

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SHOPPING MALL FOOD COURT LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$30,000	Lump Sum	At Signing of Franchise Agreement	Us
Travel and Living Expenses While Training ⁸	\$2,500 to \$5,000	As Incurred	During Training/ Before Opening	Airlines, hotels, Restaurants, Car Rental Companies, etc.
Real Estate/ Rent Deposit ² (Three months)	\$8,000 to \$24,000	As Arranged	Before Opening and Monthly	Your Landlord
Leasehold Improvements ⁴	\$3,000 to \$90,000	As Arranged	Before Opening	Us, Landlord, Contractors, and Vendors
Site Inspection and Review	\$0 to \$5,000	As Arranged	Before Opening	Us, Contractors and Vendors
Utility and Miscellaneous Security Deposits ³	\$2,000 to \$3,000	As Arranged	Before Opening	Landlord and Utility Companies
Furniture, Fixtures and Equipment ⁵	\$50,000 to \$65,000	As Arranged	Before Opening	Approved Suppliers and Vendors
Opening Inventory ⁶	\$6,000 to \$10,000	As Arranged	Before Opening	Us, Approved Suppliers and Vendors
Insurance ⁷	\$1,200 to \$2,100	Installment/ As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
Additional Funds ⁹ (Three Months)	\$15,000 to \$25,000	As Incurred	As Incurred	Operating Capital
Grand Opening Advertising	\$5,000	As Arranged	As Arranged	Approved Suppliers
Signage/ Menu Board	\$5,000 to \$25,000	As Arranged	As Arranged	Approved Suppliers

YOUR ESTIMATED INITIAL INVESTMENT FOR A SHOPPING MALL FOOD COURT LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Miscellaneous ¹⁰	\$3,500 to \$6,000	As Arranged	As Incurred	Approved Suppliers, Governmental Agencies, Accountants, Attorneys
TOTAL¹¹	\$131,200 to \$295,100			

YOUR ESTIMATED INITIAL INVESTMENT FOR A STRIP MALL LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$30,000	Lump Sum	At Signing of Franchise Agreement	Us
Travel and Living Expenses While Training ⁸	\$2,500 to \$5,000	As Incurred	During Training/ Before Opening	Airlines, hotels, Restaurants, Car Rental Companies, etc.
Real Estate/ Rent Deposit ² (Three months)	\$5,000 to \$15,000	As Arranged	Before Opening and Monthly	Your Landlord
Leasehold Improvements ⁴	\$50,000 to \$170,000	As Arranged	Before Opening	Us, Landlord, Contractors, and Vendors
Site Inspection and Review	\$0 to \$5,000	As Arranged	Before Opening	Us, Contractors and Vendors
Utility and Miscellaneous Security Deposits ³	\$1,400 to \$3,000	As Arranged	Before Opening	Landlord and Utility Companies
Furniture, Fixtures and Equipment ⁵	\$65,000 to \$90,000	As Arranged	Before Opening	Approved Suppliers and Vendors

YOUR ESTIMATED INITIAL INVESTMENT FOR A STRIP MALL LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Opening Inventory ⁶	\$6,000 to \$10,000	As Arranged	Before Opening	Us, Approved Suppliers and Vendors
Insurance ⁷	\$1,200 to \$2,100	Installment/ As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
Additional Funds ⁹ (Three Months)	\$15,000 to \$25,000	As Incurred	As Incurred	Operating Capital
Grand Opening Advertising	\$5,000	As Arranged	As Arranged	Approved Suppliers
Impact Fees ¹⁰	\$1,000 to \$6,000	As Assessed	Before Opening	Your Landlord or Government Authority
Miscellaneous ¹⁰	\$3,500 to \$6,000	As Arranged	As Incurred	Approved Suppliers, Governmental Agencies, Accountants, Attorneys
TOTAL¹¹	\$185,600 to \$372,100			

YOUR ESTIMATED INITIAL INVESTMENT FOR A OFFICE BUILDING LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$30,000	Lump Sum	At Signing of Franchise Agreement	Us
Travel and Living Expenses While Training ⁸	\$2,500 to \$5,000	As Incurred	During Training/ Before Opening	Airlines, hotels, Restaurants, Car Rental Companies, etc.

