

EXHIBIT B
FRANCHISE AGREEMENT

B-1



GOOD FEET

FRANCHISE AGREEMENT

BETWEEN GOOD FEET WORLDWIDE, LLC

and

Franchisee

Dated: _____

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EXHIBIT A TERRITORY AND LOCATION

EXHIBIT B OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS FRANCHISE AGREEMENT is entered into as of _____, 200__, by and between GOOD FEET WORLDWIDE, LLC, a Delaware limited liability company located at 2270 Cosmos Ct., Carlsbad, California 92011 ("Good Feet"), and _____, a _____ ("Franchisee"), located at: _____.

BACKGROUND

Good Feet grants franchises for stores that offer GOOD FEET® brand arch supports and related foot products, some of which bear the Marks (collectively, the "Products"), that operate under a specified system prescribed by Good Feet (the "Good Feet System"), and that use as their primary trade identity the marks "The Good Feet Store®," "Good Feet Your Arch Support Store®," "Good Feet®," and their related indicia of origin specified by Good Feet from time to time (the "Marks"). Stores offering Products, operating pursuant to the Good Feet System, and using the Marks as their primary trade identity are referred to in this Agreement as "Good Feet Stores."

Good Feet Stores sell foot products purchased principally from Good Feet's affiliate, Dr.'s Own, Inc., a California corporation ("Dr.'s Own"), and shoes from approved suppliers of Good Feet. The Products are not intended as medical products or devices.

The Good Feet System includes a facility design for the Good Feet Store; a system for the offer and sale of Products; designed décor and signage; and confidential operating procedures, methods and techniques for operations, record keeping, accounting and reporting, personnel management, purchasing, sales, promotion, marketing and advertising, all of which may be changed, improved and further developed by Good Feet and its affiliates from time to time. The Good Feet System also requires franchisees to offer customers certain terms, return rights and privileges specified by Good Feet from time to time (the "Customer Benefits").

Franchisee wants to obtain a franchise to operate a Good Feet Store at a specific location within a defined geographic area on the terms and conditions of this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party, hereby agree as follows:

1. GRANT

1.1 Grant. Subject to the terms and conditions of this Agreement, Good Feet hereby grants to Franchisee and Franchisee hereby accepts a franchise (the "Franchise") to open and operate a Good Feet Store utilizing the Good Feet System and the Marks (the "Store") in the geographical area described on Exhibit A (the "Territory") and at the location set forth on Exhibit A (the "Location"). Franchisee may not use the name Good Feet or any part thereof in its business name, but will establish a business trading as "The Good Feet Store." Termination or expiration of this Agreement will constitute a termination of the Franchise and Franchisee's right to operate the Store in the Territory. During the term of this Agreement, Good Feet will not establish or operate, or franchise or license a third party to establish or operate, a Good Feet Store the physical premises of which are located in the Territory so long as franchisee honors the terms of this Agreement.

1.2 Development of the Store. Franchisee will comply with its obligations pursuant to Section 4 of this Agreement and open the Store for business at the Location no later than 120 days after the date of this Agreement.

1.3 Limitations on Franchisee's Rights. Franchisee shall have the right to sell the Products only by retail sale through its Store at the Location and at trade shows and home shows within its DMA (defined below). Franchisee shall have no right to sell, market or otherwise distribute the Products through any other trade or distribution channel, including at wholesale, by on-line computer sales (such as the Internet) or other computer sales methods, by direct response sales methods, by mail order marketing, for re-distribution through third parties, or by specialty sales on the premises of third parties. Franchisee shall not sell Products outside the Territory or to any other franchisee, licensed dealer (whether or not of Products), retailer, or military or governmental entity without prior written consent of Good Feet. Franchisee shall conduct the business of the Store only from the Location, except that Franchisee may participate in trade shows and home shows in the Designated Market Area ("DMA") (as defined by such sources as Good Feet specifies) in which the Territory is located. Franchisee's participation in trade shows, home shows, or any other off-premises promotion must be approved in advance by Good Feet. If Good Feet receives multiple requests for approval from franchisees in any DMA to attend a trade show or home show, requests will be considered in the order of receipt. Franchisee shall have no right to subfranchise or grant licenses to third parties under this Agreement.

1.4 Reservation of Rights. Good Feet, on behalf of itself and its affiliates, reserves all rights not expressly granted to Franchisee pursuant to this Agreement, including all rights in and to the Marks, the Good Feet System, Products, Good Feet Stores, and their associated goodwill. Good Feet's reserved rights include, directly and indirectly, without limitation:

A. operating and granting others the right to operate a Good Feet Store the physical premises of which are located outside the Territory and any other type of business under the Marks or any other marks in any geographical location outside the Territory, on such terms and conditions as Good Feet deems appropriate; and

B. offering, selling, licensing, marketing, delivering, or otherwise distributing Products or other items to customers or potential customers located within and outside the Territory, whether such Products or other items are identified by the Marks or other trademarks or service marks, through any distribution channels Good Feet deems best (including, but not limited to, mail order and the Internet), wherever such distribution channels are located or operating (including within the Territory), except not through Good Feet Stores (other than Franchisee's Store) the physical premises of which are located within the Territory.

1.5 Restrictions. Franchisee agrees that all Good Feet Stores (whether owned, licensed or franchised by Good Feet or its affiliates or otherwise) may solicit and service at their Good Feet Stores customers from any geographic location, and otherwise advertise and offer the Products and services of their respective Stores to any customers, except as otherwise provided in this Agreement. The Products are not medical products or devices and are not to be sold as such. The Products are not intended for, nor shall they be sold as, treatment of medical conditions or in connection with any purported or actual medical diagnosis or prescription. Franchisee shall not engage in diagnosis, prescription or treatment of any medical condition in connection with its operation of the Store. Franchisee and its agents and employees shall not

represent or sell any Product as a medical device or as treatment for any medical condition. In addition, Franchisee may not sell any Product, and may not permit any agent or employee to sell any Product, to any individual with diabetes; with arthritis, skin disorders, or broken bones affecting the feet; or under the age of 18, unless authorized in writing by a physician. Franchisee shall conduct regular training and communication sufficient to guaranty that no employee or other agent of Franchisee violates the provisions of this Section 1.5.

1.6 Owner's Guaranty. If Franchisee is an entity, each direct and indirect legal, beneficial and equitable owner of Franchisee (an "owner") shall execute and deliver to Good Feet an Owner's Guaranty and Assumption of Obligations in the form attached hereto as Exhibit B (the "Guaranty") concurrently with Franchisee's execution and delivery of this Agreement. Any individual or entity who becomes an owner of Franchisee after the date of execution of this Agreement must be approved under Section 12.2 of this Agreement and shall execute and deliver to Good Feet a Guaranty prior to the date the owner acquires its interest in Franchisee.

2. TERM AND RENEWAL

2.1 Term. The Term of this Agreement will be five (5) years commencing on the date this Agreement is executed (the "Term").

2.2 Renewal. Franchisee will have the right to renew the Franchise for two successor terms of five (5) years, provided that all of the following conditions have been met for each renewal:

A. Franchisee has given Good Feet written notice at least one hundred eighty (180) days prior to the end of the then current term of its intention to renew the Franchise;

B. Franchisee has complied with all the material terms and conditions of this Agreement or the then existing franchise agreement during the expiring term;

C. Franchisee corrects any deficiencies in its operation of the Store identified by Good Feet and agrees to upgrade, remodel and redecorate the premises of the Store as specified by Good Feet to conform to the current image of a Good Feet Store and the Good Feet System;

D. Franchisee has the right to occupy the premises of the Store or a replacement location approved by Good Feet in writing for no less than the renewal term;

E. Franchisee executes the then current form of franchise agreement and other related agreements and guarantees which Good Feet is then requiring of new franchisees, which may contain terms and conditions that differ materially from any and all of those contained in this Agreement, including a reduced Territory and increased fees (but which shall not require Franchisee to pay an Initial Franchise Fee);

F. Franchisee and Good Feet will execute a mutual written general release of all claims and demands against one another, their respective affiliates, and the officers, directors, employees and representatives of each of them (except for Franchisee's then current indemnification obligations to Good Feet and amounts then due for Products, Continuing Service Fees, Advertising Fund contributions, and Area Cooperative contributions); and

G. Franchisee pays to Good Feet a renewal fee of Five Thousand Dollars (\$5,000) for the first five-year renewal term and Five Thousand Dollars (\$5,000) for the second five-year renewal term.

Franchisee's failure to sign these agreements and releases within thirty (30) days after they are delivered to Franchisee will be deemed an election by Franchisee not to renew the Franchise. Good Feet may unilaterally extend the Term or first renewal term of this Agreement for any period of time necessary to provide Franchisee with any notices of non-renewal required by this Agreement or applicable law.

3. SERVICES OF GOOD FEET

3.1 Initial Training Program. Prior to opening the Store, the following individuals must attend and complete, to Good Feet's satisfaction, Good Feet's Initial Training Program: if Franchisee will act as the general manager of the Store, Franchisee; if Franchisee shall not act as the general manager, Franchisee and the individual who will act as the general manager; or if Franchisee is an entity, the individual who will act as the general manager and one of Franchisee's owners who will be actively involved in the management and operation of the Store. The Initial Training Program will last approximately 7 days and will be conducted at Good Feet's principal offices or at an alternate place Good Feet designates. Good Feet will not charge a training fee in connection with providing the Initial Training Program to two individuals. Good Feet will also provide the Initial Training Program to Franchisee's subsequent general managers and additional individuals associated with Franchisee throughout the term of this Agreement for Good Feet's then current Training Fee. All expenses incurred by Franchisee and its representatives and employees in attending the Initial Training Program, including, without limitation, wages, benefits, travel, room and board expenses and compensation will be the sole responsibility of Franchisee. No person may be employed as a general manager of the Store unless such person has completed Good Feet's Initial Training Program to Good Feet's satisfaction. (Experienced Managers may be granted a training waiver at the sole discretion of Good Feet.)

3.2 Specifications for the Store and Products. Good Feet will provide Franchisee with Good Feet's specifications for the building, equipment, furnishings, decor, layout and signs of a Good Feet Store or cause its store design service to do so. Good Feet will also cause Dr.'s Own to make available for Franchisee's purchase Products and other goods and supplies as discussed in Section 5.3. Good Feet reserves the right to modify, cancel, withdraw and substitute Products, and the right to add new arch supports and related foot products to the Products, at any time.

3.3 Confidential Operating Manual. Good Feet will loan Franchisee one (1) copy of Good Feet's Confidential Operating Manual (together with all supplements and revisions, the "Manual") for use during the term of the Franchise. Good Feet will have the right to modify the Manual when it deems best. Changes to the Manual will be effective upon Good Feet's giving notice of the change to Franchisee. Franchisee shall comply with Manual changes within 30 days of effective notice. Franchisee will conduct the operation of the Store in compliance with Good Feet's System and all mandatory systems, procedures, policies, methods and requirements outlined in the Manual. All mandatory provisions of the Manual will be binding on Franchisee as if originally outlined in this Agreement. In the event of any dispute as to Franchisee's

compliance with the provisions of the Manual, the terms of the master copy of the Manual maintained by Good Feet at Good Feet's principal office will be controlling. Franchisee shall not duplicate the Manual or allow the Manual to be duplicated.

At Good Feet's option, Good Feet may post some or all of the Manual on a restricted Website, intranet, or extranet to which Franchisee will have access. (For purposes of this Agreement, "Website" means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the Internet and World Wide Web home pages.) If Good Feet does so, Franchisee agrees to monitor and access the Website, intranet, or extranet for any updates to the Manual. Any password or other digital identification necessary to access the Manual on a Website, intranet, or extranet will be deemed to be Good Feet's proprietary information, subject to Section 5.15 below.

3.4 Additional Training. Good Feet may require that previously trained and experienced franchisees (or, if entities, their owners) or their managers attend and successfully complete additional training programs or seminars to be conducted at Good Feet's principal offices or other locations chosen by Good Feet. Franchisee (or its owners) and/or Franchisee's employee(s) will attend such programs or seminars at Franchisee's expense. Good Feet reserves the right to charge fees for attendance at such training programs or seminars. Good Feet agrees that additional training programs and/or seminars will not exceed one per year, unless presented as part of the Annual Convention.

