

Union Capital Finance Corporation

2 Kings Court

Little Rock, AR 72211

(501) 224-9050 fax (501) 224-9048

www.unioncapitalfinance.net

SECTION I:

What credit information will we require to approve your financing request?

First Time Franchisee

- Complete and sign the application for financing
- Personal financial statement on all principals, signed and dated (no more than 90 days old)
- 2 years personal tax returns on all principals, signed and dated, with all schedules
- Proof of liquidity: Copies of bank and investment statements
- A business plan and pro forma are required for all startups & acquisitions
- "Sources and Uses" worksheet
- Franchise Questionnaire
- \$1000 application fee. Not refunded if Applicant cancels after signing the pre-approval form or if loan application is not approved after applicant sign the pre-approval form.

For Acquisitions and existing franchisees requesting financing for additional locations

- All of the above
- 3 years business income tax returns and accountant prepared financial statements, if applicable. Tax returns and statements should be provided for all locations owned and/or to be acquired. If the financial statements are "Reviewed or Audited" statements, tax returns may not normally be required
- Most recent interim statement
- Purchase/Sale agreement (if acquisition)
- Details on existing business debt: Identify lender, balance, payment, purpose, and whether or not debt is to be refinanced.
- \$1000 application fee. Not refunded if Applicant cancels after signing the pre-approval form or if loan application is not approved after applicant sign the pre-approval form.

We will verify all information, including correct legal name and business structure. If your firm is an LC or an LLC, we will require a copy of your LLC Agreement. If your firm is a corporation, we will verify with the Secretary of State – if you have been incorporated in a state other than where your business is located, please advise. If you are a sole proprietor, we may request a business license.

From time to time, Union Capital Finance Corporation may require additional information as needed to amplify or clarify items listed above. Every attempt will be made to request additional information expeditiously and comprehensively.

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SECTION II: Statement of Sources and Use of Funds

Firm Name: _____ Franchise Concept: _____
 Store#: _____
 Franchise Location: _____

A. List All major costs to be incurred in opening this location:

| | Total Dollar Amount Needed | Paid To Date | Unpaid |
|---|-----------------------------------|---------------------|---------------|
| Real Estate (if you own location) | | | |
| Purchase price (if acquiring existing location) | | | |
| Franchise Fee (or Transfer Fee) | | | |
| Furniture, Fixtures, and Equipment | | | |
| Leasehold Improvements | | | |
| Signage | | | |
| Inventory | | | |
| Training | | | |
| Deposits | | | |
| Other (Describe with Breakdown) | | | |
| Working Capital | | | |
| TOTALS | | | |

B. List the source of funds for all costs to be used to complete this project:

| | Total Dollar Amount (Sources) | Paid to Date | Available and Intended for Use on this Project |
|---|--------------------------------------|---------------------|---|
| Bank Deposit Accounts | | | |
| Sale of Securities | | | |
| Union Capital Finance Corporation Financing | | | |
| Unsecured Bank Loan/Line (circle) | | | |
| Home Equity Loan/Line (circle) | | | |
| Seller Financing | | | |
| Leaseholds Paid by Landlord | | | |
| Third Party Personal Loan | | | |
| Gift (Provide gift letter) | | | |
| Other i.e. :investor, etc (describe) | | | |
| TOTALS | | | |

Prepared By: _____ **Date:** _____

TOTALS FROM TABLE A SHOULD MATCH TOTALS FROM TABLE B

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SECTION III: QUESTIONNAIRE

Firm Name: _____

DBA/Franchise Name: _____

1. What is your motivation for opening a franchise at this time? _____

2. How did you select this particular franchise concept? _____

3. Please summarize your credit profile over the past 5 years? _____

a. Any outstanding tax liens, bankruptcy or judgments? Yes___ No___

b. Do you know your credit score/FICO score? Yes___ Score:_____ No___

4. Has the franchise fee been paid? Yes___ No___ Store # _____

a. Who is/are the Franchisee(s) of Record? _____

b. Location: _____

(Street address, city, state, zip code)

5. Has the above location been secured for this franchise? Yes___ No___

(If so, please provide a copy of the space lease)

6. What do you feel are the strengths and weaknesses of this location? _____

7. Who will manage the day to day operation at this location? _____

(Please summarize the manager's relevant experience or attach a resume)

