



To: Prospective Donair Dude Franchisee

Re: Donair Dude Franchise Opportunity

Thank you for considering a franchise partnership with Donair Dude, one of Canada's most exciting new franchise concepts.

Donair Dude is a young, dynamic and entrepreneurial company that has an exceptionally strong and positive internal culture and philosophy. Part of that philosophy emphasizes our view that when you join the Donair Dude team, you are not just investing in a franchise – you are becoming part of a family that is totally dedicated to your success. We provide you with the opportunity to be in business for yourself – but not by yourself.

The enclosed Franchise Kit contains a considerable amount of information, including: a brief overview and history of the company; the opportunities and benefits of joining our team; and the investment required to open a Donair Dude restaurant. It also includes a section on "Frequently Asked Questions."

After reading through this Franchise package, if you are interested in discovering more about our organization, your first step is to complete our Franchise Application Form (FAF) and return it to us. Please include additional documentation to support the liquid assets you have listed on the FAF.

If you have any questions, or feel a discussion would be in order, please telephone me personally. In the meantime, allow me to take the liberty of following up with you in the next week or so.

D.D. Donair Dude Limited.



Why Donair Dude?

Competitive Start-up Investment

Your entire investment can be as low as \$350,000 all-in, including: franchise fee; store build-out; operating cash; initial food inventory; grand opening marketing budget; comprehensive training and more.

A Popular Choice For Customers

Middle Eastern food is quickly becoming one of Canada's fastest growing food segments. Today's customer is eager to embrace ethnic cuisine and flavours presented in a quality manner. Donair Dude provides this experience for guests in a setting that is upscale and contemporary, in both design and ambiance.

Ease of Operations

- ❖ **Limited Cooking** - There are no chefs in a Donair Dude at the store level. Food comes pre-packaged in most cases and is served from a fresh perspective. You get a consistent product for your customer every day with no fuss, no muss. Simple. Clean. Safe. Not to mention delicious and healthy.
- ❖ **Low Labour Costs** - Most times your store operates with no more than two front-line staff. At peak times, a third individual may be necessary. Clearly, our labour rates are below the industry standard.
- ❖ **Superb Food Quality** - Our food is made to the highest standards with our marinades being an in-house recipe that includes all-natural ingredients. Our meats are prepared by Donair Dude so that the quality and consistency are maintained and monitored. All ingredients have been specially chosen for the quality and availability so that there will never be a shortage at the store level.
- ❖ **POS System reports** - Donair Dude uses a sophisticated POS (Point of Sale) System that can run reports and sales figures very easily and efficiently that makes it simple to manage and check on your business. Using the reports our management team can assist you in increasing profits from labor efficiencies, ordering levels and prep checks for the rushes so that profits are maximized.
- ❖ **Internet Video System** - With this system, you can monitor your store, through the internet, from anywhere in the world. You can be out of your store for any reason – perhaps you are working in your community, going on vacation or travelling on business. Not to worry. You can “check in” and view your entire store to make sure everything is running smoothly.
- ❖ **Wireless Internet** - Wireless internet is incorporated into every store for the convenience of guests.



Innovative Marketing

Our marketing programs are specifically designed to be inexpensive but deliver maximum impact. They are uniquely designed for your specific store(s) in your community. They are easy to execute and lots of fun! All initiatives are tailored to make your guests part of the Donair Dude family one experience at a time and will generate favourable online reviews.

Donair Dude Sites and Sizes

Donair Dude restaurants will typically be located in a store front, strip mall or food court. They typically range in size from kiosk locations being 450 sq.ft. to regular locations of up to 1400 sq.ft. Donair Dude definitely accommodates varied locations and ensures reduced fixed “overhead.”

Canadian Company

Donair Dude is a privately held, Canadian company located in Vancouver, BC. As part of our commitment to franchisees, you have full access to the entire executive team. Donair Dude is a mobile company and very interactive with its customers and Franchise Partners. All owners are active on a day to day basis and hands on in the development of the Donair Dude Company.

Our Management Team

Donair Dude has a highly motivated and competent executive team in order to maximize your success. Members of this group possess significant franchising experience, having previously worked with some of the most successful food franchises in the country. We encourage you to contact our team members to learn more about the organization. They are the original owners that developed the recipes and systems from the ground up and are still managing the development for continued success.

