

FRANCHISOR'S COSTS AND SOURCE OF FUNDS

1. **Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, equipment, inventory, training and other items stated in the offering:**

| Category | Costs |
|---|-------------------------------------|
| Real Estate (including mall lease negotiation)** | \$ 25,000 - \$ 2,215,000+ |
| Improvements** | \$ 1,040,000 - \$ 3,700,000+ |
| Equipment** | \$ 420,000 - \$ 685,000+ |
| Inventory | \$ 21,000 - \$ 60,000+ |
| Training | \$ 20,500 - \$ 25,000+ |
| Other (describe) | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Totals | \$ 1,526,500 - \$ 6,685,000 |

** These cost figures assume the franchising of a newly constructed unit, rather than the remarketing of an existing unit. For a remarketed unit, the franchisor's costs would be substantially lower, if not \$0.00.

2. **State separately the sources of all required funds:**

Working capital and shareholder equity