BUSINESS PLAN

Rito Loco

606 Florida Ave NW

PG 15

Business Plan - Rito Loco

Mission Statement

To create a one of a kind dining experience by serving the most popular burritos and margaritas in Washington DC. Through the use of our personalities, hospitality, business sense, and fresh ingredients we will become the most talked about spot for Breakfast, Lunch, Dinner, and Late Night.

The Company

Company History
Rito Loco was formed by Daniel Diaz and Louie Hankins during the summer of 2011. Rito Loco launched its first truck on August 16, 2012. At the start of 2013 we received the "Best Food Truck" award from The City Paper Washington D.C. In June, at the "Taste of Two Cities" event in Baltimore Maryland Rito Loco brought home "The People's Choice Award" out of 45 trucks from Baltimore and Washington D.C. Then in July, The Daily Meal named Rito Loco #78 on its "Top 101 Food Trucks in the USA!" Most recently Rito Loco became the first food truck in the United States to obtain REAL certification from the United States Healthful Food Council.

Revenue streams have exploded, in the first year to exceed $275,000. All financial obligations have been met to date. Rito Loco has over 1,000 twitter followers, has been featured in the Washington Post Healthy Eats section, the online publication "Brightest Young Things," on the Channel 9 News morning show and is currently obtaining our "REAL" certification from the U.S. Healthful Food Council. Finally Rito Loco was named the #1 Food Truck to visit via the online publication "Guest of a Guest!"

Company Goals and Objectives
The first goal is to have a change of use granted by the Zoning Board for a Fast Food Restaurant. The 3 month goal is to obtain the necessary funding to build out and open Rito Loco. The target date to open is March 1st 2014. The one year goal is to earn $1.5 million.

Company Ownership Structure
Ownership is divided equally between Daniel Diaz and Louie Hankins, decisions are made equally.

Management and Ownership Background
Louie Hankins - Has been working in the service industry since he was 14 years old, that is now 22 years of experience. He holds a B.S. in Hotel & Restaurant Management from Virginia Tech and graduated in 2000.

Daniel Diaz - Has been working in the service industry for over 15 years now and has worked in very high volume restaurants while he was in college. He holds a B.S in Business

Pb 16

Administration from Westchester. He has been brought up by a family that loves to cook and he experiments with different variations of food and taste whenever the time allows.

Company Assets
Truck valued at $45,000.

The Product

Rito Loco serves a quality SoCal style burrito with no fillers i.e. beans & rice. The menu is focused to only 5 Ritos and 4 salads. Only fresh ingredients are used, and every two days we make new batches of pico de gallo, salsa's, and seasoned meats. The main goal is to produce the most flavorful burrito in the market and keep ticket times less than 2 minutes to ensure a quick turn over thus more profit.

Marketing Plan

Moving into 606 Florida Ave we will concentrate on our immediate area first. Howard Theater is within 50 yards of our location, and has a capacity of 1,200 people. There are 4 keys to our marketing plan; 1.) Form relationships with the Howard Theater and Howard University. 2.) Leverage our social networks to create a buzz on the street, target the late night crowd on U St, plus become the spot for all workers in the area. 3.) Leverage relationships with local media i.e. The City Paper, Brightest Young Things, and 106.7 The Fan to expose readers to our Food and Venture. 4.) Create a catering business through existing friends and office contacts.

Competitor Analysis

The Competitors
The only nearby chain restaurants are McDonalds, Potbelly, Starbucks and Subway. The other local "Mom and Pop" places are a collection of fried chicken spots mixed in with Chinese carry out. For late night business the only real competitor is Oohh's & Aahh's (soul food) on U St and 11th.

SWOT Analysis (Strengths/Weaknesses/Opportunities/Threats)

Strengths
The variety and quality of the product is our #1 strength. The second is the large following on the truck, which will be used to reach different neighborhoods and people of D.C to tell them about our brick and mortar. Next would be our expertise in networking, sales, and advertising. Lastly, our ability to meet financial obligations, as we have met every one to date since opening.

