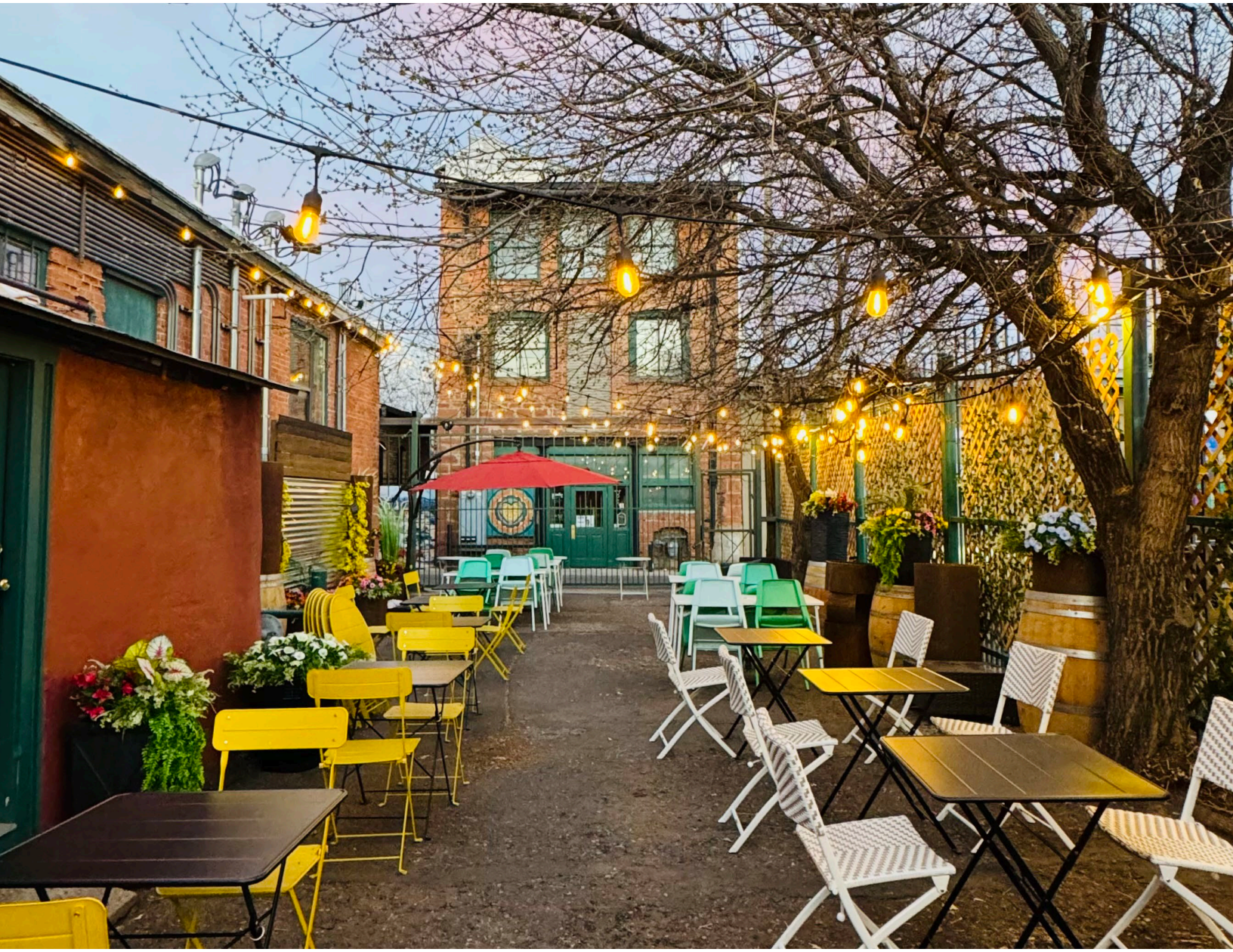
Stella's Scratch Italian Kitchen

7 E. Aspen Avenue | Flagstaff, Arizona



KELLY & CALL COMMERCIAL
Real Estate and Business Brokerage

Offering Memorandum

Business asking price:
$1,199,000

Confidentiality and Disclaimer

This Offering Memorandum contains select information pertaining to the business, affairs and assets of the company known as Stella's Scratch Italian Kitchen, located at 7 E. Aspen Avenue, Flagstaff, Arizona 86001 (hereinafter the "Company").