3.5 Guidance. During the operation of Franchisee's Store, Good Feet will:

- A. Inspect the Store as often as Good Feet deems necessary;
- B. Make its staff available at its principal offices for consultation and guidance in the operation and management of the Store;
- C. Make available to Franchisee all changes, improvements, and additions to the Good Feet System to the same extent as made available to other franchisees of Good Feet Stores; and
- D. Provide Franchisee with all supplements and modifications to the Manual.

3.6 Inspections. Good Feet will have the right to enter and inspect the Store at all reasonable times to observe Franchisee's operation of the Store, to confer with Franchisee's employees and customers and to evaluate Franchisee's compliance with this Agreement, the Good Feet System and the Manual. Franchisee will cooperate with Good Feet and will promptly undertake to correct any deficiencies brought to Franchisee's attention.

3.7 Additional Guidance and Assistance. At Franchisee's request, and subject to the availability of Good Feet's personnel, Good Feet will furnish additional guidance and assistance to Franchisee, beyond that customarily provided to franchisees, at Franchisee's location at Good Feet's then current per diem fee plus reimbursement of out of pocket expenses of Good Feet and its personnel. If Good Feet determines that additional guidance and assistance is required due to the failure of the Store to operate according to the Good Feet System, Good Feet will have the right to require that Franchisee (or its owners) and/or Franchisee's managers and employees undergo a retraining program or Good Feet may provide other remedial assistance. Franchisee

will pay Good Feet its then current per diem fee and out of pocket expenses incurred in providing this retraining or remedial assistance.

3.8 Advisory Council. Good Feet will form an Advisory Council. The purpose of this Advisory Council will be to give Good Feet advice and guidance on various aspects of the Good Feet System and its development and to perform other functions Good Feet specifies. The Advisory Council will be governed by bylaws adopted by the Advisory Council, although Good Feet shall have the right to modify those bylaws. The Advisory Council will be composed of 7 franchisees elected annually pursuant to the bylaws. Members will be elected to serve a one-year term. No franchisee shall serve more than five consecutive terms. The Board will be chaired by Good Feet's then current Chief Operating Officer or an individual appointed by Good Feet's Chief Operating Officer. Franchisees will participate in the Advisory Council and its activities at their own expense. The Advisory Council will not have any decision-making authority.

3.9 No Other Obligation. Except as stated above, Good Feet has no obligation to offer advice, guidance or assistance to Franchisee in the development or operation of its Store.

3.10 Franchise System Website. Good Feet may establish one or more websites to advertise, market, and promote Good Feet Stores, the Products, and/or the Good Feet franchise opportunity (each a "Franchise System Website"). If Good Feet establishes a Franchise System Website, it may provide Franchisee with a webpage on the Franchise System Website that references the Store. Franchisee must give Good Feet the information and materials Good Feet requests to develop, update, and modify Franchisee's webpage. By providing the information and materials to Good Feet, Franchisee will be representing that they are accurate and not misleading and do not infringe any third party's rights. However, Good Feet will own all intellectual property and other rights in the Franchise System Website, Franchisee's webpage, and all information they contain (including, without limitation, the domain name or URL for Franchisee's webpage, the log of "hits" by visitors, and any personal or business data that visitors supply).

Good Feet will maintain the Franchise System Website, including Franchisee's webpage, and may use the Advertising Fund's assets to develop, maintain, and update the Franchise System Website (other than that portion of the Franchise System Website that specifically promotes the sale of Good Feet franchises). Good Feet periodically may update and modify the Franchise System Website (including Franchisee's webpage). At Franchisee's request, Good Feet will update the information on Franchisee's webpage or add information that Good Feet approves. Franchisee must notify Good Feet whenever any information on its webpage changes or is not accurate. Franchisee must pay Good Feet's then current fee to be on the Franchise System Website or to update or modify Franchisee's webpage (to the extent the Advertising Fund does not cover these costs). Good Feet has final approval rights over all information on the Franchise System Website. Good Feet may implement and periodically modify System standards and specifications relating to the Franchise System Website.

Good Feet will maintain Franchisee's webpage on its Franchise System Website, if any, and allow Franchisee access to the Franchise System Website only while Franchisee is in full compliance with this Agreement and all Good Feet System standards and specifications (including, without limitation, those relating to the Franchise System Website). If Franchisee is in default of any obligation under this Agreement or Good Feet System standards and

specifications, then Good Feet may, in addition to its other remedies, temporarily remove Franchisee's webpage from the Franchise System Website, or deny Franchisee access to the Franchise System Website, until Franchisee fully cures the default. Good Feet will permanently remove Franchisee's webpage from the Franchise System Website, and terminate Franchisee's access thereto, upon this Agreement's expiration or termination.

At Good Feet's request, all advertising, marketing, and promotional materials that Franchisee develops for the Store must contain notices of the Franchise System Website's domain name in the manner Good Feet designates. Franchisee may not develop, maintain, or authorize any other Website that mentions or describes Franchisee or the Store or displays any of the Marks.

4. OPENING THE STORE

4.1 Location. If the premises of the Store have been selected prior to execution of this Agreement, it will be designated on Exhibit A as the Location. If the premises have not been selected as of the date of this Agreement, Franchisee will advise Good Feet in writing of the premises Franchisee selects within the Territory, and, subject to compliance with Section 4.4, that premises will be deemed the Location for purposes of Exhibit A.

4.2 Construction of Store. Franchisee will construct and develop the Store using Good Feet's specifications provided under Section 3.2, in full compliance with the Good Feet Store design and layout specifications outlined in the Manual or elsewhere and using the Store Décor Package provided by Good Feet pursuant to Section 3.2. Promptly after securing rights to the premises of a Store, Franchisee will prepare and submit to Good Feet for approval a site survey and any modifications to Good Feet's basic plans and specifications (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for development of the Store at the premises (the "Plans"). Good Feet will have the right to disapprove the Plans or condition approval as Good Feet deems appropriate. Based on approved Plans, Franchisee shall (i) obtain all required zoning changes; all required building, utility, health, sanitation, and sign permits and licenses; and any other required permits and licenses; (ii) purchase or lease and install the Store Décor Package and all equipment, fixtures, furniture, and signs required by Good Feet in the Plans or in the Manual; (iii) complete decorating the Store in full and strict compliance with the Plans approved by Good Feet and all applicable ordinances, building codes, and permit requirements and obtain Good Feet's approval of any modifications thereto; (iv) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services; and (v) otherwise complete the development of and have the Store ready to open and conduct business according to Section 1.2. Good Feet shall not be liable for any loss or damage arising from the Plans or by reason of its approval of Plans or otherwise. Franchisee shall also develop the Store in compliance with all laws, rules and regulations of all governmental entities and landlords as they affect the Store, including compliance with the Americans with Disabilities Act and corresponding state disabled access requirements.

4.3 Purchase of Initial Inventory. On the terms outlined in Section 5.3, below, Franchisee shall purchase from Dr.'s Own initial inventory for the Store in an amount Dr.'s Own

deems sufficient for opening the Store and shall place the order and pay Dr.'s Own for this initial inventory during Franchisee's attendance at the Initial Training Program.

4.4 Lease or Purchase Agreement. Franchisee must submit its lease or purchase or other occupancy agreement for the Store to Good Feet for approval prior to execution. The occupancy agreement must contain the provisions Good Feet requires, including but not limited to: (i) a provision which requires that Good Feet will receive a copy of any written notice of default under the occupancy agreement and which grants Good Feet, in its sole discretion, the right, but not the obligation, to cure any default within 30 business days after the expiration of the period in which Franchisee may cure the default; (ii) a provision which evidences the right of Franchisee to display the Marks according to the specifications required by the Manual, subject only to the provisions of applicable law; (iii) a provision which grants Good Feet the right, but not the obligation, to assume the obligations of and replace Franchisee under the occupancy agreement in the event of the expiration or termination of this Agreement for any reason; and (iv) a provision that the Store be used only for the operation of a Good Feet Store.

5. OPERATING THE STORE

5.1 Maintain Standards, Upgrades, Customer Benefits. In order to protect the Good Feet System and to maintain the standards of all Good Feet Stores and the Products, Franchisee will operate the Store at all times in strict compliance with the requirements of this Agreement, the Manual and the Good Feet System. Franchisee will sell all Products according to the sales procedures outlined in the Manual, as they may be revised from time to time, and offer each customer the current Customer Benefits prescribed by Good Feet, which may include warranties, return policies, and other benefits.

5.2 Maintaining the Store. Franchisee will, at Franchisee's expense, maintain the condition and appearance of the Store and use the Store solely for the purpose of conducting the business of a Good Feet Store. Franchisee will also upgrade the physical condition and appearance of the Store consistent with Good Feet's standards each time Good Feet notifies Franchisee to do so according to the requirements of Good Feet's notification request. The name of the Store shall be "The Good Feet Store®." Except for signs provided to Franchisee by Good Feet as part of the Store Décor Package or otherwise, the printed or written copy for all signs displayed inside and outside the Store must be submitted to Good Feet for approval prior to any use or display and may not be used unless and until written approval is given to Franchisee by Good Feet. This approval shall be in addition to any approval that may be required by Franchisee's lease or by applicable laws, ordinances, rules or regulations.

5.3 Sourcing. Franchisee shall purchase (for resale at the Store) only from Dr.'s Own all of the types of Products that Dr.'s Own manufactures and/or sells. If Dr.'s Own manufactures and/or sells a particular type of Product, Franchisee may purchase that type of Product only from Dr.'s Own and from no other source. Such purchases will be made on Dr.'s Own's then current terms and conditions of sale and at prices established by Dr.'s Own's then current price list. All orders are subject to acceptance by Dr.'s Own. Throughout the term of this Agreement, Dr.'s Own will have the right to revise its terms and conditions of sale and price list for future orders, effective upon a 30-day written notice to Franchisee. Franchisee must not be in default of the Franchise Agreement to place an order. In addition, in (this includes both payment and operational defaults). Dr.'s Own may refuse to sell Products to Franchisee if Franchisee is in

default of this Agreement. In addition, Dr.'s Own may refuse to sell Products to Franchisee for the Store if Franchisee (or any of its affiliates) owes money to Good Feet or Dr.'s Own (meaning that payment has not been made by the date due) under any other Franchise Agreement or other agreement in connection with the operation of any other Good Feet Store. If Dr.'s Own takes such action due to Franchisee's (or any affiliate's) default, Franchisee has no right to sell unapproved replacement products at the Store. Franchisee's only course of action is to cure, or cause its affiliate to cure, the particular default so that Dr.'s Own once again will sell Products to Franchisee. In connection with developing the Store under Section 4 and operating the Store, if Good Feet designates a product or service to be purchased from or provided by one or more suppliers (other than the Products that may be purchased only from Dr.'s Own), Franchisee must source the product or service only from those suppliers; if Good Feet specifies brands and types of goods or services to be used or sold at the Store, Franchisee must purchase for use and resale at the Store only those brands and types of goods or services; and if Good Feet identifies specifications for goods or services for use or sale by the Store, Franchisee must purchase only goods and services that meet those specifications and requirements. Franchisee must at all times provide an adequate inventory and selection of Products as required by the Manual and as necessary to meet potential customer demand.

5.4 Information System. Because information and communications are critical to operation of each Good Feet Store, Good Feet will specify and update specifications for an information system to be installed and used by each Good Feet Store (the "Information System"). When the Information System specifications are updated, Franchisee will acquire all hardware, software and peripherals, install all communications lines and wiring, contract for all required support and maintenance and meet all other requirements for the Store. The Manual or other communications will state whether items must be purchased from a specific supplier, whether specific brands of hardware, software, peripherals or other items must be acquired, or whether the items can be sourced from approved suppliers. Franchisee may acquire, install and maintain the Information System of its choice, provided that the system meets the minimum reporting guidelines established by Good Feet.

