



## Licensing Information

### ***So, what is Licensing?***

Licensing is a lot like franchising, but without the enormous amount of capital required, and with plenty of room for creativity and growth on your own. When you license with us, you share all the resources, experience, and goodwill attached to the Java Mama brand. The key ingredient lies in the intimate and cooperative relationship between the Licensor and Licensees, where best practices are shared.

Among the other advantages of licensing over franchising is that we take no royalties from your sales, and you are not required to purchase your supplies or equipment from us. You are free to develop your own menu items, classes and other revenue streams in addition to what we provide you. You can implement your own creative ideas that fit your area and customer base. In short, you get all our knowledge and support, but are not limited in how to make the most of your Java Mama! Our only restrictions are focused on quality assurance and maintaining the integrity of the Java Mama brand.

### ***What Do I Get With My Java Mama License?***

Java Mama provides licensees with a great concept: a child-friendly, upscale café that is welcoming to both adults and children!

You will have access to our branding, start-up and operations handbook, unique recipes, operational systems, vital vendor relations, training materials, and exclusive regional rights. We will assist you in most every aspect of your business, from sight selection and design, through marketing your grand opening, to day-to-day operations.

Why reinvent the wheel? It took nearly five years for the first Java Mama Café to open. With this License, you will get the tools you need to open your own Java Mama Café in a fraction of the time and cost it would otherwise take.

### ***How much space do I need?***

Enough to fit a playarea, classroom/meeting space, cafe seating, and coffee and food prep area. We recommend a minimum of 2,000 square feet, but the more the better.

## ***How much money do I need for a Java Mama?***

There are a number of factors that go into your ultimate cost. Site construction, rent and labor costs can vary depending on your circumstances. But to give you a general idea of what to expect to get started, we've put together this table of expenses:

	Low	Medium	High
Initial License Fee	\$7,500	\$10,000	\$15,000
Construction	\$85,000	\$130,000	\$165,000
Equipment	\$40,000	\$55,000	\$70,000
Start Up Total	\$165,000	\$200,000	\$250,000

The estimated total start up costs include everything it takes to get your doors open. It is important to note that these numbers do not include on-going operational expenses, such as supplies, marketing, rent and payroll. There are also annual license renewals for each Java Mama location within your area of exclusivity, which is generally priced at 2/3 of your initial license fee.

## ***When will I turn a profit?***

Any credible source will tell you on average a new business takes 3-5 years to realize profitability. While we can make no guarantees for your business, it only makes sense that access to the type of knowledge and experience we provide will give you a profound advantage towards achieving your own success.

## ***Can't I figure it all out on my own?***

Yes, you can figure it out but, it will take a long time and more money. We spent almost five years opening Java Mama and learned so much along the way that we can share with you. We will tell you which equipment you should buy used or new, how to find suppliers, where to find insurance, how to find commercial real estate, how to best negotiate your lease, how to save tens of thousands of dollars on your built-out costs, what to look out for in construction, inexpensive marketing strategies, and so much more. Why reinvent the wheel when we've already done it?

## ***I'm ready, so what's the next step?***

We enter into a Memorandum of Understanding, or "MOU", that provides you with our business plan, assistance with site selection and lease negotiation, and reserves your region while you make a final decision on entering into a license agreement. All of the \$1,000 non-refundable MOU fee will apply towards your initial license fee. You will receive the handbook and our full, on-going technical assistance with the final license agreement.

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