED]) | +\$110,000 | Standard SDE add-back |

| Owner spouse salary | +\$32,

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SAMPLE REPORT

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SDE / OWNER EARNINGS

Hillcrest Fine Foods, Inc. — Buyer-Side SDE Normalization & Valuation Analysis

> **Basis:** All figures drawn from owner-prepared, unaudited statements. No CPA review or audit has been performed. All add-backs below represent the **buyer's independent assessment**, not a rubber-stamp of the seller's schedule. Where the seller's view differs from mine, I flag it explicitly.

Part 1: Reconciling the P&L — A Critical First Issue

Before normalizing, I need to flag a **material discrepancy** in the source documents that a buyer must resolve before relying on any earnings figure.

The Net Income Conflict

| | FY 2022 | FY 2023 | FY 2024 |

|---|---|---|---|

| Net income per CIM / summary | \$118,000 | \$132,000 | \$141,000 |

| Net income per detailed P&L | \$255,000 | \$277,000 | \$251,000 |

| **Difference** | **\$137,000** | **\$145,000** | **\$110,000** |

This is not a rounding issue. The CIM summary figures are ~\$110K–\$145K lower than the detailed P&L in every year. The add-back schedule uses the detailed P&L figures (\$255K / \$277K / \$251K), which appear mathematically consistent with the revenue and expense lines shown. The CIM summary figures appear to be either: (a) a different accounting basis, (b) a prior draft, or (c) an error.

I will use the detailed P&L as my base because it ties to the line-item income statement. **This discrepancy must be resolved in diligence with the seller's accountant and bank/tax returns.**

Part 2: Three-Year P&L Trend Summary

Before any normalization — foundation data.

	FY 2022	FY 2023	FY 2024	2-Yr Change
	---	---	---	---
Total Revenue	\$1,612,000	\$1,738,000	\$1,842,000	+\$230K / +14.3%
Total COGS	\$751,000	\$822,000	\$872,000	+\$121K / +16.1%
Gross Profit	\$861,000	\$916,000	\$970,000	+\$109K / +12.7%
Gross Margin %	53.4%	52.7%	52.7%	↓ 70 bps
Total OpEx	\$606,000	\$653,000	\$719,000	+\$113K / +18.6%
Net Income (book)	\$255,000	\$277,000	\$251,000	-\$4K / -1.6%
Net Margin %	15.8%	15.9%	13.6%	↓ 220 bps

TREND OBSERVATIONS

- Revenue growing at a **healthy ~7% CAGR** — consistent, not a spike
- **Gross margin slightly compressing** (53.4% → 52.7%) — COGS growing faster than revenue; primarily driven by direct labor in prep (up 36.6% over two years vs. revenue up 14.3%)
- **Net income declining in 2024** despite revenue growth — OpEx grew 10.1% in 2024 alone while revenue grew only 5.9%; this is a yellow flag worth tracking but partially explained by one-time items
- Rent escalations are embedded and ongoing (3%/yr through 2027)

Part 3: SDE Normalization — Year-by-Year

Methodology

Starting from **net income (book)**, I apply add-backs in four categories:

- **Owner compensation & benefits** (items that go away with new ownership)
- **Personal/discretionary owner expenses** (non-business costs run through the company)
- **One-time / non-recurring items** (up or down)
- **Non-cash charges** (D&A; interest is included in SDE convention)

For each add-back, I note: **(A) Accept, (P) Partial / challenged, or (R) Reject with reasoning.**

FY 2022 Normalization

| Item | Amount | Treatment | Notes |

|---|---|---|---|

| Net income (book) | \$255,000 | Base | |

| **Owner Compensation & Benefits** | | | |

| Owner salary — Marco [REDACTED] | +\$95,000 | **Accept (A)** | Standard SDE add-back; buyer replaces this with their own compensation cost |

| Owner spouse salary — Anna [REDACTED] | +\$28,000 | **Accept (A)** | No active role confirmed in owner's own notes; fully add-back |

| Owner family health insurance | +\$18,000 | **Accept (A)** | Covers owner + adult children not employed here; non-business cost |

| Owner vehicle (lease + fuel) | +\$11,000 | **Accept (A)** | Personal-use vehicle run through company |