Weaknesses
We have never owned a restaurant before, however, the truck acted as an incubator for our product and a test market. Obviously the demand for our product is there and we have figured out many tricks of the trade to run efficiently.

Opportunities
Rito Loco has its sights set on expansion, we would like to take the first 6 months and get our feet wet, get into a routine and then consider opening another small brick and mortar location in Columbia Heights owned by a family friend. Once we reach $500,000 in revenue it will be a good time to explore that opportunity.

Threats
Obtaining permits quick enough to open the restaurant in a timely fashion. Our drop dead date to open would be May 1st 2014. That gives us 9 months at the worst case scenario.

Fall Back Plan

If all fails our truck will be our saving grace. With documented success and a proven track record for meeting financial obligations we feel confident in our approach. We also have the drive to succeed and failure isn't an option we consider. I don't think anyone out works us; we pull 100 hour weeks routinely and never leave unless the work is done.

What we are requesting

TOTAL $218,650

What we are offering

We are looking to raise $218,650 and will be offering our investors an opportunity to get in at the ground level of potentially the next Chipotle or McDonalds. Our repayment plan would be 10% per year over a 3 year period on principal and interest. The track record shows that we are able to meet financial obligations and consider paying back our debts our number 1 priority. We would obviously like to pay back the loan in shorter time frame if possible.

Our minimum investment is $25,000. For investments that exceed $75,000 we will consider a scalable dividend payout based on the company's performance versus expectations.

Rito Loco Low Projection

	January	Febuaury	March	April	May	June	July	August	September	October	Novemeber	December
Sales							Sales					
Food Sales	$0.00	$0.00	$75,000.00	$80,000.00	$80,000.00	$90,000.00	$80,000.00	$75,000.00	$80,000.00	$75,000.00	$70,000.00	$60,000.00
Beverage Sales	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Miscellaneous Sales												
Total Sales	$0.00	$0.00	$75,000.00	$80,000.00	$80,000.00	$90,000.00	$80,000.00	$75,000.00	$80,000.00	$75,000.00	$70,000.00	$60,000.00
Cost of Sales							Cost of Sales					
Food	$0.00	$0.00	$18,750.00	$20,000.00	$20,000.00	$22,500.00	$20,000.00	$18,750.00	$20,000.00	$18,750.00	$17,500.00	$15,000.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Cost of Sales	$0.00	$0.00	$18,750.00	$20,000.00	$20,000.00	$22,500.00	$20,000.00	$18,750.00	$20,000.00	$18,750.00	$17,500.00	$15,000.00
Gross Profit							Gross Profit					
Food	$0.00	$0.00	$56,250.00	$60,000.00	$60,000.00	$67,500.00	$60,000.00	$56,250.00	$60,000.00	$56,250.00	$52,500.00	$45,000.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Gross Profit	$0.00	$0.00	$56,250.00	$60,000.00	$60,000.00	$67,500.00	$60,000.00	$56,250.00	$60,000.00	$56,250.00	$52,500.00	$45,000.00
Operating Expenses							Operating Expenses					
Salaries & Wages	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00
Investor Payments	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33
Rent	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00
Late Fees												
Occupancy Cost (Property Taxes & Gas/Parking	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00
Dinning												
Miscellaneous												
Marketing	$0.00	$1,500.00	$500.00	$500.00	$500.00				$500.00	$1,500.00	$500.00	$1,000.00
Utility Service	$1,500.00	$1,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
One Time Payments	$0.00				$1,000.00			$1,000.00		$500.00		
Repairs & Maintenance			$500.00		$500.00		$1,500.00				$1,000.00	
Other Income												
Total Operating Expenses	$41,054.33	$42,554.33	$43,054.33	$42,554.33	$44,054.33	$42,054.33	$43,554.33	$43,054.33	$42,554.33	$44,054.33	$43,554.33	$43,054.33
NET OPERATING INCOME (EBITDA)	-$41,054.33	-$42,554.33	$13,195.67	$17,445.67	$15,945.67	$25,445.67	$16,445.67	$13,195.67	$17,445.67	$12,195.67	$8,945.67	$1,945.67
Total Profit Year	-$41,054.33	-$83,608.67	-$70,413.00	-$52,967.33	-$37,021.67	-$11,576.00	$4,869.67	$18,065.33	$35,511.00	$47,706.67	$56,652.33	$58,598.00

