

**Item 7**

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure<sup>(1)</sup></b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee <sup>(2)</sup>	\$12,500	See Item 5	See Item 5	Us
Vehicles & Decals <sup>(3)</sup>	\$1,000 to \$1,100	As Agreed	As Incurred	Outside Suppliers
Technology Equipment <sup>(4)</sup>	\$2,000	As Agreed	As Incurred	Us or Outside Suppliers
Opening Inventory and Supplies (Supply Package)	\$2,936	As Agreed	As Incurred	Us
Initial Marketing Campaign Fee	\$15,000	As Agreed	See Item 5	Us or our Affiliate
Initial Property Data Fee <sup>(5)</sup>	\$500	Lump Sum	At Training	Us or our Affiliate
Training Expenses <sup>(6)</sup>	\$0 to \$1,600	As Incurred	As Incurred	Outside Suppliers

<b>Type of Expenditure<sup>(1)</sup></b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Insurance <sup>(7)</sup>	\$900 to \$2,000	As Arranged	As incurred and as needed	Outside Suppliers
3 Months' Rent <sup>(8)</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Business Licenses and Permits	\$0 to \$100	As Arranged	As incurred	Government agencies
Professional fees (lawyer, accountant, etc.)	\$0 to \$1,500	Lump Sum	As incurred	3 <sup>rd</sup> party professionals
Miscellaneous Opening Costs <sup>(9)</sup>	\$195	As Incurred	As Incurred	Third Parties
Additional Funds - 3 months <sup>(10)</sup>	\$1,930 to \$5,240	As Incurred	As Incurred	Third Parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(11)</sup></b>	\$36,961 to \$44,671			

## **Explanatory Notes**

- (1) Except where noted, these expenditures are non-refundable.
- (2) As described in Item 5, you must pay an initial franchise fee of \$12,500 for a

Territory containing up to 50,000 SFDUs. If you wish to obtain a Territory of more than 50,000 SFDUs, and we approve, you must pay us an additional fee of \$0.25 for each SFDU over 50,000 SFDUs. 50% of the initial franchise fee is due when you sign the Franchise Agreement, and the remainder is due before training. The initial franchise fee is non-refundable unless you attend training, but do not complete it to our satisfaction.

(3) A production vehicle can be purchased from a third party with \$0 down and payments over 5 years, depending on your creditworthiness. If you were to purchase the production vehicle outright the total cost would approximately be \$23,800. Your initial costs will increase based on the amount of money you decide to put down when purchasing the production vehicle. The production vehicle must meet our standards and specifications and must be purchased from an approved supplier. Currently, production vehicles must be a light-duty regular or extended-cab pickup truck. You must purchase a basic decal package for your truck, which we estimate will cost \$500, and have a third-party professional apply it for you, which we estimate will cost between \$500 to \$600 depending on factors like the going rate for your local market and the complexity of the application on the vehicle you have chosen.

(4) This amount includes the purchase of a smartphone, which we anticipate being \$500, a tablet device and hard cover, which we anticipate being \$500, and a computer hardware system, which we anticipate being \$1,000. Though not required, some franchisees choose to purchase the computer from us. These amounts do not include taxes and any applicable delivery charges. You will also have to purchase a data plan for your smartphone and tablet device from a service provider, which will require you to enter into a service contract with the service provider. You must also acquire and maintain Microsoft Office 365, which is currently \$150 per year, per user. The cost of the data plan varies by service provider, but we estimate that it will cost approximately \$60 per month for the smartphone and tablet device. The amount disclosed in the table above includes the smartphone, tablet device, and a computer. The costs for the first year for

one Microsoft Office 365 license and a monthly data plan are accounted for in the “Additional Funds” category described below.

(5) You must pay us or our affiliate a fee for SGE to collect property data relevant for marketing within your Territory. Based on a Territory size of 50,000 SFDUs, we estimate the fee to be \$500 for a new Territory. The initial property data fee is non-refundable.

(6) If we provide initial training virtually, such as through online video-conferencing software, we do not expect you to incur any travel-related expenses. If we provide initial training in person, we estimate you will incur travel and living costs for sending your trainees to in-person training in the range of \$1,090 to \$1,600.

(7) You must, at all times during the term of the franchise, maintain in force at your sole expense comprehensive public, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchised Business or otherwise in conjunction with the conduct of business by you under the Franchise Agreement. See Item 8 for detailed insurance requirements.

(8) You may operate a Franchised Business from locations within the Territory that we have approved, which may include a personal residence, office, or commercial space. This initial investment table does not reflect the potential cost of renting office or commercial space, or the costs for any deposits for various utilities such as gas, electricity, sewer, water, telephone and garbage disposal that you may need to make if you elect to rent office or commercial space. If you participate in the Pet Industry Professional Program, you may already be renting office or commercial space in connection with your existing Pet Industry business and any lease payments and costs associated with the renting of that office are not reflected in this initial investment table.

(9) Miscellaneous opening costs include items such as paper towels, bleach, garbage bags, and trash totes.

(10) During the initial phase of your operation, which we estimate to be 3 months, you will need capital to support ongoing expenses such as payroll (excluding your salary and draws), supplies, insurance, monthly third-party software fees (including QuickBooks Online), monthly data plan, the license fee for the first year of one license for Microsoft Office 365, and advertising to the extent these costs are not covered by the gross sales of the Franchised Business. Your working capital needs may vary widely from the working capital needs of other franchisees. Your costs will depend on factors such as the time of year you commence operations, how well you follow our methods and procedures, your management skill, your experience and business acumen, the local market for our services, the prevailing wage rate in your area, competition, and the sales level reached during your initial phase of operation. It is expected that new businesses will usually generate negative cash flow. There is no assurance that you will not need additional working capital. These amounts do not include funds necessary for your personal living expenses. The estimated figures shown are based primarily on the costs incurred by our affiliate, Chicagoland Scoopers, LLC, an Illinois limited liability company, which operates a Pet Butler Business and our affiliates’ decades-long experience in operating Spring-Green businesses. Estimated payments for debt service are not included. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(11) Except for the Pet Butler Financing described in Item 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. This estimate does not include any finance charge, taxes, interest, or debt service obligation. We may also provide assistance to you in obtaining third-party financing.