



Confidential

**This application does not obligate
either party in any manner.**

Handee Marts, Inc. will use this application to help evaluate your qualifications for a franchise. In addition, a retail credit check may be made. The name and address of the retail credit agency supplying Handee Marts, Inc. with the report will be furnished within thirty days from written request for such information. Periodically, additional retail credit checks may be requested. Applicants may be requested to take a physical examination. Applicants may also be required to provide a business plan. Applicants will be considered without regard to age, sex, race, religion, color, or national origin.

An Equal Opportunity Organization



Have you or your spouse ever filed for bankruptcy or had an involuntary petition of bankruptcy filed against you? Yes No
(explain) _____

Have you or your spouse ever been convicted of something other than minor traffic violation? Yes No
(explain - including dates, location, and charge) _____

Have you or your spouse ever applied for a 7-Eleven franchise before? Yes No; Where? _____

Have you or your spouse ever been a 7-Eleven employee? Yes No
(explain including dates and location) _____

How did you first find out about the 7-Eleven franchise?

Franchisee Magazine Newspaper

Who or which publication? _____

Other? (explain) _____

Which of the following best describes your intended day-to-day management in the store in the event that you franchise a 7-Eleven?

Applicant: Full-time Part-time None

Spouse: Full-time Part-time None

List any business(es) that you or your spouse currently own or have a partnership in:

Name of business Percentage(s) you own Do you plan to sell if you franchise a 7-Eleven?
 Yes No Possibly

Name of business Percentage(s) you own Do you plan to sell if you franchise a 7-Eleven?
 Yes No Possibly

References

Character references we can contact: (not family members)

Name _____ Occupation _____ Phone number (____) _____

Name _____ Occupation _____ Phone number (____) _____

Financial

ASSETS

1. Cash on hand and in banks \$ _____

2. Stock and bonds \$ _____

3. Real Estate, Primary Residence \$ _____

4. Real Estate, other \$ _____

5. Other assets \$ _____

Attach list (i.e. IRA, 401k, CD, etc.)

6. Total Assets (add lines 1 through 5) \$ _____

LIABILITIES

11. Outstanding Loans \$ _____

12. Credit Cards, balance payable \$ _____

13. Mortgages payable on Real Estate \$ _____

14. Other Liabilities \$ _____

Attach list (i.e. student loans, alimony, child support, etc.)

15. Total Liabilities (lines 11 through 14) \$ _____

CURRENT SOURCES OF MONTHLY INCOME

7. Salary(ies), Wages or Commissions \$ _____

8. Real Estate Income \$ _____

9. Other Income \$ _____

Attach list (i.e. annuity, etc.)

10. Total Current Income (add lines 7 through 9) \$ _____

NET WORTH

16. Net Worth (subtract line 15 from line 6) \$ _____

(Note: A complete financial statement will be required prior to qualifying for a 7-Eleven franchise.)

Maximum amount of cash available for Investment? \$ _____

What is the source of your cash for this investment? _____

What are your minimum income needs for your first year in business? _____

What are your sources, if any, for additional income if you franchise a 7-Eleven Store? _____

Additional Information

What Geographic area are you interested in?

1st Choice _____

2nd Choice _____

3rd Choice _____

On a scale of 1 to 5 (5 is the strongest) rate yourself in the following personality characteristics.

Independent	1 2 3 4 5	Problem-solver	1 2 3 4 5	People oriented	1 2 3 4 5
Motivated	1 2 3 4 5	Self-confident	1 2 3 4 5	Communicator	1 2 3 4 5
Management	1 2 3 4 5	Energetic	1 2 3 4 5	Determined	1 2 3 4 5
Technical	1 2 3 4 5	Money oriented	1 2 3 4 5	Patient	1 2 3 4 5
Creative	1 2 3 4 5	Decision maker	1 2 3 4 5	Crisis Manager	1 2 3 4 5
Achiever	1 2 3 4 5	Detailed	1 2 3 4 5	Sales/marketing	1 2 3 4 5
Intellectual	1 2 3 4 5	Leader	1 2 3 4 5		

I/We do hereby represent that all of the above answers are true and complete to the best of my/our knowledge and belief. I/We recognize that Handee Marts, Inc. is not in any way obligated to franchise a 7-Eleven® store to me/us because of our execution of this document. **I/We acknowledge that any false statement on this application shall be considered sufficient cause to deny any further consideration or cause revocation of any signed agreement with Handee Marts, Inc.** I/We understand that an inquiry regarding my/our character, general reputation, personal characteristics, financial background and general fitness for being a 7-Eleven franchisee may be made as a result of this application.

In addition, by signing below I/We release any and all former and/or present employers, and any other personal or business references, from any liability whatsoever in connection with Handee Marts, Inc. attempt to investigate my/our background and determine my/our fitness to become a 7-Eleven franchisee. I/We hereby authorize the release of any and all documents, records, including any privileged and confidential information pertaining to me/us to 7-Eleven. I/We specifically authorize Handee Marts, Inc. to obtain a credit report on me/us. A copy of this authorization may be used in place of and shall be valid as the original. I/We understand that this application is considered active for 180 days from the date below.