5.5 Approved Suppliers. In addition to the Products that must be purchased exclusively from Dr.'s Own, the purchase of quality products and services is an essential aspect of the Good Feet System. Franchisee authorizes Good Feet to negotiate agreements with suppliers for the provision of products and services to all Good Feet Stores for the benefit of Good Feet and the Good Feet System. Franchisee agrees that certain of these agreements may be negotiated with Good Feet's affiliates, and that Good Feet's affiliates may profit from the agreements. Franchisee further agrees that certain of these agreements may provide for certain revenues to be paid to Good Feet or its affiliates for services rendered, license fees or the like, and that Good Feet or its affiliates may collect monies from these suppliers. Good Feet makes no representation or warranty that these agreements will provide any specific Good Feet Store with the lowest cost products or services available to such Store or that any individual Good Feet Store will benefit proportionately from any arrangement with any supplier. Further, Good Feet shall not be responsible to Franchisee for the failure of any supplier to perform its agreements with, or obligations to, Franchisee or to perform pursuant to any agreements negotiated by Good Feet.

Good Feet may designate a single supplier for any category or item and may designate a supplier only as to certain categories of items (for example, Dr.'s Own is the exclusive supplier

of the types of Products it manufactures and/or sells). Good Feet may concentrate purchases with one or more suppliers to obtain lower prices, the best advertising support and/or the best services. For all goods and services other than the Products which may be obtained only from Dr.'s Own, Good Feet will entertain Franchisee's proposals for approval of additional suppliers. If Franchisee proposes to purchase goods or services from any supplier that Good Feet has not previously approved for such goods or services, Franchisee must notify Good Feet and submit to Good Feet all information, specifications and samples that Good Feet requests. Upon Franchisee's request, Good Feet will provide its standards and specifications and other approved supplier criteria to a supplier proposed by Franchisee, but if Good Feet determines that these standards, specifications or criteria contain confidential information, Good Feet will have the right to require the proposed supplier to execute a confidentiality agreement acceptable to Good Feet as a condition of evaluating the supplier. Good Feet will have the right to require that its representatives, at Franchisee's expense, be permitted to inspect the proposed supplier's facilities and that samples from the proposed supplier be delivered to Good Feet or its designated testing facility for evaluation and testing.

Good Feet may take up to three months to review the proposed supplier and will have the right to approve or disapprove any supplier. Good Feet is not obligated to approve any supplier. Approval of a supplier, as to any goods or services, may be conditioned on requirements relating to the frequency of delivery, standards of quality and service, including prompt attention to complaints, other criteria, work environment and concentration of purchases; may be conditioned on the supplier providing Good Feet with adequate insurance protection, the supplier's execution of reasonable license, indemnity and confidentiality agreements, and the supplier's payment of reasonable license fees to Good Feet; and may be temporary or conditional, pending Good Feet's further evaluation of the supplier. Good Feet reserves the right, at any time, to re-inspect the facilities, products and/or services of any supplier and to revoke its approval upon the supplier's failure to continue to meet any of Good Feet's then-current criteria. Franchisee understands and agrees that Good Feet's primary business is the sale of arch supports. Franchisee further understands that the sale of shoes (purchased from approved vendors) in Good Feet stores is ancillary and not the primary focus of a Good Feet Store. The number of shoes and shoe styles is limited to a few shoe lines and styles as outlined in the Manual. Good Feet has established relationships with shoe manufacturers that will offer shoes to Franchisees, and Franchisee understands that the shoe inventory shall not occupy more than 25% of showroom display area at any time.

5.6 Compliance with Laws and Good Business Practices. Franchisee will, at its expense, secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Store and will operate the Store in strict compliance with all applicable local, state and federal laws, rules and regulations. Franchisee agrees to refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to the Store, Good Feet, other Good Feet Stores or the goodwill associated with the Marks. Franchisee shall deal with its customers honestly and fairly. All customer complaints shall be accommodated reasonably and fairly by Franchisee, but if all attempts to satisfy the customer fail, Franchisee shall not refuse to refund the customer's full purchase price. If Franchisee fails to satisfy the customer within the required time period, and the customer complains to Good Feet, Good Feet shall contact Franchisee and request that franchisee comply with the terms of this Agreement. The complaint will then be noted in Franchisee's file. In Good Feet's judgment, if the quantity of such complaints becomes excessive (12 or more during any 12 month period)

and Franchisee continually fails to satisfy customers after being put on notice by Good Feet, Good Feet may exercise its termination rights pursuant to Section 13.B.9, below.

5.7 Payment of Liabilities and Taxes. Franchisee will pay, when due, all of its obligations, liabilities and taxes to Good Feet, suppliers, lessors, creditors and taxing authorities. Franchisee must reimburse Good Feet for any taxes that Good Feet must pay to any state taxing authority on account of either Franchisee's operation or payments that Franchisee makes to Good Feet (but not including Good Feet's income taxes). Franchisee's failure to comply with this provision will be deemed a material breach of this Agreement.

5.8 Standardization. Franchisee will require its employees to maintain Good Feet's appearance standards. Franchisee will comply with all standardization programs Good Feet specifies for Good Feet Stores to promote its image and goodwill. Good Feet may suggest prices for the resale of the Products; however, nothing contained in this Agreement will restrict Franchisee's right to resell Products at any price Franchisee chooses. Nevertheless, Franchisee may not engage in any "off-premises" advertising (that is, advertising away from the Location) that advertises any price for Products other than Good Feet's suggested retail price.

5.9 Management. During all hours Good Feet specifies, the Store must be under the direct, on premises supervision of a trained and competent individual acting as a full-time general manager who must have completed Good Feet's Initial Training Program. Franchisee will at all times faithfully, honestly and diligently perform its obligations under this Agreement, use its best efforts to promote and enhance the Store, and not engage in any business or other activity that will conflict with Franchisee's obligations under this Agreement.

5.10 Employee Training. Franchisee (or, if an entity, its owner) or Franchisee's general manager must train all employees of the Store according to Good Feet's training requirements.

5.11 Unauthorized Activities. Franchisee must not install or maintain at any Store any telephone booths, newspaper racks, video games, juke boxes, gum machines, games, rides, vending machines or other similar devices without Good Feet's prior written approval.

5.12 Notice to Good Feet. Franchisee will notify Good Feet in writing within five (5) days after (a) receiving any customer complaint, irrespective of the amount of money at issue, or (b) receiving notice of any action, suit, or proceeding or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Store or the reputation of Good Feet Stores.

5.13 Modifications to the Good Feet System. Good Feet may modify, change, enhance and further develop the Good Feet System as it deems appropriate. System changes may include, but are not limited to, changing the components of the Good Feet System, Customer Benefits, and the Information System; changing the programs, services, methods, standards, forms, equipment, decorations, policies and procedures of the Good Feet System; adding to, deleting from, or modifying the programs, services and Customer Benefits which the Store is authorized or required to offer; and changing, improving, modifying or deleting one or more of

the Marks. Franchisee agrees to comply with modifications, changes, additions, deletions and alterations at and to the Store promptly and at Franchisee's expense.

5.14 Improvements. Any addition, modification, adaptation, improvement, refinement, discovery, invention or innovation Franchisee or its owners or employees make related to the Products or a Good Feet Store, the Good Feet System, the Manual, the Confidential Information discussed below in Section 5.15, the Programs (as defined in Section 8.1) and any advertising or marketing materials or other materials Franchisee or its owners or employees may create or modify using the Marks or related to a Good Feet Store or the Products (an "Improvement") will be the sole and exclusive property of Good Feet, regardless of the participation or sole participation by Franchisee or its owners or employees in developing the Improvement, will be part of the Good Feet System, will be deemed works made-for-hire for Good Feet, and will be deemed assigned to Good Feet. Franchisee will, and will cause its employees and owners to, execute any instruments and documents Good Feet requests and give Good Feet assistance to perfect or protect all intellectual property rights in any Improvement, without compensation for the use or licensing of any Improvement.

5.15 Confidential Information. Good Feet possesses (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating Good Feet Stores, including (without limitation):

- (a) site selection criteria;
- (b) training and operations materials and manuals;
- (c) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Good Feet Stores;
- (d) marketing and advertising programs for Good Feet Stores;
- (e) knowledge of specifications for and suppliers of Products;
- (f) any computer software or similar technology that is proprietary to Good Feet, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (g) knowledge of the operating results and financial performance of Good Feet Stores other than Franchisee's Store; and
- (h) graphic designs and related intellectual property.

Franchisee acknowledges and agrees that it will not acquire any interest in Confidential Information, other than the right to use it as Good Feet specifies in operating the Store during this Agreement's term, and that Confidential Information is proprietary, includes Good Feet's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee hereby does agree, that it:

- (i) will not use Confidential Information in any other business or capacity;
- (ii) will keep confidential each item deemed to be a part of Confidential Information, both during this Agreement's term and then afterward for as long as the item is not generally known in the industry in which Good Feet Stores operate;
- (iii) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (iv) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Store personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. Good Feet has the right to regulate the form of agreements that Franchisee uses and to be a third party beneficiary of those agreements with independent enforcement rights.

Confidential Information does not include information, knowledge, or know-how that Franchisee can demonstrate lawfully came to its attention before Good Feet provided it to Franchisee directly or indirectly; that, at the time Good Feet disclosed it to Franchisee, already had lawfully become generally known in the industry through publication or communication by others (without violating an obligation to Good Feet); or that, after Good Feet discloses it to Franchisee, lawfully becomes generally known in the industry through publication or communication by others (without violating an obligation to Good Feet). However, if Good Feet includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is satisfied.

6. TRADEMARKS

6.1 Ownership. Franchisee acknowledges the validity of the Marks and that they are the sole property of Good Feet and its affiliates. Franchisee's right to use the Marks is derived solely from this Agreement in the formats required by the Manual or otherwise and is limited to the conduct of the Store by Franchisee pursuant to and in compliance with this Agreement and the Good Feet System. Franchisee's unauthorized use of the Marks will be a material breach of this Agreement and an infringement of the rights of Good Feet and its affiliates. All use of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks will be the exclusive property of Good Feet and its affiliates. Franchisee agrees not to contest the validity or Good Feet's and its affiliates' ownership of the Marks.

6.2 Use. Franchisee must use the Marks only as outlined in the Manual or otherwise. Franchisee must not use the Marks as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Franchisee use the Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by Good Feet (including on websites). Franchisee shall not use the Marks to identify Franchisee on any payment, in any contract with third parties, or in any other manner not approved by Good Feet in writing. Franchisee will give all notices of trademark and service mark registration Good Feet specifies and obtain all fictitious or assumed name registrations as may be required under applicable law. Franchisee may not use any names or marks which are confusingly or deceptively similar to the Marks.

6.3 Infringement. Franchisee will immediately notify Good Feet in writing of any apparent infringement or challenge to Franchisee's use of, or claim by any person of any rights in, the Marks or any other intellectual property of Good Feet and its affiliates of which Franchisee becomes aware. Franchisee must not directly or indirectly communicate with any person other than Good Feet and its counsel in connection with any such infringement, challenge or claim. Good Feet and its affiliates will have sole and exclusive right to take such action as they deem appropriate (including no action) and to control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Marks or Good Feet's or its affiliates' other intellectual property. Franchisee will execute any and all instruments and documents, render such assistance, and do all acts and things as may, in the opinion of Good Feet's counsel, be necessary or advisable to protect and maintain the interests of Good Feet and its affiliates in any such litigation or administrative proceedings, or to otherwise protect and maintain the interest of Good Feet and its affiliates in the Marks and their other intellectual property.

6.4 Substitutions. If Good Feet determines that it is advisable for Good Feet and/or Franchisee to modify or discontinue the use of any of the Marks, and/or use one or more additional or substitute Marks, then upon notice from Good Feet, Franchisee, at its expense, will immediately make such changes and amendments to the Marks and their use at the Store. Good Feet need not reimburse Franchisee for its costs of doing so.

6.5 Patent Markings. To the extent required by applicable law, Franchisee shall maintain the patent marking on all of the Products according to applicable patent marking laws, including but not limited to retaining patent marking stickers and visible patent marks on Products and all related advertising and promotional material.

7. FEES

7.1 Initial Franchise Fee. Franchisee must pay to Good Feet the Initial Franchise Fee of Twenty Thousand Dollars (\$20,000) upon the execution of this Agreement.

