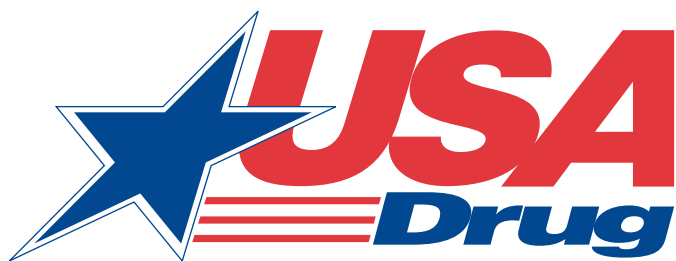


FRANCHISE PROGRAM



QUESTIONS & ANSWERS

The following questions and answers are designed to help you assess our franchise and to make a fully informed decision concerning our business opportunity.

1. **Q. What type of franchises are available?**

A. A franchise may be for a new or existing location. We develop our units on a store by store basis. Full line and Express formats are available.

2. **Q. What does a franchise cost?**

A. There is a initial \$7,500 for Express format and \$12,000 for Full line franchise fee at this time. However, this could change in the future at the franchisor's sole discretion. Costs of converting an existing drugstore to a USA/Super D Franchise can be dramatically less.

3. **Q. How much total cash do I need?**

A. The cost of owning a single USA/Super D drugstore will vary considerably depending on the size of the unit. Our units range from 1,800 sq. ft. to 10,000 sq. ft. A conventional new 2,000 to 3,000 sq. ft. USA/Super D franchise should be from \$121,000 to \$201,000 Approximate Total Cost. A conventional new 6,000 sq. ft. USA/Super D Express franchise should be from \$262,000 to \$402,000 Approximate Total Cost (see enclosed cost break-down). Conversion of an existing drugstore to a USA/Super D Franchise can be dramatically less.

4. **Q. Does USA/Super D provide financing?**

A. USA/SuperD does not provide financing. However, our representatives may be of assistance in helping you construct a financing package for presentation to your lender. We can, in some instances, direct you to sources from which other franchises have successfully obtained loans. However, these are third parties and their decisions are independent of USA/Super D.

5. **Q. Are equipment and fixtures competitively priced?**

A. Yes. By capitalizing on the buying power of USA/Super D, cost of equipment can be reduced up to 50% by buying directly from equipment manufacturers and sending them directly to the franchisees.

6. **Q. What is the charge for continuing service and royalty?**

A. For an individual franchise, the fee is 3% of gross receipts, exclusive of sales tax.

7. **Q. What about advertising?**

A. Building recognition of the USA/Super D name and reputation is an essential ongoing objective that benefits everyone. For this purpose, each franchisee, as well as company owned stores, contribute 1-1/2% of gross receipts into the USA/Super D Advertising Fund.

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8. **Q. Where may I locate my USA/Super D drugstore?**
- A. Your operations specialist will assist you in site selection according to his/her own development plan.
9. **Q. May I find my own location?**
- A. It is the responsibility of the franchisee to find a suitable location. Your operations specialist is there to guide you toward the right types of sites and give final approval on all locations.
10. **Q. Do I receive training by USA/Super D?**
- A. Presently, training is conducted within our core of company owned stores. Additional custom tailored training is available if necessary. Costs connected with travel and lodging will be at your expense.
11. **Q. Do I receive assistance in opening my business?**
- A. Yes. Your operations specialist will work with you in your market several days before and after opening. The operations specialist or his/her staff will be available to assist you to discuss business development and operations.
12. **Q. What form of continuing guidance will I receive?**
- A. First of all, you will receive a USA/Super D Operations Manual covering many important facets of your business operation. As the manuals are updated, revisions will be made available to you. You will receive correspondence containing useful management tips, information and bulletins which spotlight important happenings. You will also receive visits by your operations specialist who will consult with you and offer useful advice and counsel on such systems elements as customer service, store operations, advertising, record keeping, training, promotion, and other business information you may require.
13. **Q. Do I receive guidance on the purchase of inventory and supplies?**
- A. Yes. Our Operations Department evaluates suppliers, based on their ability to provide products in sufficient volume and at the lowest competitive prices, and then recommends these sources for your use.
14. **Q. Does USA/Super D have inventory control forms and business aids I can use?**
- A. Yes. We have designed a complete variety of forms for inventory control, daily and weekly sales and check registers, and other business aids vital to the correct and efficient operation of your unit. You will also receive other marketing materials which have been professionally prepared to promote your business.

15. **Q. Will I have to find my own computer?**

A. You have that choice, but our whole system (corporate and most franchises) utilize the “Scriptmaster” Prescription Software program by Computer, Inc, of Wichita, Kansas. This system is continually evolving and improving. This system also supports a fully integrated P.O.S. (point of sale) Function which supports inventory control and auto replenishment and more available paperwork reports than you can believe. This system is a much needed tool for prescription inventory control, where most of your dollars are tied up. Since this is the system used company wide, you have support resources available that we could not provide with other systems.

16. **Q. Can I sell my USA/Super D franchise?**

A. Yes. Like any other business, your business can be sold to any buyer approved by the company. However, the company retains first right of refusal. Terms and conditions of store transfers are covered in your franchise agreement.

17. **Q. What is the term of my Franchise Agreement?**

A. The basic term is 10 years.

18. **Q. Who holds the lease?**

A. Some leases are held by USA/Super D and sub-leased to the franchise. Other leases are held by the franchisee.

19. **Q. How long before I get my USA/Super D started?**

A. That depends on a number of variables, including selecting a desirable location and the number of prospective franchisees on our waiting list. You may be able to arrange financing, complete training and have fixtures installed in as little as 90 to 120 days.

20. **Q. I would like to study your Franchise Agreement. Will you send me one?**

A. Our Franchise Agreement was developed by our attorneys and specialists in franchising and is a valuable document which we do not indiscriminately distribute. Following the procedure outlined in questions 21, we will be happy to provide you with a copy of the Franchise Agreement and our Disclosure Statement.

21. **Q. How do I get started?**

A. First, fill out the Franchise Application form and submit it to USA/Super D. Upon receipt, we will contact you to answer any questions that you may have. We will then forward your information to the operations specialist in your area. He/she will contact you to set up a personal meeting and provide you with a disclosure statement.

We have attempted to answer the most commonly asked questions about USA./Super D. We are sure you must have a few questions that we haven't covered, so please feel free to ask any questions at all. Thank you for your interest. You may reach us between 8 am & 5 pm, Monday thru Friday by calling (870) 535-2411, ask for Franchise.