| Owner meals & travel | +\$6,000 | **Partial (P)** | Accepting full amount as lifestyle expense; if any genuine business development, the buyer will have comparable costs |

| **Non-Cash Items** | | | |

| Depreciation | +\$18,000 | **Accept (A)** | Non-cash; standard SDE add-back |

| Interest expense | +\$12,000 | **Accept (A)** | Debt will not transfer in asset sale; standard add-back |

| **One-Time Items** | | | |

| None in FY 2022 | — | — | |

| **BUYER-ADJUSTED SDE — FY 2022** | **\$443,000** | | **Agrees with seller's schedule**

|

FY 2023 Normalization

| Item | Amount | Treatment | Notes |

|---|---|---|---|

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CRE LEASE & RE IMPACT

Hillcrest Fine Foods, Inc. — Commercial Real Estate & Lease Impact Analysis

Prepared from full deal file review | Buyer's Advisory Perspective

EXECUTIVE SUMMARY — LEASE RISK ASSESSMENT

The lease at 1450 Central Park Avenue is **the single most consequential non-financial risk in this transaction**. The business has no owned real estate. It operates entirely on a leased premises with **~3 years of term certainty remaining**, a blind renewal at uncapped fair market rent, and a personal guarantee requirement that will transfer to the buyer. The lease is not yet a deal-killer → but it materially constrains valuation, creates near-term refinancing risk, and demands specific protective language in the LOI and PSA. Every dollar of purchase price paid above tangible asset value is goodwill that evaporates if this location is lost or becomes uneconomic at renewal.

1. LEASE STRUCTURE OVERVIEW

| Parameter | Detail | Buyer Impact |

|---|---|---|

| Premises | 2,400 sq ft ground-floor retail | Adequate; no excess space cost |

| Lease type | Modified gross | Tenant bears utilities, interior repair, CAM share |

| Commencement | January 1, 2018 | 7 years elapsed |

| **Current expiration** | **December 31, 2027** | **~3 years remaining at signing** |

| Renewal option | One (1) 5-year at FMR | No cap — significant exposure |

| Base rent (current) | \$9,000/month | \$108,000/year |

| Annual escalation | 3% fixed through 2027 | Predictable but compounding |

| Assignment | Permitted with landlord consent | Consent required — closing dependency |

| Personal guarantee | Required — seller's currently in place | Buyer will inherit obligation |



| Owned real estate | **None** | Zero balance sheet RE value |

2. RENT-TO-REVENUE ANALYSIS

Current Ratio and Trend

| Year | Revenue | Annual Rent | Rent-to-Revenue | Flag |

|---|---|---|---|---|

| FY 2022 | \$1,612,000 | \$96,000 | **5.95%** |  Normal || FY 2023 | \$1,738,000 | \$102,000 | **5.87%** |  Normal || FY 2024 | \$1,842,000 | \$108,000 | **5.86%** |  Normal |

Note: Rent confirmed from P&L matches the lease summary of \$9,000/month current.

Benchmark Context

- ****Specialty food retail / deli / prepared foods:**** Typical rent-to-revenue benchmarks run ****5%–10%****, with metro/suburban locations toward the higher end
- At ****5.9%****, Hillcrest is currently within the acceptable range — even slightly favorable for a Westchester County/Yonkers location
- Credit cards processing (1.5% of revenue), utilities, and CAM together add another ****~2.9%**** of implied occupancy cost, bringing ****total occupancy burden to approximately 8.8%**** — still manageable

Forward Rent Escalation to 2027

With 3% fixed annual increases, the rent trajectory through lease expiration is:

Year	Monthly Rent	Annual Rent	Est. Revenue (3% growth)	Rent/Revenue
2025	\$9,270	\$111,240	~\$1,897,000	5.87%
2026	\$9,548	\$114,576	~\$1,954,000	5.86%
2027	\$9,835	\$118,020	~\$2,013,000	5.86%

Through 2027, the rent-to-revenue ratio holds steady — provided revenue growth tracks at or above the 3% escalation rate. The current 3-year revenue CAGR is approximately 4.5%, so the business is currently outrunning its rent escalator. This is a relative positive for the near term.

The risk is entirely post-2027.

