



Butterchick Confidential Application & Non-Disclosure Agreement

ALL APPLICANTS PLEASE READ THE FOLLOWING:

This Application is used to help determine your suitability to own and operate a Butterchick Franchise. We will rely on the information you provide to us in order to make a decision concerning your suitability. All information contained in this Application will be treated as confidential information. This Application is not a contract and does not obligate either party in any manner except as it relates to Section L: Confidentiality and Non-Disclosure Agreement. Each business partner must complete, sign and submit this Application and the Confidentiality & Non-Disclosure Agreement. Should you qualify and a mutual interest develops, we may request additional information.

SECTION A - PERSONAL INFORMATION

First name: _____ Last name: _____

Preferred name: _____ Date of birth: _____

Current address: _____

City: _____ Prov./State: _____ Postal/ZIP Code: _____

Tel No. (Cell): _____ Tel No. (Home) _____

Tel No. (Bus): _____ E-mail Address: _____

Citizen of: _____ Resident of: _____

*Tax ID/National ID/SSN: _____ *Optional for additional information purposes but required to begin the process of the purchase of and transfer of an existing location. Also note: it will be required prior to the purchase of a new franchise.

EDUCATIONAL RECORD

Highest Level Attained: _____

Date: _____ Degree/Focus: _____

SECTION B - BUSINESS STRUCTURE

What role do you expect to play in the Butterchick Franchise?: _____

Do you plan to devote Full-Time to the business?: Yes No

Please list any additional Partners that may be involved:			
Current or Anticipated Owners, Shareholders, Members and Partners	Title/Role in Business	Ownership Share (%)	Relationship

Note: Each person expected to have an ownership interest, whether as a shareholder, member, limited partner, or partner, must complete a separate application

SECTION C - BUSINESS / WORK EXPERIENCE

PLEASE ATTACH A RESUME THAT INCLUDES ALL PROFESSIONAL ACTIVITY FOR THE PAST SEVEN (7) YEARS AND EDUCATION

Have you ever owned or managed a retail business or franchise? No Yes, please provide details below.

Please list any other companies or business(es) in which you are or have been an owner, officer or director:		
Company/Business	Position/Title	Dates

ADDITIONAL EXPERIENCE

Please identify any experience you have had working in the Food Services, Retail or Hospitality business(es):		
Company/Business	Position/Title	Dates

Please identify any experience you have had during the last seven (7) years in the following categories:

Managing Employees _____

Development or Construction of Commercial Real Estate _____

Business Marketing _____

Commercial Leasing _____

Other _____

SECTION D - FINANCIAL QUALIFICATIONS

ASSETS	VALUE	ASSETS	VALUE
CASH ON HAND OR IN BANK		INSTALLMENT NOTES & CONTRACTS	
STOCKS & BONDS (CURRENT VALUE)		REAL ESTATE LOANS (PERSONAL RESIDENCE)	
PERSONAL RESIDENCE (CURRENT FMV)		OTHER LOANS OR NOTES PAYABLE	
OTHER REAL ESTATE (CURRENT FMV)		CREDIT CARD AND OTHER INSTALLMENT DEBT (INCLUDING CAR LOANS)	
RETIREMENT FUNDS (e.g., 401(k), IRA, PENSION)		CONTINGENT LIABILITIES	
EQUITIES, PARTNERSHIP INTERESTS, CASH VALUE OF LIFE INSURANCE POLICIES, OTHER INVESTMENTS			
AUTOS		OTHER LIABILITIES	
OTHER			
TOTAL ASSETS		TOTAL LIABILITIES	
NET WORTH (TOTAL ASSETS - TOTAL LIABILITIES)			
IF YOUR ASSETS LISTED ABOVE INCLUDE \$50,000 OR MORE FROM AN OWNERSHIP INTEREST IN A BUSINESS, PLEASE DESCRIBE HOW YOU DETERMINED THE VALUE OF THAT OWNERSHIP INTEREST. WE MAY REQUEST ADDITIONAL INFORMATION TO SUPPORT THAT VALUATION.			
PLEASE DESCRIBE ANY CONTINGENT LIABILITIES DESCRIBED ABOVE (INCLUDING ANY JUDGMENTS, OR ANY LIABILITY AS CO-MAKER/ENDORSER, OR GUARANTOR.			

