

**EXHIBIT F**

**CONFIDENTIALITY AGREEMENT**

## CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made as of \_\_\_\_\_, ("Effective Date"), by \_\_\_\_\_, with its principal place of business at \_\_\_\_\_ ("Applicant") and certain of Applicant's employees identified below ("Employees") in favor of CBC Restaurant Corporation ("CBC").

### RECITALS

As the result of the expenditure of time, skill, effort and money, CBC has developed and owns a unique and distinctive system ("System") relating to the establishment and operation of bakery cafe styled restaurants that operate under the trade names Corner Bakery Cafe® and Corner Bakery® (collectively, "Corner Bakery Cafes").

Applicant has expressed interest in purchasing a Corner Bakery Cafe franchise from CBC to operate one or more Corner Bakery Cafes.

In order to evaluate the possibility of entering into a franchise agreement with CBC to establish and operate one or more Corner Bakery Cafes, Applicant and Employees desire to receive from CBC certain confidential business information including, but not limited to the information contained in the Corner Bakery Cafe Operations Manual ("Manual"). Applicant and Employees recognize the importance of maintaining the confidentiality of this information.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Applicant and Employees agree as follows:

#### 1. Confidential Information

**A. Definition of Confidential Information.** As used in this Agreement, the term "Confidential Information" means all information that has been created, discovered or developed by CBC and that is in any way proprietary to CBC. Confidential Information includes, but is not limited to, trade-secrets, know-how, methodologies, System information, technical information, statistics, software, hardware, materials, plans, designs, schematics, reports, studies, notes, analyses, summaries, business, market and development plans, financial information and projections, artwork, information regarding the manner and methods of locating a site for, developing, operating and promoting Corner Bakery Cafes, information contained in the Operations Manual, information regarding the retail and commercial operations of CBC and its affiliates, and all information that: **(1)** derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and **(2)** is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information may be in written form or obtained orally.

**B. Exclusion from Definition of Confidential Information.** The term "Confidential Information" does not include: **(1)** information that is now or hereafter becomes publicly known through no fault of Applicant or Employees, or by any other person, firm or corporation affiliated with Applicant or Employees; **(2)** except as set forth in Section 2.D., information that was in Applicant's or Employees' possession before the Effective Date; and **(3)** information that comes into Applicant's or Employees' possession after the Effective Date

from a source not under an obligation of secrecy to CBC. As used in this Agreement, the phrase "publicly known" means readily accessible to the public in a written publication, and shall not include information which is available only by a substantial searching of the published literature and information the substance of which must be pieced together from a number of different publications and sources. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

**C. Treatment of Confidential Information.** Applicant and Employees hereby acknowledge, understand and agree that the Confidential Information: **(1)** is the exclusive and confidential property of CBC or its affiliates and incorporates trade secrets and copyrights owned by them; **(2)** gives CBC and its affiliates some competitive business advantage or the opportunity of obtaining such an advantage, the disclosure of which could be detrimental to the interests of CBC and its affiliates; and **(3)** is not generally known by non-CBC personnel. Applicant and Employees shall at all times treat the Confidential Information in accordance with this Agreement.

**D. No License.** This Agreement entitles Applicant and Employees to use the Confidential Information solely in connection with Applicant's exploration of the Corner Bakery Cafe franchise opportunity. No license, express or implied, in the Confidential Information is granted to Applicant or Employees other than to use the Confidential Information in the manner and to the extent authorized by this Agreement.

## **2. Covenants of Applicant and Employees.**

As a consequence of Applicant's and Employees' acquisition or anticipated acquisition of Confidential Information, Applicant and Employees will occupy a position of trust and confidence with respect to CBC's affairs and business. In view of the foregoing, Applicant and Employees agree that it is reasonable and necessary that Applicant and Employees agree, while this Agreement is in effect, to the following:

**A. Limited Use.** Applicant and Employees shall use the Confidential Information solely for purposes of evaluating whether or not Applicant will invest in a Corner Bakery Cafe franchise. Neither Applicant nor Employees shall make any other uses of the Confidential Information. If Applicant does not invest in a Corner Bakery Cafe franchise, the obligations set forth in this Section 2 will remain in effect for a period of 12 months from the date Applicant elects not to pursue the Corner Bakery Cafe franchise relationship. If, within 12 months after the date Applicant elects not to pursue the Corner Bakery Cafe franchise relationship, Applicant or any Employee opens and operates a business whose method of operation or trade dress is similar to that of a Corner Bakery Cafe or the System, a violation of this Agreement will be presumed.