8. Is this the first location that you will open? Yes___No___ (If YES, please go on to #9, if NO, please complete a, b, c)

a. Timeline (Dates) of opened locations: _____

b. Name and type (Corp, LLC, etc.) of operating entity for each LOCATION:

Name: _____ Name: _____

Type: _____ Type: _____

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c. Debt schedule(s) on existing franchised locations: (if applicable)

USE ADDITIONAL SHEET IF NECESSARY (if more than 3 locations)

| | | |
|---|---|---|
| Lender: _____ | Lender: _____ | Lender: _____ |
| Opening Date: _____ | Opening Date: _____ | Opening Date: _____ |
| Original Amt: _____ | Original Amt: _____ | Original Amt: _____ |
| Balance: _____ | Balance: _____ | Balance: _____ |
| Mo. Payment: _____ | Mo. Payment: _____ | Mo. Payment: _____ |
| Maturity Date: _____ | Maturity Date: _____ | Maturity Date: _____ |
| Collateral: _____ | Collateral: _____ | Collateral: _____ |
| Balloon/Residual: (if applicable) _____ | Balloon/Residual: (if applicable) _____ | Balloon/Residual: (if applicable) _____ |

9. Do you own any other franchise agreements that are not yet opened? Yes ___ No ___

10. Have you ever owned a business before, franchise or other? _____

a. If YES provide details of that business _____

b. Do you still own that business? _____ If not, how did you dispose of it? _____

11. Will any of the owners (and/or spouses) of this business keep their existing employment?

a. If YES, which owner(s)/spouse(s)? Please use additional page if needed.

| | | |
|----------------------|----------------------|----------------------|
| Name: _____ | Name: _____ | Name: _____ |
| Relationship: _____ | Relationship: _____ | Relationship: _____ |
| Occupation: _____ | Occupation: _____ | Occupation: _____ |
| Employer: _____ | Employer: _____ | Employer: _____ |
| How Long: _____ | How Long: _____ | How Long: _____ |
| Annual Income: _____ | Annual Income: _____ | Annual Income: _____ |

b. If this is a family business, which family members work full time in the business? _____

c. If working full time, will they have an employment contract, earn ownership, or otherwise be compensated with ownership? _____

d. How much of your total family income do you expect to generate as a result of this business? _____

e. How much equity do you plan to invest in this business? _____

f. Will you be borrowing any funds in addition to this request? _____

g. Does your landlord have an allowance for tenant improvements? Yes ___ No ___

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h. What is the dollar limit of the allowance for tenant improvements? _____

i. What items does the allowance cover? _____

j. Is the landlord due repayment if the lease is terminated early? Yes _____
No _____ Amount _____

12. What is the anticipated opening date for this location? _____

13. Who is your contact person (area director or development agent) at franchise?

Name: _____ Telephone Number: _____

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APPLICATION FOR FRANCHISE FINANCING

Company Name: _____
(Exact legal name)

DBA/Franchise Name: _____ Store #: _____

Business Address: _____

Telephone: _____ Fax: _____

Years in Business: _____ Years under current ownership: _____

Type of organization: Sole Proprietor Corporation Partnership Limited Liability Corp/Partnership

Bank Name: _____ Account Number: _____

Contact Name: _____ Telephone Number: _____

Bank Name: _____ Account Number: _____

Contact Name: _____ Telephone Number: _____

Personal Information on Owners, Officers, Partners or Guarantors:

Owner/Officer Name: _____

% Owned: _____ Home Address: _____

Title: _____ Social Security#: _____

Owner/Officer Name: _____

% Owned: _____ Home Address: _____

Title: _____ Social Security#: _____

Owner/Officer Name: _____

% Owned: _____ Home Address: _____

Title: _____ Social Security#: _____

Owner/Officer Name: _____

% Owned: _____ Home Address: _____

Title: _____ Social Security#: _____

Amount Requested: \$ _____ Number of Months you wish to finance: _____

Check one: Start-up (new store) Acquisition of existing store Re-finance Re-model Equipment only

Important Notice:

By completing and signing this application, you hereby authorize Union Capital Finance Corporation, its agents or assignees to investigate your credit. You authorize Union Capital Finance Corporation to obtain personal credit report(s) on all Principal(s), and authorize the release of bank and financial information necessary to complete this investigation. You also warrant that the information provided above is true and accurate. You have rights with respect to this credit application. If your application for credit is denied, you have a right to a written statement of the specific reasons for the denial. To obtain this statement, you must write to Union Capital Finance Corporation at 2 Kings Court, Little Rock, AR 72211. Your request must be received within 60 days from the date you are notified of our decision. We will respond within 30 days of receipt of your request with a written statement.

