
Confidential Business Review

Concrete Contracting Business For Sale

KKBA Listing Number 1829

InTown Restorations, Inc.



King & King, LLC (hereafter referred to as King & King), has been appointed the exclusive broker and transaction representatives by INTOWN RESTORATIONS, INC., (hereafter referred to as "INTOWN"), a Washington, District of Columbia, Domestic Business Corporation with its principal place of business located at 1900 Kendall Street, N.E. Washington D,C, 20002. INTOWN was first registered as such on March 13, 1992 and is currently listed as of the date of this publication as "Active" with the Corporation Division.

All questions and inquiries regarding this transaction should be directed to King & King. Employees of the Business shall not be contacted. By receiving this document you have been registered as a ("Recipient") of this brochure and understand the terms outlined herein.

The information in this brochure was provided by INTOWN or its agents and from other sources believed to be reliable. No representation or warranty is made by King & King as to the completeness or accuracy of such information including financial information, financial proforma or interpretation of such information by King & King or subsequent information which may be supplied.

This brochure is for the confidential use of the Recipient for the sole purpose of assisting in its evaluation of the potential acquisition of the Business. The Recipient agrees that any information contained in this brochure will not be used for any other purpose than to consider the acquisition of the Business.

Forward-Looking Statements

Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause the Business' actual results to differ materially from those projected in such forward-looking statements. These risks, assumptions and uncertainties include: the ability to complete systems within currently estimated time frames and budgets; the ability to compete effectively in a rapidly evolving and price competitive marketplace; changes in the nature of regulation in the United States and other countries; changes in business strategy; the successful integration of newly acquired businesses; the impact of technological change; and other risks referenced from time to time.

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Business Overview

INTOWN was founded in 1992 by Steven Eric Hershey its current owner and President of the company. The business was started in Washington, District of Columbia, and has been headquartered there ever since its inception.

INTOWN is a “special trade contractor,” (SIC Code 1771, NAICS Code 23571, IRS Business Activity Code Number 238900), which is primarily engaged in concrete work, including cement, paving stones and asphalt. The type of work the company performs is commonly referred to in the industry as “flatwork” and involves most any application of cement, paving stones and asphalt short of a structural application. This includes, but is not limited to, the construction of private driveways, bike paths and walks of all materials, gutters, culverts and parking lots.

Under Mr. Hersheys leadership the company has grown from a one employee home based operation to become a formidable competitor and an industry leader in their trade. Having completed projects for nearly every reputable general contractor within 100 miles the INTOWN past and current customer list reads like a “Who’s Who” list of general contractors in the Washington D,C, marketplace.

One of Mr. Hershey’s most valuable business skills is his ability to identify and hire key management level employees who possess excellent management and supervisory skills. With these people in place, Mr. Hershey has been able to delegate much of the daily operational duties and responsibilities of the contracting business allowing him to concentrate on maintaining relationships with existing customers, developing new customers, identifying new opportunities for the company and managing the company finances. Mr. Hershey, working hand-in-hand with his CPA’s, Bankers, Insurance Carriers, and trusted business advisors, is responsible for the design and implementation of the companies fiscal and risk management policies and procedures.

The business has grown and expanded substantially since its inception and to such an extent that it now occupies a 15,000+/- square foot building on a 40,345 square foot, (.93 +/- acres) parcel of land in the Northeast quadrant of Washington D, C,. It shall be noted that the aforementioned real estate was transferred to a new owner recently and the company has remained there on a lease.

INTOWN’S management acknowledges that in their specific area of specialization, “flatwork,” there are few barriers to entry to prevent jobbers, small operators and structural concrete contractors from gaining market share in their specific segment. However, with 95% of their work coming directly from General Contractors and not open competitive bids they feel confident they will not lose a significant amount of potential opportunities to new or cross over competition.

Ownership Information

Legal name of business: INTOWN RESTORATIONS, INC.

Entity type: S Corporation

Date Business Started: March 13, 1992

Address: 1900 Kendall Street, N.E. Washington D,C, 20002

Owner: Steven Eric Hershey

Financial Records: Actual Financial Records and Copies of Tax Returns will be made available as required during the regular course of due-diligence.

Licenses Required: Business, Contracting

Litigation and Ability to Sell Assets: There are no agreements or litigation blocking the sale of these assets.

Proposed Transaction

The Seller's objective is to transfer all right and title to all of the tangible and intangible assets of the business in an asset sale. This shall include, but not be limited to, trade name, service marks and trademarks, all operating assets, intellectual property, licenses, customer accounts, work in progress, ratified contracts not yet started, phone numbers, and goodwill of the business.