YOUR ESTIMATED INITIAL INVESTMENT FOR A OFFICE BUILDING LOCATION (Single Unit)				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Real Estate/ Rent Deposit ² (Three months)	\$3,000 to \$9,000	As Arranged	Before Opening and Monthly	Your Landlord
Leasehold Improvements ⁴	\$0 to \$150,000	As Arranged	Before Opening	Us, Landlord, Contractors, and Vendors
Site Inspection and Review	\$0 to \$3,000	As Arranged	Before Opening	Us, Contractors and Vendors
Utility and Miscellaneous Security Deposits ³	\$0 to \$2,500	As Arranged	Before Opening	Landlord and Utility Companies
Furniture, Fixtures and Equipment ⁵	\$0 to \$50,000	As Arranged	Before Opening	Approved Suppliers and Vendors
Opening Inventory ⁶	\$6,000 to \$10,000	As Arranged	Before Opening	Approved Suppliers and Vendors
Insurance ⁷	\$1,200 to \$2,100	Installment/ As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
Additional Funds ⁹ (Three Months)	\$5,000 to \$15,000	As Incurred	As Incurred	Operating Capital
Grand Opening Advertising	\$5,000	As Arranged	As Arranged	Approved Suppliers
Miscellaneous ¹⁰	\$3,500 to \$6,000	As Arranged	As Incurred	Approved Suppliers, Governmental Agencies, Accountants, Attorneys
TOTAL¹¹	\$56,200 to \$287,600			

Above are the estimates of your initial investment to open a Single Unit Franchise. They do not provide for your cash requirements to cover operating losses after the initial phase or personal living expenses. You must have additional sums available, whether in cash or through unsecured credit lines, or have other assets that you may liquidate or that you may borrow against, to cover your personal living expenses and any operating losses after the initial phase of your Café. We urge you to retain the services

of an experienced accountant or financial advisor to develop a business plan and financial projections for your Café. Your actual investment will vary depending upon local conditions particular to your geographic area or market. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable and the initial franchise fee is partially refundable in certain circumstances (see Item 5). We do not finance any portion of your initial investment.

Explanatory Notes:

- 1. Initial Franchise Fee.** The initial franchise fee is discussed in detail in Item 5.
- 2. Real Estate/Rent.** Rent expense (sometimes first month's rent required in advance) for the Café will vary based on location and square footage, and other similar factors. We anticipate that you will need approximately) 1,500 to 1,900 square feet of usable floor space located in a regional mall, strip center, or office building.

A projected investment as to leasing space in a shopping mall or downtown business district is difficult to determine due to the many variables which must be taken into consideration, such as geographic location, square footage, site dimensions, and other relevant factors peculiar to each acquisition. These considerations would also be difficult to determine for a strip shopping center location. Office building location real estate costs are somewhat easier to determine as they are usually directly associated with the particular office building's prevailing rental rates.

- 3. Lease, Utility and Miscellaneous Security Deposits.** You may have to pay a lease deposit (typically the last month's rent) before you can enter the premises. Utility companies may require you to place a deposit and/or pay an installation fee before occupying the premises or installing telephone, gas, electricity and related utility services. These deposits may be refundable under agreements made with the Landlord and utility companies.

- 4. Leasehold Improvements.** The cost of construction and leasehold improvements depends upon the size and condition of the premises, the local cost of contract work and the location of the Café. In some cases, a "vanilla shell" is available which can be used without requiring extensive demolition or renovation. In other cases, the space may require extensive renovation, construction of ceilings, walls, plumbing, flooring and lighting, before finishes can be installed. The range of figures for a Café is for the cost of reasonable renovation or leasehold improvements. This figure also includes all signage necessary for the franchise location.

You must acquire interior and exterior signage bearing the Marks as prescribed by us. The cost of signage will vary based upon the supplier of the signage, size, number of signs, and requirements of your lease. You must use at least those signs shown on the standard list of internal signs we require for every Nature's Table Café. Some franchisees choose to have more than the standard internal and external signage quantities.

