

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 1)	\$30,000	Lump sum	When Franchise Agreement is signed	Us
Construction and Leasehold Improvements (Note 2)	\$85,000 - \$150,000	As arranged	As incurred	Contractors, suppliers, and/or Landlord
Construction Management (Note 2)	\$5,000 - \$30,000	As arranged	As incurred	Us, Suppliers
Lease Deposits – 3 Months (Note 3)	\$5,000 - \$14,000	As arranged	As incurred	Landlord
Furniture, Fixtures and Equipment (Note 4)	\$45,900 - \$99,500	As arranged	As incurred	Suppliers
Signage (Note 5)	\$7,000 - \$8,000	As arranged	As incurred	Us, Suppliers
Computer, Software and Point of Sales System (Note 6)	\$3,000 - \$4,000	As arranged	As incurred	Suppliers
Grand Opening Marketing (Note 7)	\$5,000	As arranged	As incurred	Suppliers
Initial General Inventory (Note 8)	\$1,000 - \$13,000	As arranged	As incurred	Us, Suppliers

Initial Product Inventory (Note 9)	\$4,000 - \$7,000	As arranged	As incurred	Us, Suppliers
Utility Deposits (Note 10)	\$900 - \$1,800	As arranged	As incurred	Suppliers
Insurance Deposits – 3 Months (Note 11)	\$2,000 - \$4,000	As arranged	As incurred	Insurers
Travel for Initial Training (Note 12)	\$700 - \$4,400	As arranged	As incurred	Airlines, hotels, restaurants
Professional Fees (Note 13)	\$5,500 - \$15,000	As arranged	As incurred	Attorneys, accountants, architects, advisors
Licenses and Permits (Note 14)	\$3,000	As arranged	As incurred	Government
Printing, Stationary and Office Supplies	\$500 - \$1,000	As arranged	Before Opening	Third party
Additional Funds – 3 months (Note 15)	\$37,300 - \$60,900	As arranged	As incurred	Us, employees, suppliers, landlord, utility suppliers
Total Estimate (Note 16)	\$240,800 - \$450,600			

Explanatory Notes to Item 7
For a Franchise Agreement

Note 1: Initial Franchise Fee – The Initial Franchise Fee for a single franchise under a Franchise Agreement is \$30,000.