Rationale for Sale

The Seller wishes capitalize on the equity he has in the business to provide him with the ability to pursue other professional interests and spend more time with his young children.

Terms Considered

The Seller wishes to engage in an all cash transaction for the sale of the business assets. However, in the event an acquirer finds it necessary to structure a transaction as a stock sale he will give them reasonable consideration.

Transition

Mr. Hershey understands that it is in his best interest and a Buyer's best interest that he remain on staff for a pre negotiated period of time to assist the new owners in the transition of the business affairs.

Purchase Price

Management believes that the business assets are worth, at the very least, One Million Two Hundred Fifty Thousand (\$1,250,000) Dollars. The Seller desires an all cash transaction but will work with prospective buyers who intend to finance a portion of the purchase providing they are pre-qualified and can obtain a financing commitment within a reasonable period of time.

Full Financials

Will be made available in response to reasonable purchase proposals from qualified potential purchasers.

Geographical Market

The current Geographical market includes Maryland, Washington DC and the Northern Virginia marketplace.

Customer profile

A high percentage of customers are repeat customers. Though the company's major customers are all General Contractors, management believes very strongly that losing any one or two customers would not materially affect the company.

Competitive Advantages

The business succeeds because they provide excellent service using only the best in high quality materials and stand behind everything they do. The business has sufficient and current inventory and the supply chain is dependable and consistent.

Company Hours

7:00 AM – 4 PM, Monday – Friday.

Staffing and Employee Information

The Business is managed by current ownership. Overall there are approximately 75 full-time and/or part-time employees.

Employee benefits provided:

- Bonuses are awarded at the sole discretion of the owner.
- Company pays key employee's monthly medical insurance premiums.

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- Employees receive paid vacation.

Employee Availability

The business has dedicated employees that the owner believes will stay through the sale. The employees know the customers, and how the customer's believe they should be treated.

Disclaimer

Information contained in this Confidential Business Review is provided solely by the Seller. No representations or warranties are provided by King & King, its agents, its cooperative agents or brokers, its representatives, or its subsidiaries as to the accuracy, completeness or validity of such information. Interested parties are advised to seek the counsel of their accountant, their attorney, or their other professional advisors before buying this or any business.

InTown Restorations, Inc.
Profit & Loss Statement
January 1, 2014 through December 29, 2014

	<u>Jan 1-Dec 29, 14</u>	Addbacks
Ordinary Income/Expense		
Income		
4000-Sales	6,269,256.99	
4800-Refunds & Adjustments	<u>0.00</u>	
Total Income	6,269,256.99	
Cost of Goods Sold		
5000-Direct Labor	1,441,335.20	
5020-Owner/Mgmt. Salaries	623,350.31	175,000.00
5080-Gas, Oil & Repairs	131,243.07	
5100-Materials	2,548,956.66	
5120-Supplies & Small Tools	4,914.63	
5140-Subcontractors	311,348.95	
5160-Equipment Rentals	18,389.54	
5200-Casual Labor	49,330.10	
5400-Expense Reimbursement	171,682.40	
5500-Other Jobsite Expenses	<u>18,503.90</u>	
Total COGS	<u>5,319,054.76</u>	
Gross Profit	950,202.23	
Expenses		
6000-Advertising	1,500.00	
6020-Auto&Truck Rentals/Leasing	19,880.34	
6025-Auto, Truck & Other	15,340.21	12,000.00
6080-Contributions	2,397.50	2,397.50
6090-Dues and Subscriptions	100.00	
6110-Employee Benefits	1,842.07	
6120-Meals & Entertainment	1,502.06	
6140-Fees & Licenses	13,637.16	
6160-Freight & Postage	202.63	
6200-Comprehensive Insurance	122,438.15	
6220-Health Insurance	3,490.00	
6225-HSA Contributions	11,999.92	11,999.92
6320-Office Expenses	17,842.36	
6330-Maint & Repairs Bldg.	2,506.60	
6340-Professional Fees	6,731.50	
6400-Rent	144,210.00	
6520-Payroll Taxes	180,743.68	
6540-Other Taxes	67,087.19	
6550-Other Payroll Taxes	10,673.68	
6560-Telephone	18,454.18	3,500.00
6580-Travel & Lodging	6,436.27	
6800-Utilities	<u>27,409.50</u>	
Total Expenses	<u>676,425.00</u>	
Net Ordinary Income	273,777.23	
Other Income/Expense		
Other Expense		
9020-Fines/Penalties/Violations	<u>1,445.85</u>	
Total Other Expenses	<u>1,445.85</u>	
Net Other Income	<u>-1,445.85</u>	
Net Income	<u><u>272,331.38</u></u>	
Adj. Net Income	<u><u>478,674.65</u></u>	