

Deal Summary

Asking Price:	\$1,930,000	Listing ID:	DAGB
Down Payment:	\$ 386,000	Company Type:	Excellent opportunity to acquire a carved out Intermodal Logistics company
FF&E:	\$ 252,406	Location:	(Panhandle), TX
Total Assets:	\$ 252,406	Adjusted EBITDA:	\$599,145

Terms

With a down payment of \$386,000 (20%), third party financing is available to finance the remaining balance over 10 years for a buyer with a requisite background that is qualified by the bank. It will require a monthly payment of approximately \$17,100. All notes will be personally guaranteed.

Purchase Price	\$1,930,000
Down Payment (%)	20%
Down Payment (\$)	\$386,000
Loan Amount (%)	80%
Loan Amount (\$)	\$1,544,000
Interest Rate (Prime + 2.75)	6.00%
Term of Loan (Y)	10

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Adjusted EBITDA	\$ (51,531)	\$ 548,215	\$ 770,023
Payments (Annually)	\$ (209,780)	\$ (209,780)	\$ (209,780)
Available Cash Flow	\$ (259,293)	\$ 340,454	\$ 562,263
Debt Service Coverage Ratio	NA	2.61	3.67

Legal Organization

Type of Corporation: Parent Company is a C Corporation. This business is being carved out due to bankruptcy proceedings at the parent company – Buyer will absorb assets into their own entity or Newco
 Year End is December
 SIC Code: 3999
 Accounting Method: Accrual

Top Things to Know About This Business

(This should be in bullet points – Example below)

- **Business Model:** Provides intermodal services for agricultural products shipped by rail
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Captive Revenues:** Company is sole provider of intermodal services to a large company in the area and has a long term contract in place
 - The existing contracts do require minimum commitments and do exhibit a degree of exposure to the business
- **Growing Cash Flow:** From starting in 2018, Company has reached \$770,000 in Adjusted EBTDA
- **Robust Cash Flow Margins:** Exceeded 20% cash flow margins over the past 2 years
- **Clean Books and Records:** The seller runs ZERO addbacks through the company.
- **Robust Cash Flow Margin:** Company Has average 20% cash flow margins over the past 3 years
- **Limited Marketing:** 90% - 95% of business comes from single customer
 - There is customer concentration
 - Company has opportunity to market to other potential customers
- **Assets:** \$252,000+ in fixed assets and equipment included – Company has continued to invest in assets needed
- **Workforce:** Solid, experienced employees
- **Training:** Seller will train free of charge for 3 months to ensure smooth transition.

Business Activity

While the parent company has been in operation primarily as a commodities trading company for decades. The parent company eventually logistics assets. This location available for purchase was stood up in 2018. Company provides intermodal services of agricultural products for a large key customer under a long-term agreement. Order sizes tend to be larger than most businesses and average approximately \$6,000.

The parent company provides centralized accounting and other services. During the initial transition period the Buyer will be expected to assume the duties of the Operator (who will return to the parent company), and assess the need to add skillsets or personnel to augment the on-site staff.

With one main customer, there is a customer concentration issue. But this is ameliorated by the multi-year agreement currently in place.

Bank financing is available to borrowers that have a requisite background as dictated by the bank.

Key Strengths

- 1) Multi-year contract guaranteeing ongoing business
- 2) Opportunity to market to additional customers
- 3) Very experienced labor force / cross trained in related work
- 4) Company has made continued investments in equipment and infrastructure

Possible Weaknesses

- 1) Existing contracts require minimum volume of rail car usage.
- 2) Parent company is no longer aggressively pursuing expansion in the marketplace.
- 3) Customer concentration.
- 4) Current General Manager works from the company's out-of-state headquarters. Opportunity for on-site leadership from new owner.

Marketing Strategy

There is currently no sales force as the main customer is captive to Company in this region.

History

The Company was launched in 2018 by the parent company. The business has been in its present location for over 10 years.

Days and Hours:

Monday - Friday: 8:00am to 5:00pm.
 Saturday - Sunday: Closed.

Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA	As a % of Sales
2020	\$2,657,231	\$770,023	29.0%
2019	\$2,486,870	\$548,215	22.0%
2018	\$ 0	(\$51,531)	N/A

** All adjustments to EBITDA were provided by seller*

Employees

The Company has a total of 6 full time employees. The key employees are, General Manager (remote), Lift Operators, and Laborers.

Assets and Liabilities

An asset list is available for the \$252,000 of fixtures and equipment. All cash and accounts receivable will be retained by the Seller. All debts on the company will be paid off by the Seller at closing. If there is any owner financing as determined by SBA underwriting, any such debt is to be personally guaranteed by the buyer. Note however that as a part of the bankruptcy proceedings, the court may not allow deferred consideration.

Facilities

The business occupies a 800 sq ft building and pays \$28,403 per year. The current lease expires in 2023.