Salaries & Wages		
TYPE	WEEKLY	MONTHLY
Daniel & Louie Paid $5K/Mth	$10,000.00	$10,000.00
Benefits for Owners	$424.00	$424.00
2 Line 1 Cook/Prep paid at $8.25/hr	$3,168.00	$12,672.00
Salaries & Wages		$23,096

Investor Payments	
LOAN AMOUNT	$250,000
INTEREST @ 10%	$25,000
TOTAL	$275,000
PAYMENTS OVER 36 MONTHS	$11,458
RENT	$4,000
PROPERTY TAX & INSURANCE	$1,000
Building Valued at [illegible]	
UTILITIES	$2,500

HOURS OF OPPERATION

RITO LOCO

SUNDAY - THURSDAY 7AM - MIDNIGHT

FRIDAY & SATURDAY 24 HOURS

TOTAL HOURS OPEN PER WEEK 12[illegible]

TOTAL REVENUE YEAR	$765,000.00
TOTAL PROFIT YEAR	$58,598.00

Rito Loco Medium Projection

	January	Febuaury	March	April	May	June	July	August	September	October	Novemeber	December
Sales							Sales					
Food Sales	$0.00	$0.00	$90,000.00	$100,000.00	$100,000.00	$110,000.00	$100,000.00	$95,000.00	$100,000.00	$105,000.00	$95,000.00	$85,000.00
Beverage Sales	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Miscellaneous Sales												
Total Sales	$0.00	$0.00	$90,000.00	$100,000.00	$100,000.00	$110,000.00	$100,000.00	$95,000.00	$100,000.00	$105,000.00	$95,000.00	$85,000.00
Cost of Sales							Cost of Sales					
Food	$0.00	$0.00	$22,500.00	$25,000.00	$25,000.00	$27,500.00	$25,000.00	$23,750.00	$25,000.00	$26,250.00	$23,750.00	$21,250.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Cost of Sales	$0.00	$0.00	$22,500.00	$25,000.00	$25,000.00	$27,500.00	$25,000.00	$23,750.00	$25,000.00	$26,250.00	$23,750.00	$21,250.00
Gross Profit							Gross Profit					
Food	$0.00	$0.00	$67,500.00	$75,000.00	$75,000.00	$82,500.00	$75,000.00	$71,250.00	$75,000.00	$78,750.00	$71,250.00	$63,750.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Gross Profit	$0.00	$0.00	$67,500.00	$75,000.00	$75,000.00	$82,500.00	$75,000.00	$71,250.00	$75,000.00	$78,750.00	$71,250.00	$63,750.00
Operating Expenses							Operating Expenses					
Salaries & Wages	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00
Investor Payments	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33
Rent	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00
Late Fees												
Occupancy Cost (Property Taxes & Gas/Parking	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00
Dinning												
Miscellaneous												
Marketing	$0.00	$1,500.00	$500.00	$500.00	$500.00				$500.00	$1,500.00	$500.00	$1,000.00
Utility Service	$1,500.00	$1,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
One Time Payments	$0.00				$1,000.00			$1,000.00		$500.00		
Repairs & Maintenance			$500.00		$500.00		$1,500.00				$1,000.00	
Other Income												
Total Operating Expenses	$41,054.33	$42,554.33	$43,054.33	$42,554.33	$44,054.33	$42,054.33	$43,554.33	$43,054.33	$42,554.33	$44,054.33	$43,554.33	$43,054.33
NET OPERATING INCOME (EBITDA)	-$41,054.33	-$42,554.33	$24,445.67	$32,445.67	$30,945.67	$40,445.67	$31,445.67	$28,195.67	$32,445.67	$34,695.67	$27,695.67	$20,695.67
Total Profit Year	-$41,054.33	-$83,608.67	-$59,163.00	-$26,717.33	$4,228.33	$44,674.00	$76,119.67	$104,315.33	$136,761.00	$171,456.67	$199,152.33	$219,848.00