Please identify the sources of all current income:

Salary _____

Net Investment Income _____

Real Estate Income _____

Other Income _____

Please indicate whether the assets described above are owned by you separately or are part of a marital estate:

Separate Marital

SECTION E - LEGAL INFORMATION

Have you ever filed for bankruptcy? No Yes, if so, when and where? _____

Have you ever been convicted of a felony/indictable offence, fraud or a crime of moral turpitude?

No Yes, if so, provide details below

In the past seven (7) years, please list any lawsuits in which you have been a party (excluding divorce or other family law matters):

Parties	Court	Year Filed

SECTION F - REFERENCES

BUSINESS REFERENCES

Accountant, Attorney or Professional Advisor

First name: _____ Last name: _____ Company Title: _____

Company: _____ Tel: _____

Address: _____

E-mail Address: _____

Other

First name: _____ Last name: _____ Company Title: _____

Company: _____ Tel: _____

Address: _____

E-mail Address: _____

PERSONAL REFERENCES

(Other than family)

First name: _____ Last name: _____ Company Title: _____

Company: _____ Tel: _____

Address: _____

E-mail Address: _____

SECTION G - BRAND PASSION

Why are you interested in becoming a Butterchick franchisee? What do you like best about Butterchick?

What makes you an excellent candidate to become a Butterchick franchisee? How would Butterchick and the network of Butterchick franchisees benefit from having you as a franchisee?

List competitors, if any, include name, website information and pricing of products.

SECTION H - AREA DEVELOPMENT OR MASTER FRANCHISE RIGHTS

How many stores would you be interested in operating? 2-3 4-5 6-10 10+

Where would you want to locate your store(s): _____

Are you interested in the Master Franchise Rights? No Yes, if so, please explain why

SECTION I - IMPORT RESTRICTIONS

Are there any restrictions on importation of certain goods or food products for the Territory that you are considering?

No Yes, if so, please provide details below

SECTION J - CURRENCY TRANSFER RESTRICTIONS

Are there any restrictions on the transfer of currency for the territory that you are considering?

No Yes, if so, please provide details below

SECTION K - PRIVACY POLICY

We understand the importance of the privacy of your personal information and the following is our policy in relation to the collection and use of your personal information:

1. We only collect the information you provide voluntarily. We will only collect other information about you with your consent.
2. We will use the information submitted in this Application to determine your suitability as an owner of a Butterchick outlet and the rights to use the Butterchick’s name.
3. We, and our agents, take reasonable steps to protect your personal information disclosed in this Application including holding it in confidence, preventing misuse, loss, unauthorized access, or modification.

SECTION L - NON-DISCLOSURE AGREEMENT (NDA)

As an Applicant, you are exploring and considering the possibility of owning a Butterchick Franchise and it is anticipated that Butterchick Franchising Inc. and its authorized agents will disclose to you information that is proprietary and confidential related to our products and services, so you need to sign and date the attached Exhibit A before we can process your Application.

SECTION M - DECLARATION

I understand that the purpose of this Application is to help assess my suitability as an owners and operator of a Butterchick Franchise and the corresponding rights to use the trademarked Butterchick name in commerce, and to indicate a preferred location for an outlet. It does not obligate either Butterchick Franchising Inc., its agents or myself in any way whatsoever. This application does not constitute an offer to purchase or open a Butterchick Franchise at any location nor the grant of a franchise. I understand that Butterchick Franchising Inc. grants franchises only by executing a written franchise agreement.