We Partner With You

Decisions made by the Donair Dude corporate team always take into consideration the needs of both franchisees and customers. In that regard, franchisees participate at many of our food tastings, provide direct feedback from customers to help us improve your offering and always participate in marketing programs. Donair Dude has encouraged the staff and customers to let us know what they are looking for regarding new products and taste profiles. The Franchise Owners are also critical pieces that contribute to making Donair Dude a stronger company and a better food option for our guests.



Donair Dude's history overview

Donair Dude's doors opened for its first customers during Winter Olympics days, on 18th February 2010. Founders chose a spot for their restaurant wisely, in the heart of the Davie Village in West End of Vancouver. Davie Street is one of the busiest streets in the city and therefore crowded with hundreds of restaurants, fast food chains etc. But still, it has been more than three years since opening and the amount of new customers is growing every day while regular customers are still returning for a high quality food and "customer comes always first" approach of Donair Dude's employees.

Donair Dude offers meals which combines traditional and modern elements, such as exceptional customer service and menu adaption to a customer's demands. Donair is typical food in Turkey and other Mediterranean countries. It is restaurant's main commitment to bring to each customer the flavor and taste of the Mediterranean in home-made products such as hummus, falafels, spicy pepper paste or tzatziki sauce. Donair Dude has always put emphasis on freshness, cleanliness and quick customer service.



About Donair Dude

Founders are food enthusiasts at heart and worked in the first Donair Dude tirelessly years in the past. They have developed the systems and recipes for the current products and take an enormous amount of pride in the quality of the food that they serve to their guests. It has been a fun filled yet sometimes exhausting journey to take Donair Dude to where it is today and they are now positioned to start the growth of the chain on a larger scale. Their goal was to create a fresh and fast Donair Dude that gives a very high value for dollar meal and yet maintains the quality that is clearly seen in every Donair. The results are in and the people have responded with their mouths and their dollars. Donair Dude is going to start a rapid expansion throughout the lower mainland with Franchise Partners who are energetic and entrepreneurial- minded individuals.

This growth coincides with the fast growing demand from consumers, across North America, for healthy eating and ethnic flavours. Consumers are enthusiastically embracing these new flavours while also embracing the fusion of today's familiar foods with new tastes from abroad. Our repeat customers prove, that today's consumer continues to be eager to experience Donair Dudes quality food offering and high value for dollar choices. Our customers have asked for it, Donair Dude has delivered.

Donair Dude has made very significant investments in the company in order to maximize success for everyone involved. For example, Donair Dude has invested in attracting, to our corporate team, outstanding talent from the franchise and other related industries. As well, we have gone to considerable lengths refining and simplifying our store operating systems.

All this goes a long way to ensuring that every franchisee with Donair Dude has all the support, systems and know-how to maximize their success.



Here's some additional corporate information.

Company Legal Name:	D.D. Donair Dude Limited
SIC Code:	5812, Restaurants
NAISC Code:	722211 Limited Service Restaurant
Company Concept:	Limited Service Ethnic Mediterranean Restaurant
Services:	Dine-in, Take-out
Year Founded:	2009
Franchising Since:	2013
Franchised Units:	16
Donair Meat Plant:	1
Cooperate Office/ Training Centre:	1
Additional Franchise Units Sold + Under Development:	5
Franchise Fee:	\$25,000 Cdn. (plus applicable taxes)
Monthly Royalty:	6% of net sales
Advertising Fee:	2% per month national fee
Typical Investment: *	\$300K - \$450K

*Numbers can vary depending on-site location. In some cases, this number can be significantly less if the franchisee currently has a retail operation, they wish to convert to a Donair Dude franchise.



Donair Dude Franchise Candidate Profile

Our group is interested in partnering with individuals or groups who possess a high level of integrity, entrepreneurial spirit and a strong work ethic. You may already own your own business or perhaps you are a budding entrepreneur. Maybe you are ready to move from the corporate world into being your own boss. Regardless of your walk in life, when you decide to join the Donair Dude team, you are becoming part of a family. And as part of our family, you can count on our dedicated efforts and support – every day of the week for as long as you choose to own a Donair Dude Franchise.

Here are the numbers and additional requirements in order to be considered for a Donair Dude franchise:

- Net Worth: At least \$350,000
- Liquid Assets: Minimum of \$100,000
- Excellent personal/professional and financial references
- Clear credit record and no criminal record

Donair Dude Franchise Support

Donair Dude provides complete support in all facets of your business. Let's look at these individually.