Salaries & Wages		
TYPE	WEEKLY	MONTHLY
Daniel & Louie Paid $5K/Mth	$10,000.00	$10,000.00
Benefits for Owners	$424.00	$424.00
2 Line 1 Cook/Prep paid at $8.25/hr	$3,168.00	$12,672.00
Salaries & Wages		$23,096

Investor Payments	
LOAN AMOUNT	$250,000
INTEREST @ 10%	$25,000
TOTAL	$275,000
PAYMENTS OVER 36 MONTHS	$11,458
RENT	$4,000
PROPERTY TAX & INSURANCE	$1,000
Building Valued at [illegible]	
UTILITIES	$2,500

HOURS OF OPPERATION

RITO LOCO

SUNDAY - THURSDAY 11AM - MIDNIGHT

FRIDAY & SATURDAY 14 HOURS

TOTAL HOURS OPEN PER WEEK 128

TOTAL REVENUS YEAR	$980,000.00
TOTAL PROFIT YEAR	$219,848.00

Rito Loco Aggressive Projection

	January	Febuaury	March	April	May	June	July	August	September	October	Novemeber	December
Sales							Sales					
Food Sales	$0.00	$0.00	$115,000.00	$125,000.00	$135,000.00	$140,000.00	$125,000.00	$120,000.00	$135,000.00	$140,000.00	$135,000.00	$100,000.00
Beverage Sales	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Miscellaneous Sales												
Total Sales	$0.00	$0.00	$115,000.00	$125,000.00	$135,000.00	$140,000.00	$125,000.00	$120,000.00	$135,000.00	$140,000.00	$135,000.00	$100,000.00
Cost of Sales							Cost of Sales					
Food	$0.00	$0.00	$28,750.00	$31,250.00	$33,750.00	$35,000.00	$31,250.00	$30,000.00	$33,750.00	$35,000.00	$33,750.00	$25,000.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Cost of Sales	$0.00	$0.00	$28,750.00	$31,250.00	$33,750.00	$35,000.00	$31,250.00	$30,000.00	$33,750.00	$35,000.00	$33,750.00	$25,000.00
Gross Profit							Gross Profit					
Food	$0.00	$0.00	$86,250.00	$93,750.00	$101,250.00	$105,000.00	$93,750.00	$90,000.00	$101,250.00	$105,000.00	$101,250.00	$75,000.00
Beverage	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Gross Profit	$0.00	$0.00	$86,250.00	$93,750.00	$101,250.00	$105,000.00	$93,750.00	$90,000.00	$101,250.00	$105,000.00	$101,250.00	$75,000.00
Operating Expenses							Operating Expenses					
Salaries & Wages	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00	$23,096.00
Investor Payments	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33	$11,458.33
Rent	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$4,000.00
Late Fees												
Occupancy Cost (Property Taxes & Gas/Parking	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00
Dinning												
Miscellaneous												
Marketing	$0.00	$1,500.00	$500.00	$500.00	$500.00				$500.00	$1,500.00	$500.00	$1,000.00
Utility Service	$1,500.00	$1,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
One Time Payments	$0.00				$1,000.00			$1,000.00		$500.00		
Repairs & Mainteneance			$500.00		$500.00		$1,500.00				$1,000.00	
Other Income												
Total Operating Expenses	$41,054.33	$42,554.33	$43,054.33	$42,554.33	$44,054.33	$42,054.33	$43,554.33	$43,054.33	$42,554.33	$44,054.33	$43,554.33	$43,054.33
NET OPERATING INCOME (EBITDA)	-$41,054.33	-$42,554.33	$43,195.67	$51,195.67	$57,195.67	$62,945.67	$50,195.67	$46,945.67	$58,695.67	$60,945.67	$57,695.67	$31,945.67
Total Profit Year	-$41,054.33	-$83,608.67	-$40,413.00	$10,782.67	$67,978.33	$130,924.00	$181,119.67	$228,065.33	$286,761.00	$347,706.67	$405,402.33	$437,348.00