I understand that Butterchick Franchising Inc. reserves the right to confirm the information in this Application, speak to references, and run a credit report and full background check at my expense (to the extent permitted by applicable laws).

I certify that the information contained in this Application is true and correct and agree to update this information if there are any changes. I understand that Butterchick Franchising Inc. may, at any time, require that I sign an updated application or provide updated information. Furthermore, I agree with the terms of Exhibit A and have separately signed the Confidentiality and Non-Disclosure Agreement in that Exhibit.

SECTION M - DECLARATION (CONTINUED)

I authorize Butterchick Franchising Inc. and its affiliates (collectively "Butterchick" to rely on the information contained in this application and any supplemental information I might later provide in deciding whether to grant me a franchise. I certify that the information contained herein is true, correct and complete as of the date shown below. I authorize Butterchick to conduct its own background and credit history checks using whatever resources it may be entitled under applicable law to use. I authorize Butterchick to start an investigative consumer report (including information as to my character, general reputation, personal characteristics and mode of living) and a credit investigation (including obtaining my credit report from its choice of credit reporting agencies. In accordance with the Privacy Act, Freedom of Information Act, Fair Credit Reporting Act and any similar federal, state or local law or regulation, I expressly authorize any past or present employer, law enforcement agency, credit reporting agency, collection agency, bank, brokerage and other financial institution, educational institution, creditor and supplier, and any other person who has knowledge of my character, work, business and educational experience, financial condition, criminal records or other information about me (whether or not contained in this application) to release information to and cooperate with Butterchick in conducting such investigation. I release all persons from liability as a result of their release of true and accurate information in connection with Butterchick's investigation. I authorize the use of photocopied or faxed copies of my signature to obtain information in connection with Butterchick's review and investigation of my application. I understand that I have a right to request that Butterchick disclose to me the nature and scope of its investigation and that, if my application is rejected because of information obtained from a consumer reporting agency, I might be entitled under the Fair Credit Reporting Act to the name of the agency or source of information. If I intend to own the Butterchick franchise with other applicants whom I have identified to Butterchick, I authorize Butterchick to discuss with such co-applicants any information (including any derogatory credit items) that might negatively affect its determination to grant the franchise.

I am aware of no facts, circumstances or events (actual or threatened) that I have not disclosed that might make the information contained herein or that I have otherwise provided to Butterchick incorrect, incomplete or misleading. I agree to promptly notify Butterchick of any material change in any of such information and of any events that might have a material impact on the truth, accuracy or completeness of such information. I understand that Butterchick might require additional information in considering my application.

SIGNATURE OF RECIPIENT

Date: _____

Preferred location: _____



Exhibit A: Confidentiality & Non-Disclosure Agreement (NDA)

TERMS OF NDA

1. Confidential Information. “Confidential Information” means any Butterchick Franchising Inc., and its affiliates (collectively, “Butterchick”) related information or materials created, developed and disclosed to the Applicant (“Recipient”) by Butterchick or its agents, whether oral, audio, visual or written form, concerning the Butterchick intellectual property including the brand, menu and recipes (“Products”), or the business and operations of Butterchick including without limitation:

- a. Any technical and business information relating to proprietary ideas, patentable idea and/or trade secrets, existing and/or contemplated products and services, research and development, production, costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as “Confidential Information” at the time of its disclosure;
- b. Other confidential and/or sensitive information which
 - (i) is disclosed as such in writing and marked as confidential (or with other similar designation at the time of disclosure; and/or
 - (ii) is disclosed in any other manner and identified as confidential at the time of disclosure;
- c. Any information gleaned from visits to the offices of any party hereto; and
- d. Any discussions between the parties hereto or any involved third parties involving any Confidential Information.