Support and Training

The parent company genuinely desires an effective business transition with seamless customer service through to the Buyer. They will train a buyer for 90 days. An additional consulting contract can be obtained.

Reason for Selling

The parent company is undergoing bankruptcy proceedings and has decided to carve out and sell this profitable stand-alone facility. The parent company has full approval and support from the court and the creditors committee for this transaction.



BUYER'S PERSONAL PROFILE - CONFIDENTIAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: Home (____) _____ Office (____) _____ Cell (____) _____

Email Address: _____

Present Occupation/Business: _____

How Did You Learn Of Our Company? Internet Ad Referral Other: _____

Type of Business Preference

(Retail, Wholesale, Manufacturing, Service, Etc):

1. _____
2. _____
3. _____

Location Preference:

1. _____
2. _____
3. _____

Cash In Banks	\$ _____	Notes Payable	\$ _____	x
U.S. Govt Securities	\$ _____	Liens On Real Estate	\$ _____	
Accounts & Notes Receivable	\$ _____	Other Liabilities	\$ _____	
Value Of Businesses Owned	\$ _____	TOTAL LIABILITIES	\$ _____	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ()	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
TOTAL ASSETS	\$ _____	TOTAL INCOME	\$ _____	

Monthly Income Required: \$ _____ Down Payment Available: \$ _____

Personal Net Worth: \$ _____ Require Immediate Income?: _____

Who Else Would Be Involved In The Decision Process? _____

Have You Ever Filed For Bankruptcy? _____ Have You Ever Been Arrested? _____

Fields of past Business experience:

- 1 _____ 2 _____ 3 _____

I Hereby Attest That The Above Is A True Representation On My Financial Status. I Agree To Provide, Upon Request By Broker Or Seller, Financial Statements, References And Other Pertinent Information Evidencing Such Financial Sufficiency If Necessary

Signature: _____ Date: _____

A Personal Or Business Financial Statement Will Be Required Of All Potential Buyers Before Receiving Financial Information On Any Listing

**STANDARD BUYER'S CONFIDENTIALITY
AND WARRANTY AGREEMENT**

The undersigned (the "Buyer") understands and acknowledges that The Vant Group (the "Broker" has a valid agreement with the owner(s) (the "Seller") of the business and/or property described below (the "Business") whereby Broker has been retained, for an agreed upon commission, to represent Seller in the sale of the Business. Buyer understands and acknowledges the Broker is acting as the agent of the Seller and that Broker's primary duty is to represent the interests of the Seller. The Business that is the subject of this Standard Buyer's Confidentiality and Warrant Agreement (the "Agreement") is as follows:

Description of Business: Intermodal Logistics Company with Captive Customers

Asking Price: \$1,930,000

In order to induce Broker or Seller to furnish information regarding the Business (the "Information") to Buyer for Buyer's evaluation and possible purchase of said Business and in consideration for Broker's or Seller's furnishing such information, Buyer understands, agrees, represents and warrants to Broker and Seller as follows:

1. The word "Buyer," as used herein, shall mean and include the undersigned individually, as a member of a partnership, as an employee, stockholder, officer or director of a corporation, as an agent, adviser or consultant for or to any business entity and in any other capacity whatsoever.

2. The Information is of a proprietary and confidential nature, the disclosure of which to any other party will result in damage to the Seller and/or Business, and Buyer further represents and warrants as follows:

(A) The Information furnished by Broker or Seller has not been publicly disclosed, has not been made available to Buyer by any party or source other than Broker or Seller and is being furnished only upon the terms and conditions contained in this Agreement.

(B) Buyer will not disclose the Information, in whole or in part, to any party other than persons within Buyer's organization, including independent advisers/consultants, who have a need to know such Information for purposes of evaluating or structuring the possible purchase of the Business. Buyer accepts full responsibility for full compliance with all provisions of this Agreement by such other persons.

(C) Buyer will not disclose, except to the extent required by law, to any parties other than the persons described in Paragraph 2(B) above that the Business is available for purchase or that evaluations, discussions or negotiations are taking place concerning a possible purchase.

(D) Buyer will not utilize, now or at any time in the future, any trade secret(s), as that term may be defined under statutory or common law, that is/are included in the furnished Information for any purpose other than evaluating the possible purchase of the Business, including, without limitation, not utilizing same in the conduct of Buyer's or any other party's present or future business(es).

(E) In addition to the prohibition against utilizing trade secret(s), Buyer will not utilize any other furnished information for any purpose other than evaluating the possible purchase of the Business, specifically including, without limitation, not utilizing same to enter into and/or engage in competition with the Business or assist or promote any other party(s) in so doing. The foregoing prohibition against utilizing said Information in competing with the Business shall remain in effect for three (3) years from the date hereof and shall be applicable to competition within the presently existing marketing area of the Business.