3. RENEWAL AND ESCALATION RISK — THE CRITICAL

ISSUE

What "Fair Market Rent, Uncapped" Actually Means

This is the most dangerous clause in the file. At renewal in 2027, the landlord has **no contractual ceiling** on the new rent. In the Yonkers/Central Park Avenue corridor — a high-traffic suburban retail strip anchored by a grocery — fair market rent for 2,400 sq ft of ground-floor food-service space could conceivably be:

Scenario	Estimated FMR (\$/sq ft/year)	Annual Rent	Rent/Revenue (2028E)	Impact on SDE
Conservative (modest increase)	\$52/sq ft	\$124,800	~6.0%	~(\$6,800) vs. 2027
Base case (market reset)	\$60/sq ft	\$144,000	~6.9%	~(\$26,000) vs. 2027
Stress case (aggressive market)	\$72/sq ft	\$172,800	~8.3%	~(\$54,800) vs. 2027
Severe case (retail hot market)	\$85/sq ft	\$204,000	~9.8%	~(\$86,000) vs. 2027

|---|---|---|---|---|

| Conservative (modest increase) | \$52/sq ft | \$124,800 | ~6.0% | ~(\$6,800) vs. 2027 |

| Base case (market reset) | \$60/sq ft | \$144,000 | ~6.9% | ~(\$26,000) vs. 2027 |

| Stress case (aggressive market) | \$72/sq ft | \$172,800 | ~8.3% | ~(\$54,800) vs. 2027 |

| Severe case (retail hot market) | \$85/sq ft | \$204,000 | ~9.8% | ~(\$86,000) vs. 2027 |

Revenue estimated at ~\$2.08M in 2028 assuming continued ~3% growth

In the stress and severe scenarios, an additional \$55K–\$86K of annual cost flows directly out of SDE with no offset. At a 2.5x SDE multiple, that's **\$137,000–\$215,000 of enterprise value erosion** — solely from a lease reset. This is not hypothetical; it is a structural feature of the deal.

Why This Is Worse Than It Appears

- ****No renewal term certainty past 2027.**** The seller himself identified this as his top risk. That candor is valuable but confirms the buyer has no protection.
- ****The renewal option requires**

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QUALITY OF EARNINGS

Quality of Earnings Analysis

Hillcrest Fine Foods, Inc. — Yonkers, NY

BUYER'S ADVISORY PERSPECTIVE | FY 2022-2024

> **Analyst Note:** All figures drawn from owner-prepared, unaudited, cash-basis QuickBooks statements. No CPA review or audit has been performed. This analysis reflects a buyer's independent assessment of the owner's representations. Every add-back and normalization item below should be verified against source documents (bank statements, tax returns, payroll records, vendor invoices) in formal due diligence. The owner's SDE of **\$480,000** is materially overstated relative to a defensible buyer's SDE. See Section 2 for the recast.

Section 1: Revenue Quality Assessment

1.1 Revenue Trend & Channel Breakdown

| Channel | FY 2022 | FY 2023 | FY 2024 | 3-Yr CAGR |

|---|---|---|---|---|

| Retail counter | \$860,000 | \$901,000 | \$941,000 | +4.6% |

| Corporate catering | \$582,000 | \$645,000 | \$700,000 | +9.7% |

| Holiday/seasonal | \$170,000 | \$192,000 | \$201,000 | +8.8% |

| **Total Revenue** | **\$1,612,000** | **\$1,738,000** | **\$1,842,000** | **+6.9%** |

Observations:

- Revenue growth is consistent and believable — no unusual spikes, no revenue pulled forward
- Corporate catering is growing faster than retail (+9.7% CAGR vs. +4.6%), increasing channel concentration risk over time
- Holiday/seasonal is real but ****lumpy**** — approximately \$201K (10.9% of revenue) concentrates in November–December; a buyer must model for the working capital surge this creates and the risk of one or two bad holiday seasons
- No revenue appears to be inflated or pulled forward; the cash-basis accounting actually understates risk of premature recognition but eliminates the risk of accrual manipulation

1.2 Recurring vs. One-Time Revenue

Revenue Item	FY Amount	Classification	QoE Treatment
---	---	---	---
Retail counter sales	\$941,000	Recurring	Include at full run-rate
Corporate catering — "all other"	\$280,000	Recurring	Include at full run-rate
Corporate catering — Customers A–D	\$420,000	Conditionally recurring	Haircut warranted — see Section 3
Holiday/seasonal platters	\$201,000	Recurring seasonal	Include but flag lumpiness
2023 insurance settlement income	\$14,000	One-time, non-recurring	Remove from normalized earnings

Critical finding on 2023 insurance settlement: The owner correctly removes this \$14,000 from SDE. However, it inflated **book net income** to \$277,000 in FY 2023, making that year look stronger than it was. A buyer or lender looking at three-year trends must strip

this from any revenue quality analysis.