7.2 Continuing Service Fee. In addition to the Initial Franchise Fee, Franchisee will pay to Good Feet a continuing service fee (the "Continuing Service Fee") each month in an amount equal to 2% of the Gross Sales of the Store during the previous month. The Continuing Service Fee and a report of the Gross Sales will be due on or before the fifteenth (15th) day of each month for Gross Sales during the prior month. For purposes of this Agreement, "Gross Sales" shall mean the total of all sales, monies, property or receipts from all sales of Products and other goods or services derived by Franchisee at, from or related to the Store and the proceeds of any business interruption insurance, whether such revenues are evidenced by cash, services, property or other means of exchange. "Gross Sales" shall exclude any sale of merchandise for which cash or credit has been refunded or re-credited during the accounting period during which such sale occurred, and the amount of any sales, value added or consumption taxes imposed by any federal, national or local governmental authority that are actually paid over to that governmental authority. Any sale that shall have been included in Gross Sales for any accounting period and for which a refund or re-credit is made in a subsequent accounting period shall be deducted from Gross Sales for the accounting period in

which such refund or re-credit is made. No deduction shall be made for commissions or uncollectible accounts or for any costs incurred in connection with operation of the Store.

7.3 Advertising Fund. During the term of this Agreement, Good Feet may maintain and administer an Advertising Fund for Good Feet Stores and the Products. Good Feet may direct the Advertising Fund to be formed as, or operated through, a separate entity. This entity will have all of the rights of Good Feet under this Agreement. Franchisees of Good Feet will contribute 3% of all Gross Sales into the Advertising Fund (as specified by Good Feet) on a monthly basis, to be paid on the 15th of the month.

7.4 Service Charge on Late Payments. Franchisee agrees to pay Good Feet a late fee for each required payment not made on or before its original due date. This late fee will equal Fifty Dollars (\$50). The late fee is not interest or a penalty but compensates Good Feet for increased administrative and management costs due to Franchisee's late payment. In addition, all amounts that Franchisee owes Good Feet or its affiliates for any reason, if more than seven (7) days late, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. This paragraph does not constitute an agreement by Good Feet or its affiliates to accept such payments after the same are due or a commitment by Good Feet to extend credit to or otherwise finance Franchisee's operation of the Store. Acceptance by Good Feet of any payment by Franchisee shall not constitute a waiver of any amounts remaining due to Good Feet.

7.5 Application of Payments. In spite of any designation by Franchisee, Good Feet will have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee to Good Feet or its affiliates for Continuing Service Fees, Advertising Fund contributions, purchases of Products or any other indebtedness of Franchisee.

7.6 Non-Refundability. All payments to Good Feet and its affiliates will be fully earned on payment and are non-refundable.

7.7 Method of Payment. At Good Feet's request, Franchisee agrees to sign and deliver to Good Feet the documents it requires to authorize Good Feet to debit Franchisee's business checking account automatically for the Continuing Service Fee, Advertising Fund contributions, and other amounts due under this Agreement and for Franchisee's purchases of Products and other items from Good Feet and/or its affiliates (the "Electronic Account"). Good Feet will debit the Electronic Account for these amounts on their due dates. Franchisee agrees to ensure that funds are available in the Electronic Account to cover Good Feet's withdrawals and to report Gross Sales as Good Feet requires.

If Franchisee fails to report the Store's Gross Sales, Good Feet may debit the Electronic Account for one hundred twenty percent (120%) of the last Continuing Service Fee and Advertising Fund contribution that it debited (together with the late fee and interest noted in Section 7.4 above). If the amounts that Good Feet debits from the Electronic Account are less than the amounts Franchisee actually owes Good Feet (once Good Feet has determined the Store's actual Gross Sales), Good Feet will debit the Electronic Account for the balance on the day it specifies. If the amounts that Good Feet debits from the Electronic Account are greater than the amounts Franchisee actually owes, Good Feet will credit the excess against the amounts it otherwise would debit from the Electronic Account during the next debit period.

Good Feet may require Franchisee to pay any amounts due to it or its affiliates under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever it deems appropriate, and Franchisee agrees to comply with Good Feet's payment instructions.

8. ADVERTISING AND PROMOTION

8.1 Programs. Good Feet has licensed from its affiliate, Dr.'s Own, Inc. ("Licensor"), certain television and radio commercials and infomercials relating to the Products (the "Programs"). Good Feet grants to Franchisee a license for the term of this Agreement to use the Programs provided to and purchased by Franchisee. In addition, Good Feet will, from time to time, offer licenses to Franchisee to use other Programs at Good Feet's then current charges therefor. Franchisee agrees that Licensor retains all ownership right, title and interest in the Programs, including, without limitation, all copyright ownership. Neither Franchisee nor any persons under its control or on its behalf shall produce or broadcast, by television or radio, any program that is substantially similar or identical to the Programs. The Programs may not be copied, edited, modified or altered in any manner whatsoever by Franchisee or any person under its control or on its behalf. Good Feet will arrange for all Programs, except loop tapes, to be delivered directly to the cable television, broadcast television and/or radio stations (the "Stations") selected by Franchisee. No loop tape is to be distributed to any other party and must be returned to Good Feet upon expiration or termination of this Agreement. If Franchisee desires to contract with an independent advertising agency, the agency must be approved by Good Feet to represent franchisees and must agree to sign covenants not to compete with Good Feet and/or its franchisees for the term of their representation of any Good Feet Store (as consultant/agent) and for 6 months following the termination of the relationship (for any reason by either party), nor may agencies represent, consult or become employees of any direct competitor during the term of the agreement and for 6 months following. The agency must have a clean business record with Better Business Bureau, credit agencies, and media outlets and shall not have any late or non-payment history with any media outlets. Good Feet reserves the right to investigate backgrounds and credit history of all agency principals prior to approval. Agencies will agree to use the creative materials provided and/or approved by Good Feet, and will not air or run unauthorized, unapproved advertising. Franchisees will pay stations directly, in advance, and pay agency commissions only. Franchisee may advertise only in the DMA in which the Territory is located.

A. Good Feet and Franchisee agree that all advertising programs, if any, that were being licensed to Franchisee by Licensor on the date of this Agreement will be considered "Programs" currently licensed to Franchisee by Good Feet pursuant to the terms of this Agreement.

B. Franchisee may create (or have created) for its Good Feet Store print, radio and TV advertising for the Products. Any advertising agency hired by Franchisee to create advertising must meet the criteria outlined above in this Section 8.1. All advertising created by Franchisee or its advertising agencies must be approved by Good Feet in advance (according to the procedures below) prior to use. All programs and advertising created by Franchisee or its advertising agencies will be deemed to be works made-for-hire for Good Feet and Good Feet's sole and exclusive property. Good Feet may allow all franchisees to use such programs and advertising. Franchisee will take all action (and/or will cause its advertising agency to take all action) necessary to confirm Good Feet's ownership of all copyrights in the programs and

advertising without any required payment by Good Feet. For example, Franchisee shall ensure that its contracts with advertising and other agencies state that Good Feet will, without any separate payment required, own all materials related to the Good Feet System prepared by such agencies and that such materials shall be deemed to be works made-for-hire for Good Feet. Franchisee also is not entitled to any compensation from Good Feet for such materials.

C. The following procedures will be used for advertising approval. Franchisee must send the proposed advertising to Good Feet's then current principal business address, c/o Media Approval Department, via UPS, Federal Express, or other means that produce a delivery receipt. Good Feet will review all programs and advertising and grant or deny approval or require changes to the advertising. Approval will not be unreasonably withheld. If Good Feet does not comment within 10 business days, the advertising will be deemed approved.

8.2 National Advertising, Telephone Numbers and Advertising Fund. During the term of this Agreement, Good Feet may develop and implement a media advertising program to promote the Products as well as all Good Feet Stores through the Advertising Fund. Franchisee acknowledges and agrees that the advertising which Good Feet will have produced and placed through the Advertising Fund will contain "800" numbers to an answering and referral service maintained by Good Feet. This service will refer customer calls to franchised Good Feet Stores and to Good Feet Stores owned by Good Feet and its affiliates according to Good Feet's then current policies.

A. During the term of this Agreement, Good Feet may maintain and administer an Advertising Fund for Good Feet Stores and the Products. Good Feet may cause the Advertising Fund to be formed as or operated through a separate entity, and this entity will have all of the rights of Good Feet under this Agreement.

B. Good Feet will direct all marketing and advertising programs financed by the Advertising Fund, and will have sole control over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the marketing and advertising. The Advertising Fund may be used to pay the costs of the media advertising program, maintenance of the advertising and referral service, and other costs of preparing and producing video, audio and written advertising materials; developing, maintaining, and implementing an electronic commerce website (including one or more Franchise System Websites) and/or related strategies; administering local, regional, multi-regional and national advertising programs, including, without limitation, purchasing direct mail and other media advertising; employing advertising, public relations and media buying agencies to assist in these activities; supporting public relations, market research and other advertising and marketing activities; and reimbursing Good Feet or its affiliates for expenditures Good Feet or its affiliates have made or may make for advertising and marketing to be used by the Advertising Fund. Franchisee acknowledges and agrees that all advertising, marketing and other programs and material financed by the Advertising Fund may include Dr.'s Own's suggested retail prices and references to Good Feet's offer and sale of franchises, although the Advertising Fund will not be used to fund any materials or programs that are solely for solicitation of prospective franchisees. Franchisee further agrees that advertising, marketing and programs, including the media advertising program, may be placed through Good Feet's affiliates, and that such affiliates will charge the Advertising Fund for their standard commissions (15%), fees and other charges. If Good Feet or its affiliates place advertising on behalf of the Advertising Fund, then Good Feet or

the affiliate will use reasonable efforts to negotiate the best possible pricing for the advertising placement. If commissions for placement of similar amounts and placements of advertising are typically available at rates lower than 15%, then Good Feet and its affiliates will either use an advertising agency charging such lower commissions to handle placements or match the lower agency commissions. Final decision and selection of advertising agencies will be made solely by Good Feet. The Advertising Fund may elect to furnish Franchisee with marketing, advertising and promotional formats and sample materials without additional charge, or provide Franchisee with multiple copies of marketing, advertising and promotional materials at its direct cost of producing them, plus related shipping, handling and storage charges.

C. The Advertising Fund will be accounted for separately from Good Feet's other funds and will not be used to defray any of Good Feet's general operating expenses, except for costs, salaries, travel expenses, administrative costs and overhead Good Feet may incur in activities reasonably related to the administration of the Advertising Fund and its marketing programs (including, without limitation, conducting market research, preparing advertising and marketing materials, general production costs and accounting for contributions to and expenses of the Advertising Fund). Good Feet may spend in any fiscal year an amount greater or less than the total contribution to the Advertising Fund in that year, and Good Feet may cause the Advertising Fund to borrow from Good Feet or others (paying reasonable interest) or to invest any surplus for future use by the Advertising Fund. Franchisee authorizes Good Feet to collect for remission to the Advertising Fund any advertising or promotional monies or credits offered by any supplier based upon Franchisee's purchases. All interest earned on monies contributed to the Advertising Fund will be used to pay costs of the Advertising Fund before other assets of the Advertising Fund are expended. Good Feet will have an independent firm prepare an annual, unaudited statement of monies collected and costs incurred by the Advertising Fund and will furnish it to Franchisee upon written request. Good Feet may have the Advertising Fund audited annually, at the Advertising Fund's expense, by an independent certified public accountant.

D. Franchisee agrees that the Advertising Fund will be intended to maximize recognition of the Marks and the Products and patronage of all Good Feet Stores. Although Good Feet will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs, and to place advertising, that will benefit all Good Feet Stores, Good Feet undertakes no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic areas will be proportionate or equivalent to the Advertising Fund contributions paid by franchisees operating in that geographic area or that any franchised Good Feet Store will benefit directly or in proportion to its payment of Advertising Fund contributions from Advertising Fund materials or the placement of advertising.

E. Good Feet has the right, but no obligation, to use collection agents and institute legal proceedings to collect Advertising Fund contributions at the Advertising Fund's expense. Good Feet also may forgive, waive, settle, and compromise all claims by or against the Advertising Fund. Except as expressly provided in this Section 8.2, Good Feet assumes no direct or indirect liability or obligation to Franchisee for collecting amounts due to, maintaining, directing, or administering the Advertising Fund.