In-Store Training

Our in-store training programs are comprehensive and cover every conceivable detail. At the beginning, you will receive two weeks of comprehensive classroom and in-store education. This part of your training, like all of the training we do at Donair Dude, is exceptionally thorough. Some of the topics covered include: local store marketing; bottom line management; food costing and scheduling; recipe formulations, portion control and presentation methods; food safety procedures; point-of sale (POS) fundamentals; staff hiring procedures and candidate evaluation; cost control procedures; and the list goes on. As well, you can expect regular and frequent interaction with the Donair Dude Executive team, especially those in Operations. And of course, our Operations Manuals are always close at hand for instant and easy reference.

Food Preparation and Distribution

Donair Dude's food preparation methods are a key advantage to our franchisees. They are simple, safe and provide the consumer with a consistent experience across the chain. As well, because our systems are so easy to follow, daily operations require both minimal front-line staff and product knowledge – while delivering a first class Donair within minutes. And of course, Donair Dude's strong partnership and impeccable history with third party suppliers allows for reliable service, fair pricing and on-going business development initiatives.



Operating Systems

Donair Dude offers a complete inventory control package to all franchisees. This system provides automated check points that give the restaurant operator total control of cash flows and required inventory levels. You will always know where you stand with your operation. No guess work. Just easy, efficient and accurate allowing you more time to work on the business and not “In” the business.

Marketing and Sales Growth

Donair Dude marketing systems are custom-designed for each and every Donair Dude restaurant. We focus exclusively on local programs that are specifically oriented to your store(s). These programs are inexpensive and formulated to give you the biggest “bang for the buck.” You will have the opportunity to work closely with our ownership group on a regular basis. And the Donair Dude team will be right beside you every step of the way.

Financial and Legal

Our company provides carefully prepared financial and legal protocols and internal measurement systems to ensure you have all the information from your operation to make effective and timely decisions. They are easy to understand and efficient to follow. Even if this is the first time you have been in your own business, you will find our administrative systems simple and straightforward.

New Menu Development

Donair Dude is continually developing new and healthy menu items and offerings for your guests. As a company, Donair Dude works very diligently to stay at the leading edge with the current food trends and evolving world of food service. We provide all the tools you will need to comfortably and efficiently run your restaurant. All the processes and systems have been carefully designed and tested so that you, our Franchise Partner, can focus on both the guest experience and attracting more customers – you get to focus on building your business, not running your business.



Steps to Opening Your Donair Dude

To: _____

Date: _____

Moving from an inquiry, through to signing a Franchise Agreement and opening your store will take some time. While the specific timeframe varies from store to store, this document will help both of us keep track of the major steps along the way to opening. We want to make sure that you have all the information you need in order to make an informed decision about our Franchise System, so please carefully read the information we provide and ask questions of us and our Franchisees. We sincerely look forward to working with you to ensure that this is the right opportunity for you.

Date Completed

Completion of an in depth application form, that describes your background and financial position

Initial meeting or telephone interview with a representative of Donair Dude to outline our concept

Franchisee performs due diligence and researches the Donair Dude brand

Discovery day – Meet members of the Donair Dude Executive Team and learn if our business philosophies align

Preparation by the Franchisee of pro-forma business plan and the time to make a decision

Submit signed franchise agreement

Execution of deposit agreement

Identify suitable sites and prepare conditional offer to lease Offer to lease

accepted

Construction scheduled

Build out begins

Grand Opening!



Donair Dude FAQ

How do we get started?

First step is always to fill out a Donair Dude Franchise and Financial Application. This does not obligate you to Donair Dude in anyway and is simply used to help determine mutual compatibility. Upon receipt and review, we will contact you and arrange a personal meeting. If we both agree to proceed and there is interest in doing more discovery, then our Franchising Department will in some circumstances forward our Franchise Agreement for review.

What types of opportunities are available?

Individual and Multi-Unit Franchise opportunities are available.

What is the term of the Franchise agreement?

10 Years is the term of the agreement.

What is the initial Franchise Fee?

Donair Dude has a \$25,000 (plus applicable taxes) initial Franchise Fee for the 10-year term.

How much does it cost to get a Donair Dude fully operating?

The average cost for the total Franchise with construction, fees, opening inventory and equipment is approximately \$300,000 - \$450,000. This can vary from location to location based on size and area of the lease space, permitting, legal and a number of other factors. All costs on each location are estimated beforehand and evaluated by Donair Dude and the Franchise Owner.