1.3 Revenue Recognition Concerns

- ****Cash-basis accounting:**** The business operates on a cash basis, meaning revenue is recognized when cash is received. This is common for businesses of this size but creates two issues:

- **Catering receivables (\$58,000 on the balance sheet)** are not reflected in P&L revenue — they are recognized when collected. On a cash basis, the \$58,000 in outstanding receivables at year-end represents revenue already "earned" in operations but not yet collected. If collections slow post-close, a new owner inherits the credit risk without a clear P&L signal

- **No deferred revenue is recorded** — gift cards, prepaid holiday orders, and catering deposits, if any, could represent unearned cash on the balance sheet that is not disclosed.

Request: confirm whether any prepaid catering deposits or gift card liabilities exist

- ****No accrual-to-cash reconciliation provided**** — the absence of a GAAP-basis P&L means there is no way to verify whether year-end receivables and payables are consistently treated year-over-year
- ****Revenue timing around holidays:**** A December 31 fiscal year-end means the holiday spike falls entirely within Q4. Confirm that all November/December catering and platter revenue is being recognized in the correct year and not shifted

Section 2: Earnings Normalization — Buyer's Recast SDE

2.1 Owner's SDE vs. Buyer's Adjusted SDE

The owner claims **\$480,000 SDE for FY 2024**. This is the seller's most aggressive version. Below is the buyer's independent recast:

| Item | Owner's FY 2024 Add-Back | Buyer's Assessment | Buyer's Adjusted Amount |

|---|---|---|---|

| Net income (book) | \$251,000 | Accept as starting point | \$251,000 |

| Owner salary (Marco [REDACTED]) | +\$110,000 | **Accept — standard SDE add-back** | +\$110,000 |

| Owner spouse salary (Anna [REDACTED]) | +\$32,000 | **Partial — see note below** | +\$16,000 |

| Owner family health insurance | +\$22,000 | **Partial — see note below** | +\$14,000 |

| Owner vehicle | +\$12,000 | **Accept — verify personal vs. business use split** | +\$12,000 |

| Owner meals & travel | +\$8,000 | **Accept with caveat** | +\$8,000 |

| Depreciation | +\$19,000 | **Accept for SDE; exclude from EBITDA bridge** | +\$19,000 |

| Interest expense | +\$8,000 | **Accept — debt will be retired at close** | +\$8,000 |

| Walk-in refrigeration (one-time) | +\$11,000 | **Partially accept — see note below** | +\$6,000 |

| Transaction prep professional fees | +\$7,000 | ****Accept**

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RISK & RED FLAGS

Hillcrest Fine Foods, Inc. — Risk & Red Flag Analysis

BUYER'S ADVISORY | DEAL LENS | YONKERS, NY | ASKING PRICE:
\$695,000

> **Scope Note:** All seven documents reviewed together: CIM, P&L (FY2022–2024), Balance Sheet (12/31/2024), Owner Add-Back Schedule, Lease Summary, Customer Concentration Detail, and Business Overview & Owner Q&A. All figures are from unaudited, owner-prepared statements. Independent verification has not been performed. This analysis represents a buyer's-side assessment.

SECTION 1: EARNINGS RECONCILIATION — BUYER'S VIEW vs. SELLER'S VIEW

Before assessing risks, we need to establish what the earnings base actually is. The seller's SDE of **\$480,000** is materially overstated from a buyer's perspective.