F. Good Feet may at any time defer or reduce Advertising Fund contributions of a Good Feet Store and, upon thirty (30) days' prior written notice to Franchisee, reduce or suspend Advertising Fund contributions and operations for one or more periods of any length and

terminate (and, if terminated, reinstate) the Advertising Fund. If Good Feet terminates the Advertising Fund, it will distribute all unspent monies to its franchisees (and, if applicable, to itself and its affiliates) in proportion to their respective Advertising Fund contributions during the preceding twelve (12) month period.

8.3 Advertising Generally. Good Feet will provide Franchisee printed product brochures, displays, packaging, sales tools copyrighted or trademarked by Good Feet or its affiliates and other promotional material to Franchisee, some at no charge and some at a nominal cost. These may not be changed or altered in any way under any conditions. No other manuals, sales training aids, product literature or any other document not provided or approved by Good Feet may be used in connection with sales or sales training of the Products. When such materials are changed or updated, Franchisee shall ensure that the superseded materials are immediately retired and not used.

8.4 Franchisee's Advertising. Prior to any use by Franchisee, graphics and copy of all advertising, marketing or promotional materials or a description of all marketing plans not prepared, licensed or previously approved by Good Feet must be submitted to Good Feet for approval and Franchisee must maintain dated proof of submission. If Good Feet fails to grant such approval, in writing, within 10 business days of the submission, the submission will be deemed approved. Franchisee agrees to use proper trademark, copyright and other proprietary notices on all such materials. In addition, Franchisee shall not use the internet in any sales or marketing capacity whatsoever, including, but not limited to, websites, e-commerce sites, referrals or any other computer-aided sales or advertising tool, except pursuant to such programs as may be offered by Good Feet from time to time. Franchisee may use the Internet to communicate with its already-existing customers via e-mail (but may not send "spam" or other unsolicited commercial e-mail to persons that have not previously purchased Products from Franchisee). Franchisee shall not engage in mail order marketing except pursuant to such programs as may be offered by Good Feet, and provided Franchisee complies with all applicable laws, specifically including all applicable consumer protection laws. In no event may Franchisee engage in mail order marketing outside of Franchisee's Territory.

Franchisee acknowledges the value of initial and continuing uniform advertising and promotion to further the public image and recognition of Good Feet. Therefore, in addition to the Advertising Fund, Franchisee agrees to:

A. Expend not less than \$10,000.00 for advertising and promotional items to be used prior to and during Franchisee's first four months of operation. These advertising and promotional items are to be designated "Grand Opening" advertising and promotion. Prior to all grand opening advertising and promotion, Franchisee must obtain approval of all advertising and promotion from Good Feet.

B. Franchisee agrees to expend a minimum of two percent (2%) of the Store's Gross Sales each month for advertising in Franchisee's DMA, and this advertising will be subject to the approval of Good Feet. This does not include Yellow Page advertising, which Franchisee is required to pay for separately.

C. Franchisee agrees to submit to Good Feet prior to use, for approval by Good Feet, all sales promotion materials and advertising to be used by Franchisee, including, but not limited

to, newspaper, specialty and novelty items, signs, promotional items and products, posters, boxes, bags and wrapping paper.

D. Franchisee agrees not to advertise or use in advertising or any other form of promotion the Marks or copyrighted materials without the appropriate ® and © registration marks or the designation of ™ where applicable.

E. Franchisee agrees during the term of this Agreement to make available to Good Feet for use by other parties in the system all advertising, marketing, and other promotional materials that Franchisee develops. Good Feet requires all other Franchisees to share developed advertising, marketing, and other promotional concepts in the same manner. Good Feet shall own all such materials, as provided in Sections 5.14 and 8.1.B of this Agreement.

8.5 Area Advertising Cooperative. If the DMA in which the Store is located encompasses Good Feet Stores operated by at least two (2) franchisees (including Franchisee and its Stores(s)), Franchisee agrees at Good Feet's request, and with Good Feet's advice and assistance, to form a cooperative advertising association (an "Area Cooperative") with the other franchisees for the purpose of jointly advertising and promoting their Good Feet Stores located in the DMA. Each Area Cooperative will be organized and governed in a form and manner and pursuant to the agreements, bylaws, and other documents, and begin operating on a date, that Good Feet determines. The Area Cooperative's members in the DMA will include all of the Good Feet Stores operating in that area (unless one or more Good Feet Stores in the DMA are not obligated by their franchise agreements to participate in the Area Cooperative and they choose not to participate). If an Area Cooperative has been established as of this Agreement's effective date for the DMA in which Franchisee's Store is located, Franchisee's Store automatically will become a member of that Area Cooperative when Franchisee signs this Agreement (although the contributions below will not begin until the Store opens for business).

If an Area Cooperative is or has been established in the DMA, Franchisee agrees (a) to join, participate in, and actively support the Area Cooperative in compliance with its governing documents, and (b) to contribute two percent (2%) of the monthly Gross Sales of each of its Stores in the DMA to the Area Cooperative. This contribution is in place of Franchisee's required advertising expenditures under Subsection 8.4.B above (but in addition to its required Advertising Fund contribution under Section 7.3 above).

If the Area Cooperative's members cannot agree on any aspect of the Area Cooperative's formation, administration, or operation, and the disagreement continues for twenty (20) days after written notice to Good Feet that a disagreement exists, Good Feet has the authority to resolve the matter. Good Feet's decision will be final and binding on all members of the Area Cooperative.

Franchisee agrees to send Good Feet and the Area Cooperative any reports that Good Feet requires, including, but not limited to, information to confirm Franchisee's compliance with its minimum contribution obligations. The Area Cooperative will operate only for the purpose of advertising and promoting Good Feet Stores located in the DMA. The Area Cooperative and its members may not use any advertising or promotional plans or materials without Good Feet's prior written consent.

9. RELATIONSHIP OF PARTIES/INDEMNIFICATION

9.1 Relationship of the Parties. This Agreement does not create a fiduciary relationship between the parties. Franchisee is, and will be, an independent contractor. Nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose.

FRANCHISEE WILL CONSPICUOUSLY IDENTIFY ITSELF AND THE STORE, AND IN ALL DEALINGS WITH CUSTOMERS, SUPPLIERS, PUBLIC OFFICIALS, AND OTHERS, AS AN INDEPENDENT FRANCHISEE OF GOOD FEET, AND WILL PLACE SUCH NOTICES OF INDEPENDENT OWNERSHIP ON ALL FORMS, BUSINESS CARDS, STATIONERY, ADVERTISING, SIGNS AND OTHER MATERIALS AND IN THE MANNER GOOD FEET SPECIFIES AND REQUIRES FROM TIME TO TIME.

9.2 No Liability for Acts of the Other. Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other party, or represent that the relationship between Good Feet and Franchisee is other than that of franchisor and franchisee. Good Feet does not assume any liability, and shall not be deemed liable, for any agreements, representations, or warranties made by Franchisee, nor will Good Feet be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Store. Neither Franchisee nor any employee of Franchisee may, in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Good Feet for any purpose. Good Feet will have no liability for any sales, use, occupation, excise, gross receipts, income, property or other taxes, whether levied upon Franchisee, the Store, or Franchisee's property, or upon Good Feet, in connection with sales made or business conducted by Franchisee or the Store or any payments to Good Feet. Franchisee must reimburse Good Feet for any taxes that Good Feet must pay to any state taxing authority on account of either Franchisee's operation or payments that Franchisee makes to Good Feet (but not including Good Feet's income taxes).

9.3 Indemnification. Franchisee agrees to indemnify, defend and hold Good Feet, Good Feet's affiliates and all of their respective owners, directors, officers, employees, agents, attorneys, consultants, independent contractors, designees, successors and assignees (the "Indemnified Parties") harmless from and against, and to reimburse the Indemnified Parties for, any Losses and Expenses which the Indemnified Parties may suffer, sustain or incur and which arise out of or relate to (a) any act or failure to act of Franchisee, any owner or employee of Franchisee or any person controlled by Franchisee or under contract with Franchisee; (b) the development or operation of the Store; (c) any breach of this Agreement or any agreement, document or instrument executed pursuant hereto or concurrently herewith; (d) any breach of any of Franchisee's representations or warranties; (e) any death or personal injury or property damage occurring at or related to the operation of the Store; or (f) any violation of any law, rule, regulation or ordinance by Franchisee, its owners or employees or the Store.

Franchisee must immediately undertake the defense of any legal action against or involving the Indemnified Parties, and will retain reputable, competent and experienced counsel to represent the interests of the Indemnified Parties. Franchisee will notify Good Feet of the identity of such counsel not less than 48 hours prior to retaining them and Good Feet will have

the right during this period to approve or disapprove any such counsel. Franchisee may not settle any legal action without the specific prior written consent of each Indemnified Party named in the action and of Good Feet. The Indemnified Parties or any of them will have the right to retain separate counsel and to participate in the defense, compromise or settlement of the action. The Indemnified Parties shall not be required to seek recovery from third parties or otherwise mitigate their Losses and Expenses to recover the full amount of their respective indemnified Losses and Expenses from Franchisee.

9.4 Notice of Claims. Franchisee will notify Good Feet of any and all claims or demands against Franchisee, the Store and/or Good Feet or any of its affiliates within three (3) days of Franchisee receiving actual notice of any such claim or demand.

10. INSURANCE

10.1 Required Insurance. Franchisee must purchase at its sole expense and maintain in effect at all times during the Term all insurance required by Good Feet (including at least \$1 million in general liability insurance) naming Good Feet and Good Feet's affiliate, Dr.'s Own, Inc., and the Indemnified Parties as additional insureds from an "A" or better rated insurance company registered in the jurisdiction where the Territory is located. Good Feet may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The policies shall not exclude coverage from claims made between co-insureds solely on the basis of the parties' designation as co-insureds and must meet Good Feet's other requirements. If Franchisee fails to maintain required insurance, Good Feet may (but is not required to) obtain, through agents and insurance companies of its choosing, such insurance as is necessary to meet such standards on behalf of Franchisee, and Franchisee will reimburse Good Feet upon demand. Franchisee will provide Good Feet with certificates of insurance evidencing such coverage no later than ten (10) days prior to the opening date of the Store and all replacement policies upon issuance. Franchisee will forward to Good Feet full copies of all or any insurance policies on request.

10.2 Disclaimer. Franchisee's obligation to maintain insurance coverage pursuant to this Agreement shall not be excused in any manner by reason of any separate insurance Good Feet or any Indemnified Party maintains, nor will it relieve Franchisee of its indemnity obligations pursuant to this Agreement. Good Feet does not represent or warrant that any insurance which Franchisee is required to purchase, or which Good Feet purchases on Franchisee's behalf, will provide adequate coverage to Franchisee. The requirements of insurance specified herein are for Good Feet's protection. Franchisee should consult with its own insurance agents, brokers and attorneys to determine what level of insurance protection it needs and desires, in addition to the coverages and limits required by Good Feet.

11. REPORTS, FINANCIAL STATEMENTS, AND AUDIT AND INSPECTION RIGHTS

11.1 Books and Records. Franchisee will keep, preserve and make available for inspection all books and records required by the Manual or otherwise and will utilize the required Information System. Franchisee will establish and maintain at Franchisee's expense a

bookkeeping, accounting and record keeping system conforming to Good Feet's requirements, will utilize the accounting functions of the Information System and install and maintain functionalities to allow electronic communication between Franchisee's Information System and Good Feet's computer system. Franchisee will permit Good Feet to access Franchisee's Information System and download all data and files in Franchisee's Information System for audit and inventory purposes. With respect to the operation and financial condition of the Store, Franchisee must sign, verify and furnish all reports, financial statements and returns required by the Manual or otherwise according to generally accepted accounting principles applied on a consistent basis. Good Feet will have the right to use all such information for any purpose, including disclosure to prospective franchisees.

11.2 Audit of Books and Records. Franchisee shall maintain and preserve accurate books, records and tax returns, including related material, such as cash register tapes and invoices, for each Good Feet Store for at least five (5) years from the date each such record is prepared. Such books, records, tax returns and supporting material shall be made available by Franchisee for inspection, examination or audit by Good Feet at all reasonable times and at such locations as may be designated by Good Feet. Such examination or audit shall be at Good Feet's expense unless it is disclosed that the total of monthly Gross Sales submitted by Franchisee for the period being inspected by Good Feet is understated to the extent of five percent (5%) or more, in which case all costs and expenses related to such audit shall be borne by Franchisee. Franchisee shall immediately pay Good Feet on demand any deficiency of monthly Continuing Service Fee or Advertising Fund payments disclosed by such audit, together with the late fee specified in Section 7.4 and interest from the date such payments were originally due for payment to Good Feet. Good Feet and its representatives shall not be responsible for failure to discover any defalcations during any audit or inspection of Franchisee's accounting records. In the event any such defalcation is discovered by Good Feet or its representatives, it will be promptly reported to Franchisee. Where Franchisee understates by five percent (5%) or more its monthly Gross Sales in three (3) or more reports during any twenty four (24) month period, such shall constitute a material breach of this Agreement, causing this Agreement to be subject to termination at the option of Good Feet.