Applicant Signature

Spouse Signature

Date

Date



FINANCIAL PREVIEW OF THE 7-ELEVEN FRANCHISE SYSTEM

7-Eleven Store Franchisee does not obtain any ownership interest or equity in the store or equipment.

The Franchise Fee

The initial franchise fee for a 7-Eleven Store franchise will vary by store. While the franchise fee in some lower sales volume stores may be as low as \$15,000, the franchise fee may exceed \$50,000 in the highest sales volume stores. For a store with at least 12 full months of sales history, the initial franchise fee will either be a fixed amount or an amount equal to a pre-determined percentage of the store's total gross profit (excluding gasoline profits) for the preceding 12 months. The fees for two stores in the same neighborhood may vary greatly due to the sales trends of the individual stores-

The current initial franchise fee structure for a store open 12 months or more is:

Gross Profit Dollars	Fixed fee or percentage	Range
Less than \$200,000	\$15,000	\$15,000
\$200,001 to \$250,000	+ 5%	\$15,000 - \$17,500
\$250,001 to \$300,000	+ 10%	\$17,501 - \$20,000
More than \$300,000	+ 15%	\$20,001 and up

The initial franchise fee for a new store or store with less than 12 full months of sales history is based on a designated group of high Gross Profit dollar stores.

Business Licenses, Permits Bonds and Cash Register Fund

In addition to the franchise fee and initial down payment, the Franchisee pays the cost of all business licenses, permits and bonds required by governmental agencies or by 7-Eleven for the franchise business. The initial contribution by a Franchisee toward the estimated costs could be as much as \$300 for some stores. This may not include beer and wine licenses required in some states.

The Franchisee must also initially invest in the cash register fund for the store. This will vary widely to provide the change fund necessary to operate the programs offered in an individual store, but generally begins at about \$500.

Initial Down Payment Towards the Inventory

One of the benefits of a 7-Eleven Store franchise is that 7-Eleven purchases the initial inventory for the store on behalf of the Franchisee and stocks the store for an incoming Franchisee. The Franchisee buys the inventory from 7-Eleven; the cost of the purchase is not included in the franchise fee. A fully stocked store needs inventory costing about \$60,000

At the time a Franchisee enters into a franchise agreement, the Franchisee is required to provide a down payment on the initial inventory purchased by 7-Eleven for the store, and the remaining cost of the initial inventory is financed. The initial down payment is \$17,500.

The 7-Eleven Store Franchise Agreement establishes a schedule by which the Franchisee repays the financed amount of inventory over a twelve-year period. In order to meet the loan repayment guidelines, a Franchisee may periodically be required to make an additional investment in the inventory owned by the Franchisee in the store.

Premium Sale

The "stores available for franchise" list will include stores that are currently operated by 7-Eleven and stores that are currently operated by a 7-Eleven Store Franchisee. In addition to the payments to 7-Eleven of the franchise fee, initial down payment, cash register fund and licenses, permits and bonds, the transfer of the franchise by a 7-Eleven Store Franchisee may require a payment to the selling Franchisee. The amount of the payment is determined through an agreement between the current Franchisee and prospective Franchisee.

The prospective Franchisee who offers to buy an existing 7-Eleven Store franchise must be approved by 7-Eleven.

Contract

The typical term of the 7-Eleven Store Franchise Agreement is 15 years. Termination and renewal provisions are outlined in detail in the Uniform Franchise Offering Circular.

Financing

7-Eleven may provide financing for a portion of the down payment to qualified applicants.

The Franchisee may at any time obtain necessary financing for the operation of the business from any source the Franchisee chooses. 7-Eleven can provide an "Open Account" or ongoing financing to qualified Franchisees. The amount financed generally

fluctuates from month to month based on sales, inventory, purchases, operating expenses and withdrawals from a store's "Open Account." The annual interest rate is 10% as noted in the Uniform Franchise Offering Circular.

Ongoing Fees

Each month a 7-Eleven Store Franchisee pays an ongoing fee to 7-Eleven as compensation for the license of the service mark and system, the lease of the facilities, and continuing services. This 7-Eleven Charge for a store operating 24 hours is generally computed at 50% of the gross profit dollars generated in the store.

7-Eleven receives 50% of the gross profit to pay for:

- property & building rent
- equipment rent
- property taxes
- 75% utilities (heat/cooling/lights/water)
- advertising
- bookkeeping
- auditing
- financial reports
- merchandising
- product selection & price recommendations
- point-of-sale materials
- general business advisory
- assistance

A Franchisee receives 50% of the gross profit to pay for:

- payroll and payroll taxes
- employee group insurance
- equipment repair
- telephone
- laundry
- business taxes and licenses
- janitorial services
- landscaping or security expenses
- extra advertising for the store
- cash variation
- bad merchandise
- store supplies
- inventory variation
- general maintenance
- miscellaneous store expenses
- 25% of utilities

The Franchisee's monthly gross income is reduced by the expenses. Any amount remaining each month is the Franchisee's net income.