2. Confidentiality and Use.

- a. Standard of Care. Recipient will keep in confidence all Confidential Information that it received from Butterchick, using the same degree of care it uses to protect its own confidential or proprietary information, which degree may not be less than a reasonable standard of care.
- b. Limitation on Use. All Confidential Information shall be kept secret and confidential and Recipient will not, directly or indirectly, use, modify, create derivative works of, copy, publish, post, upload, download, license, disseminate, distribute, show, reveal or disclose the Confidential Information to any individual or entity (other than the Recipient’s members, managers, owners, officer employees, agents, representatives and professional advisors (individually and collectively, “authorized recipients”) who have a need to know in connection with evaluating the purchase of the rights to use and distribute the Products, but only to the extent of that need. Recipient shall take affirmative measures to ensure compliance with these confidentiality obligations by its authorized recipients.
- c. Materials. Recipient shall not scan, photocopy or reproduce any portion of the Confidential Information and, upon completion of its review for the purpose of the business discussions, will return to Butterchick the Confidential Information and all materials related thereto, including all tangible embodiments, electronic and paper documents, copies and summaries thereof. All Confidential Information must be returned to Butterchick on its demand.

3. Exclusions. The obligations imposed by this NDA do not apply with respect to Confidential Information that:

- (a) was possessed before receipt;
- (b) is or comes into the public domain through no fault of the Recipient;
- (c) is rightfully received from a third party not owing a duty of confidentiality; or
- (d) is disclosed without a duty of confidentiality to a third party by, or with the authorization of Butterchick, but only to the extent of such authorization.

TERMS OF NDA (CONTINUED)

4. Injunctive Relief. It is hereby understood and agreed that damages would be an inadequate remedy in the event of a breach by Recipient of this NDA and that any such breach by Recipient would cause significant and irreparable harm and damage. Accordingly, Recipient agrees that Butterchick will be entitled, without waiving any additional rights or remedies otherwise available to Butterchick at law or in equity, to injunctive and other equitable relief in the event of a breach or intended or threatened breach by Recipient of this NDA.

5. No Commitment of Business. Neither party has any obligation under this NDA to purchase and services, goods or intangibles from the other Party. Furthermore, both parties acknowledge and agree that the exchange of information under this NDA shall not commit or bind either party to any present or future contractual relationship (except as specifically stated herein), not shall the exchange of information be construed as an inducement to act or not act in any given manner.

6. Indemnity. Each party agrees to indemnify the other party for any loss or damage, excluding lost profits and consequential, punitive, exemplary or incidental damages, suffered as a result of the breach by such Party of the terms of this NDA, including any reasonably legal fees incurred by the other Party in the collection of such indemnity.

7. Miscellaneous. This NDA constitutes the entire agreement between the parties concerning the disclosure of Confidential Information and superseded and prior agreements, understanding, or representations with respect thereto. Any addition or modification to this Agreement shall be made in writing and signed by Recipient and Butterchick. This NDA is binding upon the Recipient and its permitted successors and assigns. Any failure or delay by either Party in exercising its rights under this NDA is not a waiver of any rights. In case any provision of this NDA is declared invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this NDA, and this NDA shall be construed as if such provision had not been contained herein, provided that such provision shall be limited or eliminated only to the extent necessary to remove the invalidity, illegality or unenforceability. Governing Law & Venue. This NDA is made under and shall be construed in accordance to the laws of the Province of Ontario, Canada, without reference to the conflict of laws principles. Except for actions seeking injunctive relief (which may be brought in any appropriate jurisdiction) suit under this NDA shall be brought in a court of competent jurisdiction in Toronto, Ontario, Canada.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same Agreement. The signatures required for execution may be transmitted to the other Party via facsimile or a scanned .pdf file sent via electronic mail and such signature shall be deemed a duplicate original, shall be effective upon receipt by the other Party, may be admitted in evidence and shall fully bind the Party and person making such signature.

Signed this: _____ day of _____, 20_____

SIGNATURE OF RECIPIENT

PRINT NAME OF RECIPIENT

BUTTERCHICK

By: _____