What are the other monthly costs?

There is a 6% Franchise Royalty fee and a 2% Advertising fee every month based from Net Sales.

Will Donair Dude assist me in finding a suitable location?

We assist all signed Franchise Owners in finding suitable locations. All sites must be approved by Donair Dude before any lease can be signed. We use demographic software, Census Canada statistics, Street Counts, various financial models, as well as significant in house real estate experience to help with the evaluation of locations.

Does Donair Dude offer financing for Franchise's?

Donair Dude does not internally offer any financing option at this time. We will assist in providing contact information and company information to various lending institutions for application to the SBL (Small Business Loan) program.



Who signs the lease?

For the most part, Franchise Owners are responsible for executing leases. However, depending on the situation, Donair Dude will, at times, go on the head lease.

How long does it take to open a Donair Dude Franchise?

Typically, it takes 16-28 weeks from the lease signing to be open and doing business. This can vary from location to location depending on permits and by-laws.

Do I receive training from Donair Dude?

Our extensive training program entails two weeks of classroom and in-store operations. It is a comprehensive program that covers local store marketing, bottom line management, food costing and scheduling. It will also train the Franchise Owner on recipes and day to day operation of a Donair Dude restaurant. There is also an initial store opening support where the Donair Dude Operations Manager will assist in the opening of the restaurant.

Can I sell my Franchise?

Yes, it is yours to sell at any time. All buyers must be approved by Donair Dude and all transfer fees and costs must be adhered to.

How much will I make from owning a Donair Dude?

Store results vary based on income, costs, rent levels and a number of other costs/variables. All restaurants perform independently and are exclusive to their own business environment.

What are some of the points of differentiation for Donair Dude?

- Entry into a fast growing food segment with high value perception
- Limited Cooking
- Low Labor Cost
- Very limited Food Wastage
- Minimal Venting
- Flexible build out model
- Local Distribution and Marketing
- Internet Video Surveillance



Application Form

PERSONAL INFO

Date: _____ Date of Birth: _____
First Name: _____ Last Name: _____
Street Address: _____
City: _____ Province/State: _____ Postal Code: _____
Citizenship: Canadian American Other: _____
Home Phone: _____ Fax: _____ Business Phone: _____
Email: _____ Mobile Phone: _____
Other: _____ Marital Status: _____
Spouse's Name: _____

MOST RECENT EMPLOYMENT

Company: _____ Type of Business: _____
Address: _____ Start - End Dates: _____
Position: _____ Annual Salary: _____
Describe duties, responsibilities, number of employees supervised:

FINANCIAL INFORMATION AS OF (DATE):

ASSETS

Cash on Hand: _____
Securities (stocks, bonds, RRSPs): _____
Accounts/Loans Receivable: _____
Home (market value): _____
Other Real Estate: _____
Automobiles (market value): _____
Other Assets: _____

Total Assets: _____

LIABILITIES

Notes Payable: _____
Loans against Insurance: _____
Loans: _____
Mortgage (balance owing): _____
Credit Cards: _____
Other Liabilities: _____

Total Liabilities: _____

Net Worth (Total Assets - Total Liabilities) = _____



QUESTIONNAIRE

How did you first hear about Donair Dude: _____

Have you ever owned your own business? Yes No

If yes, state details: _____

How many hours do you typically work in a week? 35 40 50 60 60+

How many hours would you expect to work per week? 35 40 50 60 60+

Do you have any experience working in restaurants? Yes No

If yes, state details: _____

IF YOU WERE AWARDED A FRANCHISE:

Who would be responsible for day to day operations? _____

What percentage of the equity of the restaurant will you own? _____ %

Will you have a business partner? Yes No

Name: _____ Involvement: FT PT Investment only

How will you finance this business? Cash Loan

If loan, what collateral will be made available? _____

Will you require assistance obtaining financing? Yes No

If qualified, when would you be ready to invest in your franchise? _____

Location Preference: 1st _____ 2nd _____ 3rd _____

Would you be willing to relocate? Yes No If yes, where: _____

ARE YOU/HAVE YOU...

Currently involved in any pending legal action? Yes No

If yes, state details: _____

Ever been convicted of any offence under the laws of Canada or the US for which a pardon has not been granted? Yes No

If yes, state details: _____

Ever declared bankruptcy? Yes No

If yes, state details: _____