11.3 Inspections. Good Feet will have the right during normal business hours to inspect and observe the Store and its operation, interview employees and customers of the Store, inspect and copy all records, tax returns and other financial information of the Store, and remove samples of Products sold or supplies used at the Store. In addition, Good Feet will have the right, but not the obligation, to conduct a follow-up questionnaire or mystery shopper program as one means of inspecting the Store and evaluating Franchisee's performance under this Agreement. Franchisee agrees to present to its customers all evaluation forms periodically prescribed by Good Feet and to participate and/or request Franchisee's customers to participate in any surveys performed by Good Feet or its designee.

12. TRANSFER OF FRANCHISE

12.1 Assignment by Good Feet. Franchisee acknowledges that Good Feet maintains a staff to manage and operate the Good Feet System and that staff members can change as employees come and go. Franchisee represents that it has not signed this Agreement in reliance on any particular owner, director, officer, or employee remaining with Good Feet in that capacity. Good Feet may change its ownership or form and/or assign this Agreement and any

other agreement to a third party without restriction. After its assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Good Feet no longer will have any performance or other obligations under this Agreement.

12.2 Transfer by Franchisee. Franchisee and its owners must not Transfer this Agreement, a substantial portion of the assets of the Store, or any direct or indirect legal, beneficial or equitable ownership interest in Franchisee except in compliance with all of the conditions of this Section 12.2 as follows:

A. The purchaser, transferee, or assignee (the "Transferee") and its owners and management must be pre-approved in writing by Good Feet and have the aptitude, skills, qualifications, credit and financial resources necessary, in Good Feet's judgment, to conduct the business of the Store and to fulfill the Transferee's obligations to Good Feet and its affiliates and otherwise meet Good Feet's then-current criteria for franchisees (including no ownership or other interest in a Competitive Business);

B. Franchisee must be in full compliance with all its obligations under this Agreement and under any other agreement with Good Feet;

C. If the transfer is of this Agreement, a substantial portion of the assets of the Store, or a controlling ownership interest in Franchisee, the Transferee must assume all outstanding obligations of Franchisee to Good Feet and its affiliates under this Agreement or otherwise and the Transferee (in the event of a proposed transfer of the rights granted under this Agreement and a substantial portion of the Store's assets) or Franchisee (in the event of a proposed transfer of a controlling ownership interest in Franchisee) must execute Good Feet's then-current form of Franchise Agreement (except that the Transferee shall not be obligated to pay an Initial Franchise Fee), the term of which will expire on the expiration date of this Agreement and the other terms and conditions of which may differ materially from any and all of those contained in this Agreement, and all other agreements, documents, instruments and guarantees then required of new franchisees, and if the transfer is to a new franchisee entity or of an ownership interest in Franchisee, all individuals and entities who have an ownership interest in the new franchisee entity, or becoming an owner of Franchisee in connection with the transfer, must execute and deliver a guaranty to Good Feet;

D. Franchisee must execute and deliver to Good Feet a general release of all claims against Good Feet, its affiliates and their respective owners, officers, directors, employees, and agents in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

E. Franchisee must pay a Transfer Fee in the amount of Five Thousand Dollars (\$5,000) to Good Feet, one-half (1/2) of which is due when Franchisee requests approval of the transfer and is non-refundable, whether or not the transfer process is completed; provided however, that such Transfer Fee shall not be required in case of (a) a transfer by the Franchisee upon death of the Franchisee as described in Section 12.6 below or (b) a transfer by the Franchisee to an entity formed by the Franchisee solely for the convenience of ownership as described in Section 12.7 below;

F. The material terms and conditions of the Transfer, including the price and terms of payment, must not be so burdensome as to adversely affect the operation of the Store by the Transferee;

G. If Franchisee or its owners finance any part of the sales price, Franchisee and/or its owners must agree that all obligations of the Transferee under or pursuant to any promissory notes, agreements or security interests Franchisee or its owners reserve in the assets of the Store or its premises will be subordinate to the obligations of the Transferee to pay Continuing Franchise Fees, Advertising Fund contributions, and all other sums due to Good Feet or its affiliates and otherwise to comply with this Agreement, the new Franchise Agreement executed, and all other agreements with Good Feet and its affiliates;

H. Franchisee, if it is transferring the Franchise, and any of Franchisee's transferring owners must agree in writing with Good Feet and with the Transferee that, for a period of two (2) years after the effective date of the Transfer, Franchisee, its transferring owners and their respective affiliates will comply with the terms and conditions of Section 15.3;

I. Franchisee obtains Good Feet's written approval of the Transfer and the Transferee; and

J. In conjunction with any other escrow for the transfer, Franchisee and Transferee shall open an escrow for the purpose of effecting Good Feet's approval of the Transfer.

Transfer is defined as any direct or indirect, voluntary, involuntary or by operation of law gift, transfer, sale or assignment, including the following events: (a) the transfer of ownership of capital stock or partnership interest or other ownership interest in Franchisee or any owner; (b) any merger, reorganization, consolidation or issuance of additional securities representing a direct or indirect ownership interest in Franchisee or the Store; (c) any sale of Franchisee's or any owner's voting stock or any security convertible to Franchisee's or any owner's voting stock; (d) transfer by declaration, division, or otherwise in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of applicable law; (e) transfer, in the event of the death of Franchisee or one of its owners, by will, declaration of or transfer in trust, or under the laws of intestate succession; (f) any change in ownership or control of Franchisee; or (g) if Franchisee or any owner is a trust, any change in the trustees or the beneficial owners of the trust. There may be no Transfer of a substantial portion of the Store's assets without a transfer of this Agreement.

12.3 No Encumbrance. Franchisee will have no right to pledge, encumber, hypothecate, or otherwise give any third party a security interest in its rights under this Agreement in any manner whatsoever without the prior written consent of Good Feet, which consent may be withheld for any reason whatsoever in Good Feet's sole judgment.

12.4 Effect of Consent to Transfer. Good Feet's consent to an assignment shall not constitute a representation as to the fairness of any contract between the transferring party and any Transferee, a guaranty of the prospects of success of the Store, or a waiver of any claims it may have against Franchisee or its owners, nor will it be deemed a waiver of Good Feet's right to demand exact compliance with any of the terms or conditions of this Agreement or the agreements executed by the Transferee.

12.5 Right of First Refusal. If Franchisee or one or more of its owners propose to make a Transfer to any individual or entity (other than an entity wholly owned by Franchisee or its owners) that otherwise would be permitted under Section 12.2 above, Good Feet shall have the right for a period of 30 days after Franchisee or its owners have submitted all information requested by Good Feet to exercise a right of first refusal and substitute itself for the proposed transferee in the transaction. If Good Feet declines to do so and there is any change in the terms and conditions of the proposed transaction or the proposed transferee, Franchisee shall promptly notify Good Feet, and Good Feet shall have the further right, after receiving all relevant changed information, to exercise its right of first refusal over the revised transaction for a period of 15 days. In the event that applicable law would prevent the exercise by Good Feet of such right of first refusal, Good Feet will have an additional 90 days within which to find an assignee of the right of first refusal and Franchisee and each owner hereby consent to such assignment and the exercise of its right of first refusal by such assignee. Should Good Feet exercise its right of first refusal, Good Feet shall have not less than 60 days to close the transaction and Good Feet shall have the right to substitute cash for any alternative form of consideration contemplated by the proposed transaction. If Good Feet does not exercise its right of first refusal, Franchisee or the transferring owner may make a transfer on the terms and conditions of the offer considered by Good Feet if Franchisee and its owners have complied with all of the provisions of this Section 12.

12.6 Death or Disability of Franchisee. In spite of Section 12.2 hereof, a transfer to the heirs, surviving spouse, conservators or personal or other legal representative of Franchisee or an owner of Franchisee (collectively, "Successor Transferees") upon the death or permanent disability of Franchisee or an owner owning more than a fifty percent (50%) equity interest in Franchisee shall not be subject to Good Feet's right of first refusal or right to terminate for failure to obtain written approval, so long as the Successor Transferee (i) within thirty (30) days after such death or permanent disability, satisfies Good Feet that he is qualified to act as a Franchisee pursuant to this Section 12 and is approved in writing by Good Feet, or retains an individual or entity to operate and manage the Good Feet Store who is so qualified and who is approved in writing by Good Feet and (ii) performs all other applicable acts required under Section 12.2. Any subsequent sale or other transfer by a Successor Transferee shall be subject to Good Feet's right of written approval outlined in this Section 12.6 and to the right of first refusal in favor of Good Feet outlined in Section 12.5. A transfer to a Successor Transferee shall not require the payment of the Franchise Transfer Fee outlined in Section 12.2 hereof. In the event Good Feet does not approve the qualifications of any heir or beneficiary of Franchisee to operate the Good Feet Store, the executor or administrator of Franchisee's estate shall have a period of ninety (90) days following the date of such written disapproval to sell the Good Feet Store to an assignee acceptable to Good Feet, subject to the provisions of Section 12.2 herein, during which period Good Feet may elect, at its option, to manage or operate such Good Feet Store. If such a sale is not concluded within that period, Good Feet may terminate this Agreement. At any time prior to Good Feet's approval of such Successor Transferee or other entity or individual designated by the Successor Transferee or sale of the Good Feet Store to an assignee acceptable to Good Feet, Good Feet may install Good Feet's personnel or representatives to operate the Good Feet Store for such period of time as Good Feet deems necessary. If Good Feet deems it necessary to install any of its personnel or representatives to operate the Good Feet Store as provided for above, Good Feet shall be reimbursed by the Successor Transferee or its assignee for all of Good Feet's out-of-pocket expenses, including, without limitation, the wages of such personnel or representatives.

12.7 Assignment to a Controlled Legal Entity. In the event that Franchisee proposes to transfer all of its interest to a corporation or limited liability company formed by Franchisee solely for the convenience of ownership, Good Feet's consent to such transfer may be conditioned on the following requirements:

(i) The transferee entity shall be newly organized and its articles and bylaws shall provide that its activities are confined exclusively to operating the Good Feet Store franchised herein.

(ii) Franchisee shall own not less than fifty-one percent (51%) of the voting rights and shall not diminish its proportionate interest in the transferee entity, except as may be required by law, and its principal shall act as its principal executive and operating officer.

(iii) Franchisee shall enter into an agreement, in a form satisfactory to Good Feet, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Good Feet.

(iv) Each certificate representing an ownership interest in the transferee entity shall have conspicuously endorsed upon its face the following legend:

"The transfer of this certificate is subject to the terms and conditions of one or more franchise agreements entered into with [new entity]. Reference is made to the provisions of said franchise agreements and to the articles and bylaws of this entity."

(v) Copies of transferee entity's articles of incorporation, bylaws and other governing documents, including the resolutions of the Board of Directors authorizing entry into or assumption of this Agreement, shall be promptly furnished to Good Feet.

(vi) The name of neither the transferor nor the transferee entity shall consist of or contain the Marks or any colorable variation thereof or any other mark in which Good Feet or its affiliates have or claim a proprietary interest without Good Feet's prior written approval.

13. **DEFAULT & TERMINATION**

13.1 Good Feet's Right to Terminate Prior to Opening. Good Feet will have the right to terminate this Agreement effective immediately upon notice to Franchisee if Franchisee or the individuals required to attend and complete training fail to satisfactorily complete the Initial Training Program, the Store is not opened to the public for business as required by Section 1.2, or Franchisee fails to comply with any other obligation in Section 1.2.

