

# INVESTMENT SUMMARY

<b>INITIAL FRANCHISE FEE</b>	\$20,000.00	Referred to as the "set up" fee: We assist you in selecting a location, negotiating a lease, obtaining financing, building and equipping a site, providing the necessary training, operating manuals and grand opening assistance.
<b>ROYALTY FEE</b>	4% of gross sales	This fee is used for research and development, field visits and training updates, group purchasing power, and on-going services such as daily use of our proven recipes for bagels, cream cheese spreads and other menu items.
<b>ADVERTISING FEE</b>	2% of gross sales	This is essentially a reimbursement for expenses incurred for on-going advertising and promotional activities for all TGAB locations.
<b>TRAINING PROGRAM: 4 WEEKS</b>	-0-	The only cost incurred is for travel, lodging and meals. There is NO LIMIT on the amount of persons that can be sent to training.
<b>DEVELOPMENT COST (ESTIMATED)</b>	\$275,000 - \$475,000	Includes, but is not limited to, the following: Building permit and business license Carpentry Equipment (new) Electrical, Plumbing Grand opening advertising & promotion Heating, venting, and air cond (HVAC) Initial inventory & paper products Interior Finishes: Murals, Paint, Tile Paper products & miscellaneous Signage

## HOW MUCH CAN YOU MAKE AS A FRANCHISEE OF THE GREAT AMERICAN BAGEL?

Regretfully, we are unable to communicate to you the profitability of our locations. To obtain information in key areas such as gross sales, operating costs and profit and loss indications, we strongly urge you to contact our franchisees. Please introduce yourself as a franchisee prospect and set up an appointment with them to discuss these and other important areas of becoming a franchisee of our concept.