



FRANCHISE PAYMENTS

As part of the conditions to being a Cupcakes Franchise Operator, there are certain payments that are required on an isolated or reoccurring basis.

The table below illustrates the franchise payments.

Description Of Payment	Amount Of Payment	Whom Payment Is Made To	When The Payment Is Due
Initial Franchise Fee	\$60,000.00 (+Taxes)	Franchisor	During and before completion of construction
Lease deposit (usually 1 st and last month)	varies	Landlord	When lease is signed
All build out costs, including design, permits, contractor, handling fee, trades and equipment	varies	Franchisor	Beginning and at the completion of the construction
Royalty Fees	6% (+Taxes) on gross of weekly revenue (Sunday thru Saturday)	Franchisor via PUSH electronic transfer	On or before the Tuesday of the following week
Advertising Fees	4% (+Taxes) on gross of weekly revenue (Sunday thru Saturday)	Franchisor via PUSH electronic transfer	On or before the Tuesday of the following week
Transfer Fees	To be determined	Franchisor	Payable at time of sale transfer
Franchise Renewal Fee	50% (+Taxes) of the current Initial Franchise Fee	Franchisor	upon resigning of Franchise Agreement

The above information is provided as a guide only and should not to be relied on when making a final decision to become a Cupcakes Franchise Partner. A copy of our franchise disclosure document will be provided during the application process.