(F) If Buyer decides not to pursue the possible purchase of the Business, Buyer will promptly return to Broker all Information previously furnished by Broker or Seller, including any and all reproductions of same, and further, shall destroy any and all analyses, compilations or other material that incorporates any part of said Information.

3. Buyer will not contact the Seller or Seller's employees, customers, suppliers or agents other than Broker for any reason whatsoever without the prior consent of the Broker. All contacts with the Seller or such other parties will be made through or by Broker unless otherwise agreed to by Broker, in writing.

4. The Information furnished by Broker has been prepared by or is based upon representations of the Seller and Broker has made no independent investigation or verification of said Information. Buyer hereby expressly releases and discharges Broker from any and all responsibility and/or liability in connection with the accuracy, completeness or any other aspects of the information and accepts sole and final responsibility for the evaluation of the Information and all other factors relating to the Business.

5. The Information is subject to change or withdrawal without notice and the Business is being offered for sale subject to prior sale or the withdrawal of said offering without notice.

6. Buyer will indemnify and hold harmless the Broker and Seller from any and all claims or actions arising from Buyer's acts or failures to act in pursuing the possible purchase of the Business, including, without limitation, reasonable attorney's fees and other expenses incurred by Broker.

7. Buyer will not, for a period of three (3) years from the date hereof, enter into any agreement for the purchase of the Business, in whole or in part, or assist or promote any other party in so doing, unless such agreement to purchase provides for commission to be paid Broker, with the commission being defined as the amount agreed upon by Broker and Seller in the "Standard Listing Agreement" or similar agreement between those parties. The phrase "agreement for the purchase of the Business" as used herein, shall mean and include any agreement, specifically including, but not limited to, offers to purchase, letters of intent and similar

agreements, that provides for the transfer, conveyance, possession of, or disposition of the Business, its capital stock, assets, or any portion thereof, and the commission amount to be paid Broker shall be the greater of either the minimum commission or the commission based upon sale price (or purchase price), as these amounts are defined in the aforesaid agreement between Broker and Seller. Further, "sale price (or purchase price)" as used herein shall mean and include the total amount of consideration paid or conveyed to Seller or for Seller's benefit, including, without limitation, cash, capital stock, notes, personal property of any kind, real property, leases, lines of credit, loans, contingent payments (e.g., license agreements, royalty agreements, payments based upon future sales or profits, etc.), employment or management contracts, consulting agreements, non-competition agreements, assumption or discharge of any or all liabilities, and any combination of the foregoing and/or other consideration. The commission amount agreed upon by Broker and Seller in the aforesaid agreement between those parties will be made known to Buyer by Broker, upon Buyer's request, when and if an agreement for the purchase of the Business is made by Buyer. If Buyer violates the foregoing provision, Buyer will be liable for and pay said commission to Broker upon demand without any obligation on Broker's part to first exhaust any legal remedies against Seller.

8. Buyer represents that Buyer has sufficient financial resources to complete the transaction for the asking price and terms set forth herein. Buyer agrees to provide, upon request by Broker or Seller, financial statements, references and other pertinent information evidencing such financial sufficiency.

9. The performance and construction of this Agreement shall be governed by the laws of the State of Texas. All sums due hereunder shall be payable at the office of the Broker in Dallas County, Texas and all parties hereto agree to forbear from filing a claim in any other jurisdiction.

10. This Agreement shall be binding upon the Buyer, Buyer's heirs, executors, successors, assigns, administrators or representatives. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and this Agreement shall be construed as if such invalid, void or unenforceable provision had not been contained herein.

11. Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants or conditions of this Agreement, shall on written request of one (1) party served on the other, be submitted to binding arbitration. Such arbitration shall be under the rules of the American Arbitration Association. The arbitrator shall have no authority to change any provisions of this agreement; the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement. The expenses of arbitration conducted pursuant to this paragraph shall be born by the parties in such proportion as the Arbitrators shall decide.

12. The terms and conditions of this Agreement shall also apply to any other business and/or property on which Broker has been retained to represent the owner(s) in the sale thereof and on which Broker or owner(s) has furnished information to Buyer. Further, it shall not be necessary for Buyer to execute any additional agreement(s) to that effect and any terms and conditions of this Agreement that refer to the date hereof shall automatically be adjusted to reflect the date on which Broker or owner(s) initially furnished information to Buyer on such other business and/or property.

13. The provisions hereof cannot be modified, amended, supplemented or rescinded without the written consent of Broker and this Agreement sets forth the entire agreement and understanding

EXECUTED ON THIS _____ DAY OF _____ 20XX

Typed/Printed Name of Buyer

Typed/Printed Name of Buyer

Signature (Individually and as
Duly Authorized Representative)

Signature (Individually and as
Duly Authorized Representative)

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

Telephone / Email address

Telephone / Email address