



ANSWERS TO COMMONLY ASKED QUESTIONS

The following questions and answers are designed to provide basic information about the structure, costs and support systems of our franchise program.

What types of franchises are available?

Both Single-Unit and Multi-Unit Area Franchises.

What is the single unit franchise fee cost?

The Single Unit Franchise Fee is \$30,000. Under our Area Developer’s Agreement, Multiple Unit fees are as follows:

Second Unit \$22,500

Third and Additional Units \$17,500

All of the first unit fee and a \$10,000 deposit on all subsequent fees are required when an Area Developer’s Multi-Unit Franchise Agreement is signed. The balance of the Franchisee Fee for each unit is required when a lease is executed for said additional unit. Additional Units are opened in accordance with an established time schedule.

The following chart describes your initial investment to establish a debugit computer service center:

Expenditures	Estimated Low-High Range	When Payable	Method of Payment	To Whom Paid
Initial Franchise Fee (1)	\$30,000	On signing franchise agreement	One-half with preliminary binder balance upon execution of lease agreement	Us
Architectural & Engineering (2)	\$6,000 to \$7,500	As arranged	As arranged	Suppliers
Construction Costs (3)	\$30,000 to \$50,000	As scheduled	Lump sum	Contractors
Operating Equipment Furniture and Decor (4)	\$25,000 to \$40,000	As arranged	Lump sum	Suppliers
Signage & Installation (5)	\$3,500 to \$5,000	As arranged	Lump sum	Manufacturers & Installers
Initial Inventory (6) & Proprietary Merchandise	\$7,500 to \$10,000	As arranged	Lump sum payable	Suppliers
Opening Marketing (7)	\$10,000 to \$15,000	Lump sum	Sixty (60) days prior to opening	Us
Pre-Opening Training, Travel and Living Expenses (8)	\$2,500 to \$4,000	Before Opening	As incurred	Suppliers
Miscellaneous Opening Costs (9)	\$15,000 to \$20,000	As arranged	As incurred	Governmental authorities, providers & other third parties
Recruitment Program (10)	\$2,000 to \$2,500	Lump sum	Within thirty (30) days after signing of site lease	Us
Additional Funds— 3 Months (11)	\$20,000 to \$30,000	As arranged	As incurred	Various suppliers and providers
TOTAL ESTIMATED INITIAL INVESTMENT	\$151,500 to \$214,000			

Are there any special staff requirements?

Yes, there must be a minimum of one (1) A+ Certified Level 5 technician on staff at all times!

What is the time frame to open a debugit Computer Service Center?

Upon site acceptance...it's possible to obtain licenses, permits, place orders for fixturing and equipment, make leasehold improvements and complete training in as little as 4 months to 5 months.

Is there a fee for ongoing service?

Yes. The royalty fee for continuing service is seven percent (7%) of the net sales (total receipts excluding sales taxes) from the debugit operation.

What about advertising?

To promote on a local and/or system-wide level, franchises are required to contribute three percent (3%) of their net sales as an advertising and marketing fee and one-half of one percent (0.5%) of net sales as an advertising production fee. (Net sales total receipts excluding sales taxes.)

What do I get for my franchise fee and royalties?

- Use of the debugit name, systems, logo and center design.
- A comprehensive management training program designed to prepare you for daily operation of a debugit service center. Travel and lodging expenses are not included in the fee.
- Franchise development support. Conceptual center layout, assistance in ordering of equipment, furniture and fixtures.
- Construction and design support. Review of center plan design, which must be sealed by a certified architect and engineer before submitting them to local government entities.
- Real estate assistance for site selection.
- Support and training assistance in pre-opening and opening.
- Ongoing operations & marketing support.

How does the customer pay for debugit services?

Payment method is by check, cash or credit card. Services are not provided on account.

What services do we offer at a debugit Computer Service Center?

- ~ mobile on-site repair, upgrades and installation
- ~ convenient drop off service center
- ~ wireless and wired networking
- ~ PC and MAC repair
- ~ technology and international service
- ~ emergency services
- ~ software products & operating assistance
- ~ parts and services
- ~ replacement sales

What kind of training can I expect from the Company?

Comprehensive. The training program at the company's service center and at franchisee's own unit includes everything from computer service center procedures...to business management.

What help will I get constructing my unit?

Franchise Corporate will assist in overseeing the construction of each unit, to maintain consistency of design appearance, the quality of materials and operational efficiency.

Where can I locate my unit?

It is your responsibility to locate and evaluate a site. Franchise Corporate will assist in evaluating the site submitted based on customer base, rental costs, visibility and other business factors in determining approval.

What if I already have a site in mind?

We will be happy to evaluate it against our Computer Service Center Model criteria.

How long is the term of the franchise agreement?

The standard term is 10 years; however, there is an opportunity for renewal for successive 10-year periods at the then-current terms.

What if I want to sell my franchise?

As with any business, you can sell your franchise to any buyer approved by the Company.

There is a fee for administrative and legal expenses.

Am I required to buy my equipment and supplies from you?

No. All necessary items may be purchased or leased from franchisor-approved manufacturers, suppliers and/or distributors. We have negotiated with numerous suppliers to meet our standards for quality and service, and we can generally provide favorable pricing for our franchisees. Our operations department continually evaluates suppliers based on their ability to meet or exceed our high quality standards and specifications.

Does Franchise Corporate offer a financing program?

Not directly. But we can assist in obtaining financing/leasing for qualified franchisees.

I'm interested, what's the next step?

Complete the Confidential Franchise Application and return it to us; this obligates neither party in any way and is merely an expression of your interest. If you qualify, we'll contact you to schedule a personal meeting and provide you with the required disclosure document, including our complete Franchise Agreement.