

<b>INITIAL INVESTMENT Expenditures</b>	<b>Low</b>	<b>High</b>	<b>When Due</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Payment Is To Be Made</b>
Initial Franchise Fee (See Note 1)  Plus cost of flights, rooms and rental car for training week in Edmonton	\$30,000	\$40,000	Upon signing of the Franchise Agreement  Entering training week	Lump Sum  To suppliers of service	Partial payment if training is not completed to program satisfaction  Review suppliers policies	Burger Heaven  Suppliers of Service
Leasehold Improvements (See Note 2)	\$120,000	\$170,000	Before Opening	Lump sum	Non-refundable	Burger Heaven. and other suppliers
Furniture, Computer, Software and Tools (See Note 3)	Combined with above	Combined with above	Before Opening  Monthly	As incurred  Monthly	Non-refundable  Non-refundable	Burger Heaven. and other suppliers  Burger Heaven
Opening Inventory and Supplies (See Note 4)	\$5,000	\$7,000	Before Opening	Lump Sum	Non-refundable	Burger Heaven. suppliers
Security Deposits, Vehicle Lease Deposits and licenses.	\$8,000	\$10,000	Before Opening	As incurred	Review supplier policies	
Grand Opening (See Note 5)	\$5,000	\$10,000	One week prior to opening	As incurred	Non-refundable	Suppliers of service
Additional Funds 3 months (See Note 6)	\$60,000	\$85,000	As incurred	As incurred	Review supplier policies	Supplier of service
<b>TOTAL ESTIMATED INITIAL INVESTMENT (See Note 7)</b>	<b>\$228,000</b>	<b>\$322,000</b>				

### **Explanatory Notes**

**Note 1: Initial Franchise Fee.** The fee will vary based on various criteria including the population and general demographics of the protected territory the franchisee is awarded.

**Note 2: Leasehold Improvements.** You must purchase or lease commercial retail space which meets our standards and specifications. Real estate costs vary widely from location to location, so we have not estimated your real estate expenditures. The estimate above only covers limited leasehold improvements such as painting and other improvements by you. These costs may vary significantly from market to market. We recommend a site of no less than 2000 sq feet and no greater than 3000 sq feet

**Note 3: Furniture, Computer Hardware and Software and Signs.** This includes the estimated cost to equip your office with all required computers and software for the operation of the business.

**Note 4: Opening Inventory.** You must open with and maintain an inventory of Burger Heaven letterhead, business cards, and other products. You must also open with and utilize Burger Heaven's specialized POS software , a lap top, external hard drive and other supplies.

**Note 5: Grand Opening.** You must spend between \$5,000 and \$10,000 as a minimum on marketing and promoting your Burger Heaven Franchise seven days (7) prior to opening your Burger Heaven Franchise and thirty days (30) after the opening of your Burger Heaven Franchise. We must approve your grand opening marketing plan at least two (2) weeks in advance of the grand opening. We may make available to you for purchase, marketing and promotional materials for your use during the grand opening period.

**Note 6: Additional Funds.** This estimates your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your business operations. These figures are estimates and Burger Heaven cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as: how much you follow our methods and procedures, management skill, experience and business acumen, local economic conditions, local market for our services, the competition and sales levels reached during this initial period. You are responsible for all travel and living expenses incurred while attending the initial training program.

**Note 7:** We relied on our founders' 24 + years experience in a similar industry and our affiliates' operation of Burger Heaven for approximately 5 years, when preparing these figures. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. We do not offer any financing in connection with your initial investment (see Item 10). The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.