We are an Equal Opportunity Creditor

The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, creed, color, religion, national origin, marital status or age (provided the applicant has the capacity to enter into a binding contract); or because all or part of the applicants income derives from public assistance programs or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington DC 20580.

(Signature and authorization to release information)

Date: _____

(Signature and authorization to release information)

Date: _____

(Signature and authorization to release information)

Date: _____

(Signature and authorization to release information)

Date: _____

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SCHEDULE A - CASH, CHECKING AND SAVINGS ACCOUNTS, CERTIFICATE OF DEPOSIT, MONEY MARKET FUNDS, ETC.

| Name of Financial Institution | Type of Account | Owner | (J) | If Pledged, to Whom? | Balance |
|-------------------------------|-----------------|-------|-----|----------------------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE B - U.S. GOVERNMENT & MARKETABLE SECURITIES (Use additional sheet if necessary)

| Number of Shares or Face Value of Bonds | Description | In Name of | Are these Registered, Pledged, or Held by Others? | Market Value | Exchanges Where Traded |
|---|-------------|------------|---|--------------|------------------------|
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE C - NON-MARKETABLE SECURITIES (Use additional sheet if necessary)

| Number of Shares | Description | In Name of | Are these Registered, Pledged, or Held by Others? | Value | Method of Valuation |
|------------------|-------------|------------|---|-------|---------------------|
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE D - INVESTMENTS IN REAL ESTATE (Use additional sheet if necessary)

| Description/Location of Real Estate Investment | (J) | Date of Original Investment/Amount | % Owned By You | Market Value of Your % of Investment | Present Balance | Monthly Payment | Mortgage Maturity Date | Mortgage Owed To |
|--|-----|------------------------------------|----------------|--------------------------------------|-----------------|-----------------|------------------------|------------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING GROUP INSURANCE

| Name of Insurance Company | Owner of Policy | Beneficiary & Relationship | Face Amount | Policy Loans | Cash Surrender Value |
|---------------------------|-----------------|----------------------------|-------------|--------------|----------------------|
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE F - VESTED INTEREST IN DEFERRED COMPENSATION/PROFIT-SHARING PLANS

| % Vested | Company Name | Account Number | Manner of Payout (Annuity, Lump Sum, etc.) | Distribution Date | Beneficiary | Amount |
|----------|--------------|----------------|--|-------------------|-------------|--------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

SCHEDULE G - BUSINESS VENTURES (Use additional sheets if necessary)

| List Name and Address of Any Business Venture In Which You Are a Principal or Partner | Your Position/Title in the Business | Line of Business | Years in Business | Total Assets Listed in Section 3 | Your % of Ownership | Net Worth of Business | Present Net Value of Your Investment |
|---|-------------------------------------|------------------|-------------------|----------------------------------|---------------------|-----------------------|--------------------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

SCHEDULE H - LOANS OWING BANKS, BROKERS, FINANCE COMPANIES, AND OTHER (MASTERCARD, VISA, ETC.)

| Owing to (Acct. No.) | (J) | Date of Original Borrowing/Amount | Present Balance | Due | Monthly Payment | Date of Final Payment | Secured By |
|----------------------|-----|-----------------------------------|-----------------|-----|-----------------|-----------------------|------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guaranty of the undersigned. The undersigned acknowledges and understands that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guaranty thereof. Each of the undersigned represents, warrants, and certifies that (1) the information provided herein is true, correct and complete and gives a correct and complete showing of the financial condition of the undersigned, (2) the undersigned has no liabilities direct, indirect or contingent except as set forth in this statement, and (3) legal and equitable title to all assets listed herein is in the undersigned's sole name, except as may be herein otherwise noted. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine the credit-worthiness of the undersigned and the undersigned hereby authorizes all persons of whom you make such inquiries to respond thereto in full. Each of the undersigned authorized you to answer questions about your credit experience with the undersigned.

Date Signed _____ Signature (individual) _____

Date Signed _____ Signature (other party) _____