**B. No Disclosure.** Applicant and Employees shall not disclose the Confidential Information to any person or entity other than Applicant's attorney, accountant or other representative as necessary to evaluate the Corner Bakery Cafe franchise opportunity and agree to protect the Confidential Information against unauthorized disclosure using the same degree of care, but no less than a reasonable degree of care, as Applicant and Employees use to protect Applicant's confidential information.

**C. No Use, Copying or Transfer.** Applicant and Employees shall not use, copy or transfer Confidential Information in any way and shall protect the Confidential Information against unauthorized use, copying or transfer using the same degree of care, but no less than a reasonable degree of care, as Applicant and Employees use to protect Applicant's confidential information. This prohibition against use, copying, or transfer of Confidential Information includes, but is not limited to, selling, licensing or otherwise exploiting, directly or indirectly, any products or services which embody or are derived from Confidential Information. Applicant and Employees further agree not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any Confidential Information.

**D. Applicability.** The covenants in this Agreement shall apply to all Confidential Information disclosed by CBC to Applicant or Employees prior to the Effective Date.

**E. Solicitation.** Applicant and Employees agree that neither they nor any of their agents, employees or representatives shall knowingly employ or seek to employ any person then employed by CBC or any affiliate, subsidiary, developer or franchisee of CBC, or otherwise directly or indirectly induce such person to leave his or her employment.

**3. Return of Confidential Information.** Nothing in this Agreement obligates Applicant or CBC to enter into a development agreement, franchise agreement or any other agreement. Applicant acknowledges that CBC's decision to consider Applicant for any Corner Bakery Cafe franchise opportunity and the terms of any contracts will be made by CBC in its sole discretion. If, at any time, CBC determines that it does not want Applicant to become a Corner Bakery Cafe developer or franchisee, or Applicant determines that it does not want to invest in one or more Corner Bakery Cafe franchises, or if CBC requests, at any time and for any reason, that Applicant and Employees do so, Applicant and Employees agree to: **(A)** immediately cease to use the Confidential Information; **(B)** immediately return to CBC the Confidential Information and all copies thereof (whether or not such copies were authorized) and cause any third party to whom disclosure was made (whether or not such disclosure was authorized) to do the same; and **(C)** at the request of CBC, certify in writing that Applicant, Employees and all others to whom Applicant has provided such Confidential Information, have complied with subsections (A) and (B) above.

**4. Notice to CBC.** Applicant and Employees shall immediately notify CBC of any information that comes to their attention which indicates that there has been or may be a loss of confidentiality of any of the Confidential Information or a breach of this Agreement.

**5. Waiver.** Applicant and Employees acknowledge that no waiver by CBC of any breach by Applicant or Employees of any provision of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.

**6. Enforcement.**

**A. Governing Law.** With respect to all claims, controversies, disputes, and/or actions, this Agreement shall be interpreted and construed under Texas law, without regard to Texas choice of law rules.

**B. Forum.** To the extent any disputes cannot be resolved directly between Applicant, Employees and CBC, Applicant and Employees irrevocably (1) submit to the jurisdiction of the state courts of Texas, located in Dallas County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division; (2) waive all questions of personal jurisdiction for the purpose of effectuating this provision; (3) agree that service of process may be made upon any of them in any proceeding relating to, or arising out of, this Agreement (including the relationship contemplated by this Agreement) by any means allowed by Texas or federal law; and (4) agree that venue for any proceeding relating to, or arising out of, this Agreement shall be in Dallas County, Texas; provided we may bring an action for injunctive or other extraordinary relief in any state or federal district court which has jurisdiction.

**C. Injunctive relief.** It is hereby understood and agreed that: (1) a breach of this Agreement by Applicant or Employees would result in irreparable harm to CBC, the extent of which would be difficult to ascertain; (2) monetary damages would be an inadequate remedy for such a breach; and (3) CBC shall be entitled to specific performance and injunctive or other equitable relief as a court may deem appropriate in the event of such a breach without posting a bond or other security and without waiving any additional rights or remedies otherwise available to CBC at law or in equity or by statute.

**7. Miscellaneous.**

**A. Severability.** If a court of competent jurisdiction deems any provision of this Agreement invalid, unreasonable or unenforceable, then the remaining provisions will not be affected, and the invalid provision may be enforced to the extent deemed reasonable by the court.

**B. Headings.** Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

**C. Counterparts.** This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

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IS INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Agreement as of the day and year above written.

**APPLICANT:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EMPLOYEES:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

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Date: \_\_\_\_\_