13.2 Good Feet's Right to Terminate After Opening.

A. Termination Effective on Occurrence. This Agreement and the Franchise for the Store will terminate immediately upon the occurrence of any of the following events, without notice of termination to Franchisee:

1. The Store or the Location is seized, taken over or foreclosed by a government official or a creditor, lien holder or lessor; or a levy of execution has been made upon the Franchise or upon any property used in the Store and is not discharged within five (5) days of such levy; or

2. Any financial, personal or other information provided by Franchisee to Good Feet in connection with Franchisee's application for the franchise is materially false, misleading, incomplete or inaccurate.

B. Termination Effective on Notice. This Agreement and the Franchise for the Store will terminate immediately upon delivery of notice of termination from Good Feet to Franchisee, if Franchisee or any of its owners do any of the following:

1. abandon, surrender or transfer control of the operation of the Store or make a Transfer other than in strict compliance with Section 12;

2. create a threat or danger to public health or safety with Franchisee's continued operation of the Store or repeatedly violate, or have any employee or agent violate, any provisions of Section 1.5 after receiving notice to cease said violation;

3. fail, for a period of ten days after notification of non-compliance by the applicable governmental authority, to comply with any applicable law or fail to maintain any bond, license or permit required for operation of the Store;

4. fail to open and continuously conduct the business of the Store (a failure to open the Store for a period in excess of five (5) consecutive days shall be deemed a failure to continuously conduct the business of the Store, whether or not as a result of the fault of Franchisee, except where closure is due to fire, riot, flood, acts of God or other natural disaster, or the death or serious illness of Franchisee or an immediate family member, and Franchisee notifies Good Feet within five (5) days after the particular occurrence to obtain written approval to remain closed for an agreed upon amount of time as is necessary under the circumstances before Franchisee will be required to re-open the Store);

5. fail on three or more separate occasions within any period of 12 consecutive months to comply with any provision of this Agreement, any other agreement with Good Feet or its affiliates or the Manual, whether or not such failures to comply are corrected after notice of default is given, or fail on two or more separate occasions within any period of 12 consecutive months to comply with the same obligation under this Agreement, any other agreement with Good Feet or its affiliates or the Manual, whether or not such failures to comply are corrected after notice of default is given;

6. allow any other agreement between Franchisee and Good Feet or its affiliates to be terminated by Good Feet or the affiliate according to its terms or by Franchisee without good cause;

7. permit any material adverse change to occur to the financial condition of Franchisee or any owner; permit Franchisee to become insolvent; are unable to pay bills as they come due for a period of 10 days or more; permit a final judgment to be entered against Franchisee and remain unsatisfied or unbonded of record for 30 days or longer; or permit the

bank accounts or property of Franchisee or the Store to be attached or levied against, unless Franchisee can show ability to cure such financial condition within thirty days of notice;

8. commit any crime or offense that is likely to adversely affect the goodwill associated with the Marks or the reputation of Good Feet Stores;

9. have an excessive amount of unresolved customer complaints (12 or more during a 12-month period) lodged against Franchisee and have received notice to cure from Good Feet;

10. make any unauthorized use or disclosure of any Confidential Information, make any unauthorized use of the Marks, or use, duplicate or disclose any portion of the Manual; or

11. permit a termination of any contract or agreement material to the operation of the Store.

C. Termination Effective after Expiration of Cure Period. This Agreement, including the Franchise, will terminate without further action by Good Feet or notice to Franchisee, if Franchisee or any of its owners do any of the following and fail to cure the occurrence within the cure periods set forth below:

1. fail to accurately report the Gross Sales of the Store or make payments of any Continuing Service Fees and/or Advertising Fund fees, or any other amounts due to Good Feet or its affiliates, and do not correct such failure within 10 days after written notice of such failure is delivered to Franchisee;

2. engage in any business or market any goods, products or services under a name or mark which, in Good Feet's opinion, is confusingly similar to the Marks, and do not cease such business within 10 days after written notice is delivered to Franchisee; or

3. fail to comply with any other provision of this Agreement or any other agreement with Good Feet or its affiliates or any mandatory specification, standard or operating procedure Good Feet prescribes, either in the Manual or elsewhere, and do not correct such failure within 30 days after written notice of such failure to comply is delivered to Franchisee.

13.3 Cure and Termination. For purposes of this Section 13, a failure to comply will be corrected upon Franchisee's submission of evidence to Good Feet which in Good Feet's sole judgment demonstrates that the correction has been made. Upon termination of this Agreement, all rights granted to Franchisee pursuant to this Agreement and the Franchise for the Store will cease, and Franchisee will fully comply with all terms and conditions applicable after termination.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

14.1 Other Agreements, Election of Remedies and Continuing Obligations. The termination or expiration of this Agreement will constitute a termination of all other agreements between Franchisee and Good Feet and its affiliates with respect to the Store or its operation. Good Feet's election to exercise its rights pursuant to this Agreement or any other agreement with Franchisee shall not constitute an election of remedies. Good Feet reserves all of its rights under this Agreement, such other agreements and applicable law. All obligations which

expressly or by their nature survive the expiration or termination of this Agreement and such related agreements will continue in full force and effect subsequent to and in spite of its expiration or termination and until they are satisfied in full or by their nature expire.

14.2 Payment of Amounts Franchisee Owes. Upon termination or expiration of this Agreement, Franchisee must pay to Good Feet and its affiliates, within 10 days after the effective date of termination or expiration of this Agreement, all Continuing Service Fees, Advertising Fund contributions, late charges, interest due on any of the previously mentioned fees due, and all other amounts owed to Good Feet or its affiliates which are then unpaid.

14.3 Marks and Confidential Information. Upon termination or expiration of this Agreement and after that, Franchisee will:

A. Not directly or indirectly at any time or in any manner identify itself in any business as a current or former Good Feet Store or as a franchisee or licensee of, or as otherwise associated with, Good Feet or any of its affiliates; nor use any Mark or any colorable imitation thereof in any manner or for any purpose; nor utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with Good Feet or any of its affiliates;

B. Within thirty (30) days, remove all signs containing any Mark and return to Good Feet or destroy all items, forms and materials containing any Mark or otherwise identifying or relating to a Good Feet Store, all loop tapes and all other copies of Programs;

C. Within thirty (30) days, take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Mark;

D. Change the telephone number of the Store (or direct the telephone company to transfer all of the Store's telephone numbers and fax numbers to Good Feet or its designee) and instruct all telephone directory publishers to modify all telephone directory listings of the Store associated with any Marks when the directories are next published;

E. Immediately cease to use any of the Confidential Information in any business or otherwise and return to Good Feet all copies of the Manual and all materials (including software) containing Confidential Information which have been loaned or made available to Franchisee;

F. Redecorate, renovate and reconfigure the Store as may be necessary, in Good Feet's sole judgment, to distinguish the Store from a Good Feet Store; and

G. Furnish to Good Feet, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to Good Feet of Franchisee's compliance with the above obligations.

Franchisee warrants that if for any reason Franchisee at any time ceases doing business as a Good Feet® franchisee, whether during the term of this Agreement or at its termination or expiration, Good Feet or its designee may, but is not obligated to, assume the lease for the premises of the Store. Franchisee shall obtain written consent to this provision by the landlord for Franchisee's premises and shall deliver such consent within ten days after commencing business at the Store.

15. COVENANTS NOT TO COMPETE

15.1 Definition of a Competitive Business. "Competitive Business" means any business that derives more than ten percent (10%) of its revenues, on a monthly or annual basis, from the sale of goods the same as or similar to the Products.

15.2 In-Term Covenant Not To Compete. Franchisee acknowledges that Good Feet would be unable to protect the Confidential Information or the free exchange of ideas between its franchisees if Good Feet permitted its franchisees, their owners, or their respective affiliates to engage in, own, operate, franchise or perform services for Competitive Businesses. Accordingly, Franchisee and its owners agree that neither Franchisee, its affiliates, their owners, nor their respective affiliates will, directly or indirectly, during the Term:

A. conduct, have any direct or indirect ownership interest in, or provide any financial or other assistance to any Competitive Business;

B. conduct, have any direct or indirect ownership interest in, or provide any financial or other assistance to any entity which is granting franchises or licenses or establishing joint ventures for operation of Competitive Businesses;

C. perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business; or

D. perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a business which is granting franchises or licenses or establishing joint ventures for operation of Competitive Businesses.

The restrictions of this Section 15.2 shall not apply to the ownership of shares of a class of securities listed on a stock exchange or which are publicly traded on the over-the-counter market that represent three percent or less of the number of shares of that class of securities issued and outstanding.

15.3 After Expiration or Termination. Upon termination or expiration of this Agreement for any reason, Franchisee and its owners and their respective affiliates agree that, for a period of 24 months from the effective date of termination or expiration, or (if later) from the date upon which Franchisee and its owners and their respective affiliates cease to conduct business at the Store or (if applicable) cease to operate a Competitive Business, neither Franchisee, its owners, nor any of their respective affiliates shall conduct or have any direct or indirect interest as a legal or beneficial owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competitive Business located or operating within the Territory or a radius of three (3) miles from any other Good Feet Store then in existence, or any entity which is granting franchises or licenses or establishing joint ventures for operation of Competitive Businesses.

15.4 No Diversion. Franchisee must not divert any customer or business from the Store. Franchisee must not at any time sell or rent to anyone any list of customers or permit the use of such list by anyone for any purpose other than the mailing of advertising material for the Store. Franchisee shall not, during the term of this Agreement and for a period of one year after that, attempt to hire any employee of Good Feet or any other Good Feet franchisee.

15.5 Further Assurances. At the request of Good Feet, Franchisee will cause its affiliates, owners and their affiliates to enter into an agreement with Good Feet containing the provisions of this Section 15.

16. MISCELLANEOUS

16.1 Severability. All provisions of this Agreement are severable. All partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of termination or non-renewal than is required by this Agreement or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Good Feet is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. These modifications will be effective only in such jurisdictions and will be enforced as originally made and entered into all other jurisdictions.

16.2 No Third Party Rights. Except for Good Feet's affiliates, nothing in this Agreement is intended, nor will it be deemed, to confer upon any person or legal entity other than Good Feet or Franchisee and their permitted successors and assigns any rights or remedies under or by reason of this Agreement. Good Feet's affiliates will have the right to enforce the provisions of this Agreement that inure to their benefit.

16.3 Governing Law. Except as provided below, this Agreement and the relationship of the parties will be governed, interpreted and construed according to the laws of the State of California. However, the provisions of the California Franchise Investment Law and the California Franchise Relations Act, and any successor or similar legislation, shall not apply to this Agreement, to the relationship of the parties hereto or to Franchisee unless their independent jurisdictional requirements and definitional elements are met and no exemption to their application exists. In addition, enforceability of the non-competition obligations in Section 15 will be governed by the law of the state in which Franchisee's Store is located.

16.4 Choice of Forum. Good Feet and Franchisee agree that any action brought by one of them against the other must be instituted in a state or federal court having subject matter jurisdiction thereof located closest to where the Good Feet franchisor's principal business address then is located (currently San Diego County, California), and they irrevocably waive any objection they may have to the jurisdiction of or the venue in such courts. Nonetheless, Franchisee and its owners agree that the Good Feet franchisor may enforce this Agreement in the courts of the state in which Franchisee's Store is located.

16.5 Injunctive Relief. Franchisee acknowledges that violation of the covenants not to compete and provisions regarding the Confidential Information, Marks, Programs, patents and Good Feet's other intellectual property contained in this Agreement would result in immediate and irreparable injury to Good Feet for which no adequate remedy at law will be available. Accordingly, Franchisee hereby acknowledges Good Feet's right to seek an injunction, waives bond and agrees not to contest any application by Good Feet for such an injunction to prohibit any actual or threatened conduct by Franchisee in violation of the terms of this Agreement.

Further, Franchisee expressly agrees that the existence of any claims it may have against Good Feet, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Good Feet of the covenants not to compete outlined in this Agreement.

16.6 JURY TRIAL WAIVER. GOOD FEET AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

16.7 DAMAGES. EXCEPT WITH RESPECT TO FRANCHISEE'S OBLIGATION TO INDEMNIFY GOOD FEET PURSUANT TO SECTION 9.3 AND CLAIMS GOOD FEET BRINGS AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, GOOD FEET AND FRANCHISEE AND FRANCHISEE'S OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR TREBLE DAMAGES AGAINST THE OTHER.