This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Company. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Kelly and Call Commercial. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Kelly and Call Commercial from sources it deems reliable.

Neither Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections, form their own conclusions, and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum, you agree you will hold the contents confidential and will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Kelly and Call Commercial expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Company and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Company unless and until a written agreement for the purchase and sale of the Company has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of this Company or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Company including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Company, or information provided herein or in connection with the sale of the Company shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Kelly and Call Commercial or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Company.

This Offering Memorandum is deemed to represent the state of affairs of the Company currently, but does not represent or constitute an indication that there has been no change in the state of affairs of the Company since this Offering Memorandum was prepared.

Stella's Scratch Italian Kitchen

This well-established restaurant occupies one of downtown Flagstaff's premier locations at 7 E Aspen Avenue—one of the most sought-after commercial corridors in the city. The restaurant, established in 2023, specializes in authentic Italian-American cuisine, with all dishes prepared entirely from scratch, ensuring quality and differentiation in the local market.

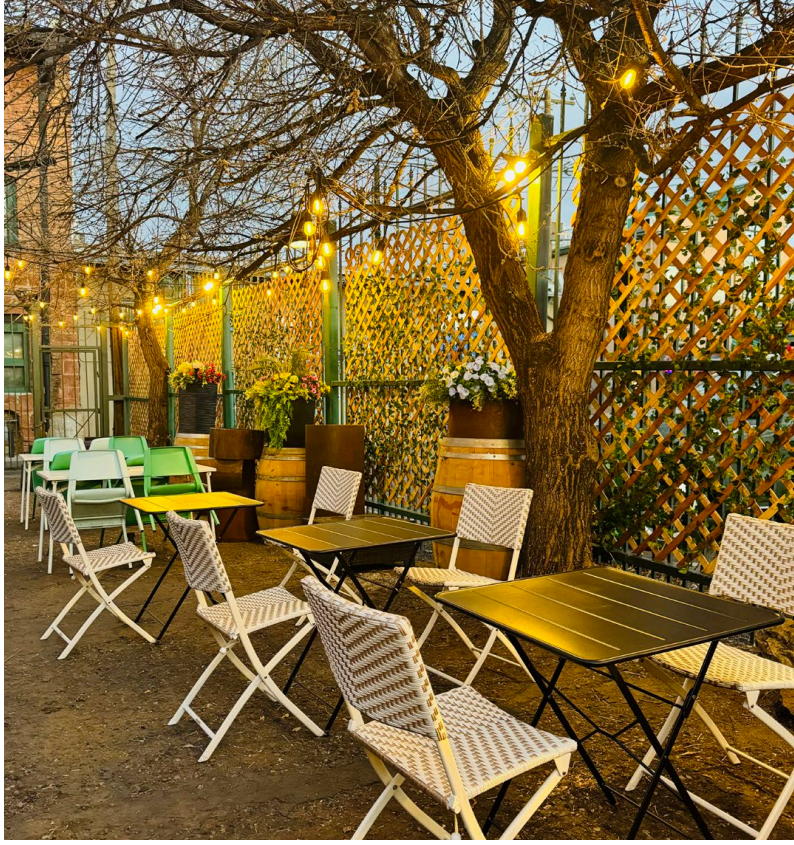
The property features a prestigious storefront with an exterior patio, ample street parking, and close proximity to the city-owned parking garage. Total seating capacity accommodates 108 guests: 60 interior seats and 48 patio seats. The facility underwent extensive renovations in 2023, including significant upgrades to the kitchen, food preparation, and storage areas.

Highlights:

- Employees: 3 Full-Time / 14 Part-Time
- Liquor License: #12 Liquor License may be transferred to new owner
- Revenue: Growth of 13% in 2024, 33% in 2025, and 27% through April 15, 2026
- Reason for Selling: Owners have relocated and are enjoying more time with their children and travelling.
- Financing Terms: Owners will consider seller financing at 7% interest for 5 years with 50% down payment
- Website: www.cafestellaflagstaff.com

The business operates efficiently with limited day-to-day involvement from the owners, making it an ideal opportunity for an investor seeking passive or semi-passive income. An experienced management team and established systems are in place to ensure smooth operations.