Salaries & Wages		
TYPE	WEEKLY	MONTHLY
Daniel & Louie Paid $5K/Mth	$10,000.00	$10,000.00
Benefits for Owners	$424.00	$424.00
2 Line 1 Cook/Prep paid at $8.25/hr	$3,168.00	$12,672.00
Salaries & Wages		$23,096

Investor Payments	
LOAN AMOUNT	$250,000
INTEREST @ 10%	$25,000
TOTAL	$275,000
PAYMENTS OVER 36 MONTHS	$11,458
RENT	$4,000
PROPERTY TAX & INSURANCE	$1,000
Building Valued at [illegible]	
UTLITIES	$2,500

HOURS OF OPPERATION

RITO LOCO

SUNDAY - THURSDAY 7AM - MIDNIGHT

FRIDAY & SATURDAY 24 HOURS

TOTAL HOURS OPEN PER WEEK 125

TOTAL REVENUE YEAR	$1,270,000.00
TOTAL PROFIT YEAR	$437,348.00

PG21

Rito Loco Equipment List

What we need……

- Walk-in refrigerator - 6'x6' or 6'x8' not sure if we need with or w/out floor, I think w/out is fine plus it's cheaper
- Stock Pot Burner
- Flat Sandwich Press – 2 maybe 3 depending on space allowance
- 30" 2 well food warmer gas steam table
- Electric Food Warmer 6 gal capacity
- 3 Compartment Sink 78" wide
- Hand Wash Sink
- Dish Washer Single Rack Low Temp
- Garbage Disposal Insinkerator 1 ½ hp
- Ice Maker 175 lbs 24" wide, let's try and put this outside in the side alley, probably won't be space inside….if there is great!
- Display Warming Cabinet – This will go at the POS station
- 24" Charbroiler Radiant Gas

What we have……

- Beverage refrigerator 27" Wide for Dinning area
- Under counter refrigerator True 48" wide

- Vulcan 60” Range 6 Burner 24” griddle 2 oven
- Stainless Steel Work Table 30” x 30”
- Metal Ventilated Storage Rack 48” w x 18” d x 78” h

Highlights of Rito Loco

- Established as a food truck in August 16, 2011.
- Awarded the City Papers Food Truck of the Year award 2013
- Awarded the "People's Choice" award for the taste of Two Cities DC vs Baltimore 2013
- Ranked by the "Daily Meal" top 101 food trucks in the United States at number 78 for 2013
- Named one of the top 8 food trucks by the Washingtonian
- Named top food truck to visit by Guest of a Guest
- Featured on the Lavar and Dukes Radio show 106.7 the fan, Chanel Nine News, Chanel 8 News
- Awarded the REAL certification by the United States Healthful Food Council. WE ARE THE FIRST TRUCK IN THE USA!!!!

Community Involvement and Intent

- Blankets and Rito's for the Homeless January 2013 page 26
- Spoken to groups of at risk kids to tell our story of entrepreneurship
- We look to work with the Business Management School at Howard University and offer advice, internships, and jobs
- Giving back to the community, by raising food for Thanksgiving, a toy drive for Christmas
- Planning on establishing a college fund for less fortunate High School Kids

Responsible Epicurean and Agricultural Leadership

REAL

VERIFIED

Pl. 26