

Estimated Start Up & Monthly Cost Comparison Closed Restaurant or Industrial Space Conversion

| UP FRONT COST | FROM | TO | PREP |
|--|-----------------|------------------|--|
| Deposit / Initiation Fee | \$5,000 | \$10,000 | ≈\$2,500 - \$5,000* 1 |
| First & Last Month's Rent (due at signing) | \$5,000 | \$10,000 | \$0 |
| Electricity Deposit | \$600 | \$2,000 | \$0 |
| Gas | \$600 | \$1,000 | \$0 |
| Deposit | \$500 | \$1,500 | \$0 |
| Water Deposit | \$300 | \$1500 | \$0 |
| Fats Oil Grease Permit | \$150 | \$100 | \$0 |
| Grease Trap Install or initial cleaning Pest Control | \$100 | \$750 | \$0 |
| Internet | \$150 | \$1,000 | \$0 |
| Existing Hood Cleaning | \$350 | \$500 | \$0 |
| Ansul Inspection | \$250 | \$3,000 | \$0 |
| P & C Insurance | \$1,500 | \$200,000 | \$0* 2 |
| Modifications | \$30,000 | \$15,000 | \$0* 3 |
| Permits/Inspection Fee | \$2,000 | \$30,000 | \$0 |
| Rent burn during upfit | \$12,000 | \$5,000 | \$0 |
| Legal | \$2,000 | \$25,000 | \$500* 4 |
| Architectual | \$5,000 | \$10,000 | \$0 |
| Engineering (MEP) | \$5,000 | \$5,000 | \$0 |
| Structural Engineering | \$1,000 | \$1,000 | \$0 |
| Cost of your time during build-out | ? | ? | \$0 |
| Minimum Startup Costs | \$70,500 | \$330,350 | ≈\$2,500 - \$5,000 1 time fee |

| MONTHLY COST | FROM | TO | PREP |
|------------------------------|----------------|-----------------|--------------------|
| Rent / Monthly fees (swaq) | \$4,000 | \$10,000 | \$2,350 up* 5 |
| Cost of funds for build out | \$1,438 | \$6,451 | \$0* 6 |
| Gas | \$300 | \$500 | \$80 - \$400 |
| Grease trap pumping | \$65 | \$65 | \$0 |
| Hood vent cleaning | \$50 | \$75 | \$0 |
| Dumpster / Recycling | \$200 | \$400 | \$0 |
| Pest control | \$75 | \$75 | \$0 |
| Fire alarm | \$75 | \$75 | \$0 |
| Internet | \$125 | \$125 | \$0 |
| Water / Sewer | \$300 | \$750 | \$80 - \$400 |
| Electricity | \$500 | \$1,500 | \$80 - \$500 |
| HVAC Maintenance / Repairs | \$150 | \$150 | \$0 |
| CAM/ Taxes / Ins | \$600 | \$2,000 | \$0 |
| Cooler / Freezer maintenance | \$150 | \$150 | \$0 |
| MEP maintenance / Other | \$150 | \$400 | \$0 |
| Cost of your time on vendor | ? | ? | ? |
| Minimum Startup Costs | \$8,178 | \$22,716 | ≈\$3,650 up |

*1- One time initiation fee

*2- Does not include equipment under hood

* 3-Bld Permits, inspection fees, Impact, CO, Fire Inspection

*4- No lease review, no construction contracts, no other contract review

*5- At PREP it is a Monthly Membership Fee, not rent

6- *Based on a 5-year amortization at 6.5% interest for 100% of start up costs

most banks will tie the call on the loan to the length of lease you sign

*Any restaurant or industrial space that has been closed for more than

30 days must be brought up to current code Many leased restaurants are triple net (lessee pays for maintenance, insurance and taxes on building)

*Rent loss during upfit could potentially be negotiated with landlord

*All ures above are estimates

*Utility costs will be directly a ected by energy e ciency of the space.

*New roofs, new HVAC, direct sunlight, negotiated bulk rates all factors

*Food Manufacturing/Distribution - requires light industrial zoning.

*This zoning is not always found in retail settings

*PREP requires 5 year commitment with lifetime ability to continue annually and ability to move to larger space

*Who in their right mind would spend their hard earned money to modify a leased premise owned by others?

*Typical Landlord, if they contribute TI dollars, will require a minimum 5-year commitment and participation in TI