

ESTIMATED INITIAL INVESTMENT

Type Of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$30,000	Lump Sum	Upon Signing The Franchise Agreement	Us
Training Fee	\$8,000	Lump Sum	Upon Signing The Franchise Agreement	Us
Security Deposit And Lease (Note 2)	\$4,000 - \$12,000	Lump Sum	Signing The Lease	Landlord
Improvements/ Construction/ And Interior Decorating (Note 3)	\$94,000 - \$250,000	As Incurred	Prior To Opening	General Contractor + Interior Designer
Smallwares (Note 4)	\$7,000 - \$12,317	Lump Sum	Prior To Opening	Approved Suppliers
Furniture/Fixtures (Note 4)	\$14,350 - \$65,000	Lump Sum	Prior To Opening	Approved Suppliers
Equipment	\$85,000 - \$100,000	Lump Sum	Prior To Opening	Approved Suppliers
Signage	\$6,500 - \$20,000	Lump Sum	Prior To Opening	Vendors
Office Equipment & Supplies	\$1,500 - \$3,000	Lump Sum	Prior To Opening	Vendors
Licenses And Permits (Note 5)	\$200 - \$1,000	Lump Sum	Prior To Opening	Government Agencies , Utility Providers
Travel And Living Expenses While Training	\$12,000 - \$16,000	As Incurred	Prior To Opening	Airlines, Hotels, Restaurants, Car Rentals
Computer Equipment	\$13,700 - \$18,000	Lump Sum	Prior To Opening	Approved Suppliers, Vendors
Initial Inventory (Note 6)	\$6,000 - \$9,000	Lump Sum	Prior To Opening	Approved Suppliers
Professional And Architect Fees (Note 7)	\$18,000 - \$26,000	As Incurred	Prior To Opening	Attorneys, Accountants, Architects
Insurance (Note 8)	\$625 - \$1,125	Lump Sum	Prior To Opening	Insurance Company
Additional Funds – 3 Months (Note 9)	\$71,000 - \$195,000	As Incurred	As Incurred	Employees, Suppliers, Etc.
Grand Opening Advertising	\$15,000-\$17,000	As Incurred	Within 60 Days After Opening Company	Advertising Company
Total (Note 10)	\$387,400 - 783,967			



OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fees (Note 11)	5% of Net Sales	Payable each week on Monday (based on Net Sales of the previous week, Wednesday through Tuesday)	Fees and sales back-up report due. Payments must be made via electronic funds transfer.
Marketing Administration Fee (Note 12)	0.5% of Net Sales	Payable weekly by Monday of the following week	Payments must be made via EFT

FINE PRINT

These charts describe the estimated initial investment for a Garbanzo Mediterranean Fresh restaurant, whether it is a single unit or a Unit under the ADA. The initial investment for an Area Developer will include the Development Fee, which is equal to the number of Units to be opened under the ADA multiplied by \$30,000. The initial investment assumes you will rent the premises. If you purchase the property, your initial expenses will dramatically increase.

NOTES:

- 1. Initial Franchise Fee.** The Initial Franchise Fee is \$30,000. As described in Item 5, if you are an area developer under our Development Program, you must pay us a Development Fee when you sign the ADA equal to the number of Units to be opened under the ADA multiplied by \$30,000. When you sign a Franchise Agreement for a particular Unit under the ADA, you will receive a credit of \$30,000 and, therefore, the Initial Franchise Fee for that Unit will be paid in full.
- 2. Security Deposit and Lease.** The size of your Grill will range from 1,500-2,500 square feet and will typically be located in a strip mall. If you do not own or purchase real estate for your Grill location, you will need to lease space from a landlord. In most cases the landlord will require a security and/or rental deposit. Usually, the landlord will require you to pay the equivalent of one month's rent. Rental rates or deposits on an unknown location cannot be predicted in advance. However, the rental rates will most likely depend on the size and location of your Grill. These costs will vary greatly depending on the metropolitan area where your Grill will be located. These estimates are based on one month's rent for a security deposit and the first month's rent. These estimates are based on rents in Denver, CO.
- 3. Improvements/Construction/Interior Design.** When a site has been selected, we will provide you with layout, drawings and design of a typical Garbanzo Mediterranean Fresh restaurant. The cost of construction, improvements or building varies widely by the size of the space, the existing improvements and local construction rates. Our high-end range reflects the costs of optional seating additions, including covered patios with heating that can be used year-round. Until a specific site is located and evaluated a reliable estimate of costs cannot be projected. Sometimes you may receive a construction allowance from the landlord or you may lease a location which was already built out as a restaurant and, if so, the costs may be reduced accordingly.
- 4. Furniture/Fixture/Smallwares.** These costs include all of the furniture and fixtures for your Grill as well as the smallwares, wall décor and menus. The costs shown are for all new equipment. The cost is turnkey, including installation.
- 5. Licenses and Permits.** These amounts represent the business license and estimated utility deposits. The amount of your actual utility deposits will vary depending on the size of your Grill, the number of utilities your landlord requires you to pay and the number of utility companies that require a deposit. Usually, a landlord will require you to pay all utilities servicing your Grill. Typically, utility providers require a deposit equal to 1 month's average charge for that utility. These estimates are based on locations in and around Denver, Colorado.
- 6. Initial Inventory.** These amounts represent the inventory, including all food costs, you will need to begin operations.
- 7. Professional Fees and Architect Fees.** The services of a licensed architect are usually required to detail the layout into construction plans. You will pay for the architect's services directly. In addition, you are encouraged to seek assistance from an attorney and an accountant.
- 8. Insurance.** These amounts represent 25% of the annual premium for the required insurance. Many insurance companies will require you to pay this amount prior to opening and allow you to pay the remainder in monthly payments throughout the year. The type of insurance you are required to maintain is described in Section VII.H. of the Franchise Agreement. Typically, the annual premiums will range from \$2,500 to \$4,500 per year.
- 9. Additional Funds.** This item estimates your expenses during the initial period of operation of your Grill (other than the items identified separately in the above table). These expenses include estimated rent, payroll costs, benefits, utilities, additional inventory requirements, supplies, etc., but do not include Royalty Fees, Advertising Fees, Marketing Administrative Fees, Technology Fees, or an owners' draw or salary. These figures are estimates, and you may have additional expenses in order to start the business. Your costs will depend on factors similar to these: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and sales level reached during the initial period.
- 10. Total.** Costs and expenses can vary depending on various factors like local real estate costs, cost of labor and supplies. These figures were based on our affiliate's experience operating the Garbanzo Mediterranean Grill restaurants since 2008, and the expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated by and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

