

## MOST COMMONLY ASKED QUESTIONS ABOUT LEE’S HOAGIE HOUSE LICENSE:

1. What is the licensing fee for a Lee’s Hoagie House store?
2. How much money will it take to outfit a Lee’s Hoagie House store?
3. Is there an ongoing royalty and advertising fee?
4. Is there the opportunity for corporate financing?
5. What types of Licenses are available?
6. What is the size of a typical Lee’s Hoagie House operation?
7. How do I find the very best location?
8. Is prior experience required?
9. How many employees are required to operate a Lee’s Hoagie House?
10. What supplies must be purchased as a Lee’s Hoagie House Licensee?
11. Does Lee’s Hoagie House have business and marketing materials to support the growth of my business?
12. What is the term of the license agreement?
13. Can I “sell” my Lee’s Hoagie House license?
14. How long will it take to open my first Lee’s Hoagie House store?
15. What is my very first step to getting started?

Q. What does a Lee’s Hoagie House license cost?

A. The initial license fee for your first Lee’s Hoagie House is \$25,000.

Q. How much is the investment in a Lee’s Hoagie House store?

A. The following chart is representative of what it will take in terms of real dollars to get your store open and operating through the first three months.

| Description                                | Cost                       |
|--|----------------------------|
| Initial License Fee                        | \$25,000.00                |
| Lease Deposit                              | \$3,000-\$8,000            |
| Leasehold Improvements                     | \$25,000-\$53,800          |
| Equipment, Fixtures, and Furnishings       | \$75,000-\$126,000         |
| Permits & Licenses                         | \$500-\$1,000              |
| Signs                                      | \$3,000-\$4,800            |
| Prepaid Insurance Premium                  | \$1,200                    |
| Initial Inventory & Misc. Supplies         | \$11,500                   |
| Grand Opening Advertising                  | \$5,000                    |
| Training                                   | \$0-\$2,000                |
| Utility Costs & Deposits                   | \$500-\$1,500              |
| Additional Funds -1 <sup>st</sup> 3 months | \$10,000-\$18,000          |
| <b>TOTAL</b>                               | <b>\$159,700-\$257,800</b> |

Q. Are continuing fees to be paid?

A. Yes. We work with you from the time you have obtained your License to the opening of your store and forever after. Our success is fully dependant on your success. There is a continuing service fee (royalty) of 5% of adjusted gross sales and an owners advertising co-op fee of \$300.00 a month.

Q. Does Lee’s Hoagie House provide financing?

A. We work with several financing organizations that may be able to assist you in securing the financing for your license.

Q. What types of licenses are available?

A. Lee's Hoagie House grants individual and multi-unit licenses.

Q. What is the size of a typical Lee's Hoagie House operation?

A. Your Lee's Hoagie House will typically be located in a 1,200 to 1,800 square foot space.

Q. How do I find a location?

A. It is ultimately the licensee's responsibility to locate a suitable location. Lee's Hoagie House will have the final approval on all locations.

Q. Is prior experience required?

A. Prior experience is not required.

Q. How many employees are required to operate a Lee's Hoagie House?

A. The staffing of a Lee's Hoagie House depends on your volume. The average store has between 10 to 15 full and part time employees.

Q. Do I receive guidance on the purchase of inventory and supplies?

A. Yes. We evaluate suppliers based on their ability to provide products that are equal to or exceed our specifications and high quality standards, in sufficient quantities and at competitive prices.

Q. Does Lee's Hoagie House have business forms and marketing materials I can use?

A. Yes, we have a variety of useful forms and controls that will aid you in running an efficient operation if you want to see them.

Q. What is the term of the license agreement?

A. The initial term of the agreement is five years with renewable options.

Q. Can I "sell" my Lee's Hoagie House license?

A. Yes. Like any other business, your license and business may be sold to a buyer approved by the company. However, the company has the right of first refusal. There is a transfer fee for administrative, legal, and training expenses.

Q. How long will it take to open my first Lee's Hoagie House store?

A. The time to open your Lee's Hoagie House depends on a number of variables, including selecting a desirable location. It is our desire to get you up and running as quickly as possible. You may be able to arrange financing, complete training, and have construction completed in as little as 90 to 120 days.

Q. How do I get started?

A. Please take your time and fill out our confidential biographical and financial questionnaire and mail it to :

Lee's Hoagie House  
26 Second Street Pike  
Southampton, PA 18966