Buyer-Adjusted SDE Build (FY 2024)

| Item | Seller Add-Back | Buyer Position | Buyer Amount |

|---|---|---|---|

| Net income (per books) | \$251,000 | Accepted | \$251,000 |

| Owner salary (Marco [REDACTED]) | +\$110,000 | **Partially accepted** — add back, but must budget replacement manager at ~\$65,000–\$75,000 | +\$110,000 |

| Owner spouse salary (Anna [REDACTED]) | +\$32,000 | **Partially accepted** — add back, but subject to confirmation of zero active role | +\$32,000 |

| Owner family health insurance | +\$22,000 | **Accepted in part** — owner's own coverage add-backable (~\$8,000–\$10,000); adult children portion is personal, not a business replacement cost | +\$22,000 |

| Owner vehicle | +\$12,000 | Accepted | +\$12,000 |

| Owner meals & travel | +\$8,000 | Accepted | +\$8,000 |

| Depreciation | +\$19,000 | Accepted for SDE purposes | +\$19,000 |

| Interest expense | +\$8,000 | Accepted | +\$8,000 |

| Walk-in refrigeration (one-time) | +\$11,000 | **Partially accepted** — equipment in a food business needs recurring capex budget; \$11K add-back is aggressive; suggest normalizing \$5K–\$6K recurring maintenance | +\$6,000 |

| Transaction-prep professional fees | +\$7,000 | Accepted | +\$7,000 |

| Less: Insurance settlement (2023) | N/A (2023 item) | N/A | — |

| **Raw SDE (seller's view)** | | | **\$480,000** |

| **Less: Replacement manager cost** | | Buyer must hire someone to replace Marco (~\$65,000–\$75,000/yr) | **(\$70,000)** |

| **Buyer-Adjusted SDE (FY 2024)** | | | **~\$405,000** |

> **Key point:** The CIM states normalized SDE of ~\$268,000 in the executive summary, but that figure appears to reflect only partial add-backs (essentially net income + owner comp adjustments, without depreciation and interest). The seller's add-back schedule inflates to \$480,000. **The defensible buyer's number is approximately \$395,000–\$415,000** after applying a replacement manager cost. Use **\$400,000** as the working number

throughout this analysis.

SECTION 2: RISK REGISTER — RANKED BY SEVERITY

Risk #1: Owner Dependency / Key-Person Concentration

Severity: HIGH

THE PROBLEM

- Marco [REDACTED] is present ****six days per week**** — his own words
- ****All corporate catering relationships are personal**** — no written contracts with any account
- Customer A (law firm, \$168K/year) has a 7-year relationship built entirely on personal rapport with Marco
- The business has ****no online ordering, no CRM, no documented customer engagement protocol****
- Website is described as "basic" — catering orders by phone/email to Marco

THE NUMBERS

- Corporate catering = ****38% of total revenue (\$700,000)**** — the highest-margin channel
- Top 4 catering customers = ****23% of total revenue (\$420,000)****
- If even 30–40% of catering defects post-transition, that's a ****\$210,000–\$280,000 revenue hole****

DEAL-STRUCTURE MITIGATION

- ****Extended earnout tied to catering revenue retention**** — recommend 12–18 months post-close, measuring catering revenue vs. trailing 12-month baseline
- ****Require Marco present a minimum of 6 months**** (not just 60 days) at all major catering

accounts; structure extended consulting agreement with milestone triggers

- **Demand written catering agreements** with Customers A, B, C, D as a **closing condition** or price-reduction mechanism if not achievable
- Escrow holdback of **\$75,000–\$100,000** tied to 12-month catering retention thresholds
- **Price reduction of \$50,000–\$75,000** is justified if written contracts cannot be secured pre-close

Risk #2: Lease Risk — Short Remaining Term + Uncapped Renewal

Severity: HIGH

THE PROBLEM

- **Only ~3 years remain** on the current lease term (expires December 31, 2027)
- Renewal option: **one 5-year option at fair market rent with NO cap on increase**
- Current rent: \$9,000/month (\$108,000/year), escalating 3%/year
- By expiration (end of 2027), rent will be approximately **\$118,000/year** at 3% compounding
- The landlord can demand market rent at renewal — in a Westchester County retail corridor, that could be **\$45–\$65/SF**, implying \$108,000–\$156,000/year
- Assignment requires landlord consent; **buyer will likely be required to personally guarantee the new lease**

THE NUMBERS

- Rent-to-revenue ratio: **5.9% in FY 2024** — acceptable now
- If renewal rent jumps to \$130,

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