16.8 Limitation of Actions. Except for claims under Section 9.3 and except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owes Good Feet, Good Feet and Franchisee agree that no action (whether for damages, injunctive, equitable or other relief, including but not limited to rescission) shall be maintained to enforce any liability or obligation of the other party or its affiliates, whether arising from this Agreement, from the relationship of the parties to this Agreement or otherwise, unless brought before the expiration of two years after the act, transaction or occurrence upon which it is based, expiration of one year after the discovery by the plaintiff of the facts constituting such act, transaction or occurrence, or 90 days after delivery to the plaintiff of a written notice disclosing the act, transaction or occurrence, whichever shall first expire, except that where applicable law mandates or makes possible by notice or otherwise a shorter period, such shorter period will apply.

16.9 Waiver. Good Feet and Franchisee may, by written instrument, unilaterally waive any obligation of or restriction upon the other under this Agreement. Except as provided herein, no acceptance by Good Feet of any payment by Franchisee and no failure, refusal or neglect of Good Feet to exercise any right under this Agreement or to insist upon full compliance by Franchisee with its obligations hereunder, including, without limitation, any mandatory specification, standard or operating procedure, will constitute a waiver of any provision of this Agreement.

16.10 Fees. Franchisee shall not, on the grounds of alleged non-performance by Good Feet of any of its obligations hereunder, withhold payments of any Continuing Service Fee, any Advertising Fund contribution, or any other amounts due Good Feet or its affiliates.

16.11 Attorneys' Fees and Losses and Expenses. In the event either Good Feet or Franchisee institutes a suit, action or proceeding to enforce any term or provision of this Agreement, the prevailing party in the suit, action or proceeding or its appeal will be entitled to recover from the losing party its Losses and Expenses, including attorneys' fees. If Good Feet or any of Good Feet's affiliates incurs Losses and Expenses as a result of any breach by Franchisee or its owners of Franchisee's obligations under this Agreement or related documents or instruments, Good Feet and its affiliates will be entitled to recover from Franchisee, whether or

not any formal legal proceeding has been brought, the amount of all such Losses and Expenses and any interest or late charge from the due date.

16.12 Notices and Approvals. All written notices, requests for approval and reports permitted or required to be sent or delivered by the provisions of this Agreement or of the Manual will be made in writing and will be deemed delivered at the time delivered by hand, one business day after sending by telecopy or electronic mail (with a confirming copy sent by mail) or one day after being deposited with an internationally recognized commercial overnight delivery service. Notices will be addressed to the party to be notified at its most current business address of which the notifying party has been notified. Whenever this Agreement requires Good Feet's prior approval or consent, such approval or consent may be granted or denied as Good Feet deems best. Franchisee must make a timely written request for approval, and approval must be obtained in a signed writing. Any approval may be conditioned as Good Feet deems appropriate or granted on a test basis.

16.13 Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest, and may not be modified except by written agreement by both Franchisee and Good Feet, except that Good Feet will have the right to unilaterally change the Manual as it deems best.

16.14 Complete Agreement. The recitals to this Agreement are a part of this Agreement. This Agreement, the Exhibits and the Manual (as it may be revised), any riders or special stipulations which are executed by the parties concurrently with this Agreement, and the agreements executed concurrently herewith constitute the entire agreement of the parties and supersede any and all prior agreements or understandings between the parties, whether oral or written. **THERE ARE NO OTHER ORAL OR WRITTEN UNDERSTANDINGS OR AGREEMENTS BETWEEN GOOD FEET AND FRANCHISEE, OR ORAL OR WRITTEN REPRESENTATIONS BY GOOD FEET, RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT, THE FRANCHISE RELATIONSHIP, OR THE STORE (ANY UNDERSTANDINGS OR AGREEMENTS REACHED, OR ANY REPRESENTATIONS MADE, BEFORE THIS AGREEMENT ARE SUPERSEDED BY THIS AGREEMENT). FRANCHISEE MAY NOT RELY ON ANY ALLEGED ORAL OR WRITTEN UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS NOT CONTAINED IN THIS AGREEMENT (OR IN ANY AGREEMENT EXECUTED CONCURRENTLY WITH THIS AGREEMENT). NO RULE OF CONSTRUCTION SHALL BE APPLIED AGAINST ANY PARTY.**

16.15 Joint and Several Liability. If Franchisee is a corporation, partnership, proprietorship, or other legal entity, or if more than one person executes this Agreement as Franchisee, all owners of a direct or indirect, legal, beneficial or equitable interest in Franchisee will be jointly and severally liable for all obligations and duties of Franchisee hereunder.

16.16 No Other Set Off Rights. Franchisee shall not have any right to set-off against payments due to Good Feet or Good Feet's affiliates any amounts due or claimed to be due to Franchisee from Good Feet or any of its affiliates.

16.17 Other Definitions. "Affiliate" with respect to a person or entity means any entity controlled by, controlling or under common control with this person or entity. "Applicable law"

means any law, rule, regulation, order, injunction, notice, approval or judgment of any federal, state, or local government or governmental department, agency, board or the like, which applies to Franchisee or any of its assets or the Store, and any contract or agreement with any such government or governmental department, agency or board relating to compliance with any of the above. "Losses and Expenses" means all losses; compensatory, incidental, exemplary, treble, consequential and punitive damages (except for the damages waived by this Agreement); fines, charges, costs, expenses, lost profits and taxes; attorneys' fees, experts' fees, court costs, settlement amounts, judgments and other reasonable costs and expenses of defending or countering any claim; compensation for damages to Good Feet's and/or its affiliates' reputation or goodwill; costs of or resulting from delays, financing, costs of advertising materials and media time and/or space, and costs of changing, substituting or replacing the same; and any and all expenses of recalls, refunds, compensation, public notices and such other amounts incurred. References to a "controlling ownership interest" in Franchisee mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Franchisee, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

This is a legal document which grants specific rights to and imposes certain obligations on Good Feet, Franchisee and Franchisee's owners. Consult legal counsel to be sure that you understand your rights and duties.

GOOD FEET DISCLAIMS ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF FRANCHISEE'S STORE OPERATIONS UNDER THIS AGREEMENT.

FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE AND ITS OWNERS HAVE READ THIS AGREEMENT AND ALL RELATED AGREEMENTS; THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO EVALUATE THIS AGREEMENT AND BE ADVISED BY ITS COUNSEL AND FINANCIAL, TAX AND BUSINESS ADVISORS WITH RESPECT TO ITS RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT AND ALL RELATED AGREEMENTS AND THE SCOPE, COST AND RISK OF THE UNDERTAKING CONTEMPLATED BY SUCH AGREEMENTS; AND THAT FRANCHISEE UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS AND COVENANTS CONTAINED IN SUCH AGREEMENTS AS BEING REASONABLY NECESSARY TO MAINTAIN GOOD FEET'S STANDARDS OF QUALITY AND SERVICE AND THE NECESSITY OF MAINTAINING THOSE STANDARDS AT ALL GOOD FEET STORES IN ORDER TO PROTECT AND PRESERVE THE GOODWILL OF THE MARKS AND THE GOOD FEET SYSTEM. FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT USED A BROKER TO ACQUIRE THIS AGREEMENT.

FRANCHISEE ACKNOWLEDGES THAT, UNLESS THE FRANCHISE DISCLOSURE LAWS ARE NOT APPLICABLE, (A) GOOD FEET OR ITS AGENTS HAVE PROVIDED FRANCHISEE WITH A UNIFORM FRANCHISE OFFERING CIRCULAR NO LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS

THE SALE OF THE FRANCHISE AGREEMENT, TEN (10) BUSINESS DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, AND TEN (10) BUSINESS DAYS BEFORE FRANCHISEE'S PAYMENT OF ANY COMPENSATION FOR THIS AGREEMENT OR THE FRANCHISE, AND (B) GOOD FEET HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT (AND ANY OTHER AGREEMENTS FRANCHISEE WILL SIGN), FULLY COMPLETED, AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO FRANCHISEE SIGNING THEM.

FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISEE RECOGNIZES THAT THIS VENTURE INVOLVES BUSINESS RISKS AND THAT THE SUCCESS OF THE VENTURE IS LARGELY DEPENDENT UPON ITS BUSINESS ABILITIES. GOOD FEET EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS NOT RECEIVED OR RELIED UPON, ANY GUARANTY, EXPRESS OR IMPLIED, AS TO THE REVENUES, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THIS AGREEMENT OR A GOOD FEET STORE FROM GOOD FEET, ITS AFFILIATES, OR THEIR OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IN ALL DEALINGS WITH FRANCHISEE, GOOD FEET'S OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE FURTHER REPRESENTS TO GOOD FEET AS AN INDUCEMENT TO GOOD FEET'S ENTRY INTO THIS AGREEMENT THAT FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THE RIGHTS GRANTED BY THIS AGREEMENT.

FRANCHISEE HAS READ THIS AGREEMENT AND ALL RELATED AGREEMENTS AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF AND ALL EXHIBITS/ADDENDUMS ATTACHED HERETO.

IN WITNESS WHEREOF, Good Feet and Franchisee have respectively signed this Agreement as of the day and year first above written.

"FRANCHISEE"

"GOOD FEET"

GOOD FEET WORLDWIDE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

THIS AGREEMENT SHALL NOT BE BINDING ON GOOD FEET UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF GOOD FEET.

EXHIBIT A
TERRITORY AND LOCATION

1. The Territory referred to in Section 1.1 of the FRANCHISE AGREEMENT is defined as follows:

In the state of _____, the cities or counties of:

2. Franchisee's GOOD FEET STORE SITE is located at and can be contacted as follows:

Address: _____
City/State/Zip: _____
Telephone: ____/____/____ Fax: ____/____/____
E-Mail: _____

FRANCHISEE:

Date: ____/____/____

Signature

Print Name and Title

FRANCHISOR:

Date: ____/____/____

Signature

Print Name and Title

EXHIBIT B
OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the grant of a Franchise and the execution of the Franchise Agreement dated _____, 200__ (the "Franchise Agreement") by Good Feet Worldwide, LLC, a Delaware limited liability company ("Good Feet"); the undersigned hereby personally and unconditionally: (a) guarantees to Good Feet and Good Feet's affiliates and their successors and assigns, for the term of the Franchise Agreement and after that as provided in the Franchise Agreement, that _____, Franchisee under the Franchise Agreement (the "Franchisee"), will punctually pay and perform each and every undertaking, agreement and covenant outlined in the Franchise Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including the confidentiality, non-competition, and transfer provisions. The undersigned waives:

- (1) acceptance and notice of acceptance by Good Feet of the above undertakings;
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed;
- (4) any right he may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability; and
- (5) any and all other notices and legal or equitable defenses to which he may be entitled.

The undersigned consents and agrees that:

- (i) his direct and immediate liability under this Guaranty will be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
- (ii) he will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- (iii) this Guaranty will apply to any claims Good Feet or Good Feet's affiliates may have due to return of any payments or property Good Feet or its affiliates may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- (iv) such liability shall not be contingent or conditioned upon pursuit by Good Feet or Good Feet's affiliates of any remedies against Franchisee or any other person; and
- (v) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Good Feet or Good Feet's affiliates may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the term of the Franchise Agreement until Franchisee's duties and

obligations to Good Feet and Good Feet's affiliates are fully discharged and satisfied.

The undersigned further represent and warrant to Good Feet that the undersigned constitute all of the direct or indirect legal, beneficial and equitable owners of Franchisee on the date of the Franchise Agreement and that all future owners will execute and deliver a guaranty to Good Feet prior to becoming an owner of Franchisee on Good Feet's then current form of Owner's Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, the undersigned have hereunto affixed their signature on the _____ day of _____, _____.

WITNESS

WITNESS

WITNESS

WITNESS

WITNESS

GUARANTOR(S)

Print name: _____

Signature: _____

GUARANTOR(S)

Print name: _____

Signature: _____

GUARANTOR(S)

Print name: _____

Signature: _____

GUARANTOR(S)

Print name: _____

Signature: _____

GUARANTOR(S)

Print name: _____

Signature: _____

Document comparison done by Workshare Professional on Sunday, December 17, 2006 3:09:58 PM

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Rendering set	Standard

Legend:	
<u>Insertion</u>	
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Style change	
Format change	
Moved-deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	36
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	73