Signage includes interior and exterior signs that bear the Marks. The cost of signage may vary depending on the type, size, and location of the signs, and may also be affected by applicable municipal code and zoning restrictions.

5. Furniture, Fixtures and Equipment. The equipment estimate does not include freight or unique design alterations requested by you or as may be required by any unusual configuration of the designated site.

The equipment necessary for the operation of a Nature's Table Café is listed in the Operations Manual. You may purchase or lease approved brands and models from approved suppliers. The cost of the equipment will depend on financing terms available, the size of the Café, brands purchased, and other relevant factors.

Fixtures may include counters, shelving, signs, wall coverings, and decorations. The cost of fixtures will vary, depending on the layout of the Café, and other relevant factors.

You are not required to purchase any equipment, fixtures, etc. from us or any specified source, unless we designate an approved supplier. However, all equipment, fixtures, construction, leasehold improvements and interior decor (if applicable) must meet our standards and specifications and must be approved by us. Local ordinances may result in variances in the type of required equipment, which may affect the total price.

6. Opening Inventory. You must purchase your initial inventory from our designated suppliers or any supplier approved according to the Franchise Agreement. Initial inventory consists of various products, proprietary products, paper products, cleaning supplies, and other supplies utilized, sold, and consumed in the operation of the Café, and other merchandise or products sold by the Café. The initial inventory expenditure will vary according to anticipated sales volume and current market prices for supplies. If your location is other than Florida you must purchase from us your initial inventory of smoothie mixes and proprietary syrups. We estimate that your initial inventory of these items will cost approximately \$700. This amount is not refundable.

7. Insurance. You must obtain and maintain the required insurance coverage as required by us. The cost of insurance will vary based on types and limits of insurance purchased, location of the Café, terms available and other related factors. The estimate provided is for your insurance deposit.

8. Training. You must participate in our training programs. You must involve the Café's manager in all of our training programs as stated in Item 11 of this Disclosure Document. The fee for the initial training program is included in the initial franchise fee. However, you must make arrangements for and pay for the expenses of any persons attending the training program on your behalf, including transportation, lodging, meals and wages. The amount will depend, in part, on the distance you must travel and the type of accommodation you choose. The estimate is for attendance of three people.

9. Additional Funds. An amount of working capital is projected as sufficient to cover operating expenses for three months, including Royalty Fees, employee salaries and overhead, but excluding salary for an owner-operator. However, we cannot guarantee that this amount will be sufficient or that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period.

10. Miscellaneous. We cannot guarantee that an amount of miscellaneous expense will be sufficient. This range would include any consulting costs or any other outside professional fees, such as accounting or legal expenses, incorporation expenses, and similar expenditures you may incur. Other

miscellaneous costs might include special use permits, additional impact or use fees, credit card machine set-up costs, training costs and other “soft” costs incurred by you, as applicable.

You may have to pay business license fees and other similar fees before beginning operations. These fees will vary depending upon local government requirements. Impact fees are also paid before beginning operations. An impact fee is a one time fee paid to your local government for the use of the infrastructure (development) within your area and are normally based on a per feet basis; therefore, the size of your location will affect the amount of impact fees you will pay before opening.

There are no other fees to be paid by you to us to begin operation of the Café. Any fees paid to us are not refundable; fees paid to any third party may be refundable, depending upon the contracts, if any, between the third party and you.

11. Total. We relied upon our actual experience and the experience of our affiliates and franchisees to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the Nature’s Table franchise.

We cannot guarantee that this amount will be sufficient or that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. We do not offer, either directly or indirectly, financing to you for any items. However, we may provide assistance to you in obtaining financing. Our estimates do not include any revenue your Café may generate during the initial period.

Multi-Unit Operator Agreement

We have not included a separate chart for a Multi-Unit Operator. We anticipate that a Multi-Unit Operator will incur the estimates described above for each Café developed under the Multi-Unit Operator Agreement, subject to inflation and other increases over time. If you sign a Multi-Unit Operator Agreement, your professional fees, such as legal and financial fees, may be higher.