Business Summary



Leased Space Renovations (2023)

The following capital improvements were completed in 2023:

Removed 3 drop ceilings	$18,000
Replaced all flooring	$29,000
New electrical for all lighting and equipment	$32,000
Reduced to studs and installed new sheetrock	$22,000
New ceiling and stainless steel walls in kitchen	$18,000
New grease trap	$5,000
All new plumbing and light fixtures	$19,000
New 14' kitchen hood	$33,000
Miscellaneous costs	$23,000
Total	$199,000

Lease Synopsis

Stella's lease term extends through 1/31/2033. The space is ±2,500 square feet, with a ±1,500 square feet exterior patio. The current gross lease rate is $4,200/month + TPT through 1/31/2028, increasing to $6,500/month + TPT on 2/1/2028. The lease rate is well below the market average for restaurant space downtown.

Leased Location

Equipment	Cost
Estella Heated Pizza Dough Press	$1,699
Double Tank Electric Pasta Cooker	$1,549
Hand Sink Kitchen	$323
Drawer Warmers	$2,089
60qt spiral dough mixer	$2,499
Avantco 420lb ice machine	$3,149
Avantco 48" 2 door mega top refrigerated sandwich prep table x2	$3,600
Avantco 54" Solid Dor reach in refrigerator x2	$4,600
Avantco 54" solid door reach in freezer	$2,549
Avantco 70-100lb tube floor fryer	$1,349
Black Dining Chairs x62	$3,719
100lb grease trap	$699
7.5qt twin well food/soup warmer	$249
Avantco quadruple deck pizza/ bakery oven (4 independent chambers)	$2,719
12" Meat Slicer	$599
Mop Sink	$315
Bar Sink	$585
Stainless Double deck refrigerated prep table shelf	$243
Indoor Dining Tables 32"x32" x6	$648
Indoor Dining tables 48" x 30"	$1,683
Bar Handwashing Sink	$348
Avantco 4 tap beer kegerator	$2,500
Kitchen 3 bay sink sprayer/ faucet	$383
CPG 36" 6 burner gas range with standard oven	$1,400
CPG 48" gas griddle 120,000 BTU and refrigerated chef base 2 drawer	$3,029
Aluminum sheet pans used for brunch	$550
Libbey 16oz Can Glass	$328
Bar Glasses	$2,500
Dinner Plates, bowls, serving dishes	$2,200

FF&E

Equipment	Cost
Dinner Plates, bowls, serving dishes	$2,200
Square POS Systems, KDS, Receipt Printers	$8,000
FOH Bar Smallwares	$1,522
Kitchen Smallwares	$4,492
Food Inventory	$18,000
Alcohol Inventory	$17,500
Outdoor tables, chairs, barrels, florals, partition walls etc.	$8,000
Silverware	$1,200
Total*	$106,817

*List price includes equipment

FF&E Continued

Flagstaff, Arizona

Flagstaff is located in Arizona's high country surrounded by the largest ponderosa pine forest in the world. Considered a tourist destination for all seasons, there is plenty of outdoor recreation with camping, hiking and biking trails, beautiful fall colors, and winter snow play and skiing. Taking advantage of the comfortable summer temperatures, Flagstaff has outdoor festivals from June through October, including the Museum of Northern Arizona Heritage Festivals focused on Native American and Latin cultures.

Flagstaff is the regional crossroad for Northern Arizona and Grand Canyon National Park. The 4 million visitors and large second homeowner population in Flagstaff are drawn to the city's four seasons, accessible location and fulfilling quality of life. Flagstaff has a population of 76,586 and a metropolitan area population of 144,472.

The community is also a college town focused on quality education, research and professional development with almost 30,000 students attending Northern Arizona University and 10,000 students attending Coconino Community College.

In addition to tourism and education, Flagstaff has a strong science sector which includes Flagstaff Medical Center; a regional hospital and level 1 trauma facility, W.L. Gore medical products, and Lowell Observatory. Flagstaff is designated as the world's first Dark Sky City for its work in preservation of the night sky's natural resource.

This ever-growing resort type community, consisting of local families, vacation rentals, Northern Arizona's regional market and second homes from all walks of life, provides a strong customer base for commercial enterprises.

Market Overview

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