

mortgage against any of your assets and such suit is not dismissed within 30 days; or if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within 30 days.

14.02 Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if you or any of your Owners or Affiliates:

- (a) fail to open your Business and start business, as provided in Section 5.02;
- (b) fail to satisfactorily complete our training program, as provided in Section 4.01;
- (c) abandon or fail to actively operate your Business for 3 consecutive days without our approval;
- (d) surrender or transfer control of the operation of your Business without our prior consent;
- (e) make any material misstatement or omission in an application for this franchise or in any other information provided to us;
- (f) suffer cancellation or termination of the lease or sublease for your Business;
- (g) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the goodwill associated with the Marks;
- (h) make an unauthorized Transfer of the Franchise or fail to Transfer the Franchise or the interest of a deceased or disabled controlling Owner of Franchisee as provided in Section 13.04;
- (i) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operating Manual in violation of this Agreement;

(j) fail to timely pay the initial Franchise Fee, Donation Box Rental Fee, Marketing Fund contributions, amounts due for purchases from us or our Affiliates or other payments due to us, and do not correct such failure within 10 days after written notice of such failure is delivered to you;

(k) fail to comply with any other provision of this Agreement, or any mandatory provision of the Operating Manual, and do not correct such failure within 30 days after notice of such failure to comply is delivered to you; or

(l) fail on 3 or more separate occasions within any period of 12 consecutive months to comply with any provision of this Agreement, or any mandatory provision of the Operating Manual, or whether or not such failure is corrected after notice is delivered to you.

14.03 Termination by You. You may terminate this Agreement at any time, with cause, upon not less than 30 days prior written notice. You must comply with all provisions of this Agreement related to termination.

15. RENEWAL RIGHTS

15.01 Your Right To Buy a Successor Franchise. You are granted unlimited options to obtain a successor Franchise Agreement for terms of ten (10) years each provided the following conditions are met at the time the option is exercised and immediately before the beginning of the succeeding term, unless another time is specified below:

(i) You must give us written notice of your intention to exercise the option by submitting your application at least six (6) months but not more than twelve (12) months before the end of the Term;

(ii) You cannot be in default of any provision of this Agreement or any other agreement between you and us or our Affiliates;

(iii) You, within ten (10) days before the end of the Term, must sign and deliver to us a Successor Sweets For Change Franchise Agreement, that agreement may vary in the material business terms reflected in this Agreement;

(iv) You must comply with all other requirements imposed by us under the successor Franchise Agreement upon signing, except that there will be no Initial Franchise Fee.

15.02 Notices. You agree to give us written notice of your desire to buy a successor franchise at least 6 months prior to the expiration of this Agreement. We will give you notice, not later than 60 days after receipt of your notice, of our decision whether or not you have the right to buy a successor franchise pursuant to Section 15.01. Notwithstanding any notice of our decision that you have the right to buy a successor franchise, your right will be subject to your continued compliance with all the provisions of this Agreement up to the date of its expiration.

15.03 Agreements. If you have the right to buy a successor franchise in accordance with Section 15.01 and state your desire to exercise that right in accordance with Section 15.02, we and you (and your Owners) will execute the form of franchise agreement (which may contain provisions, including on-going fees, materially different from those contained herein) and all ancillary agreements (including personal guarantees by your Owners and a remodeling agreement on such terms as we determine to be appropriate) which we then customarily use in granting renewal franchises for Sweets For Change Businesses, and you and your Owners must execute general releases in form and substance satisfactory

to us. Failure by you (and your Owners) to sign such agreements and releases within 30 days after delivery to you shall be deemed an election by you not to buy a successor franchise for your Business.

16. EFFECT OF TERMINATION OR EXPIRATION.

16.01 Payment of Amounts Owed to Us. Within 30 days after the effective date of termination or expiration (without renewal) of this Agreement, you agree to pay us and our Affiliates all Ongoing Fees and Marketing Fund contributions, amounts owed for purchases from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid.

16.02 Discontinue Use of Marks and System. Upon the termination or expiration (without renewal) of this Agreement, you will:

(a) not directly or indirectly at any time or in any manner use any Mark or any colorable imitation or other indicia of a Sweets For Change Business;

(b) take such action as may be required to cancel all fictitious or assumed name registrations relating to your use of any Mark;

(c) notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of the number to us or at our direction;

(d) remove from the Location, and discontinue using for any purpose, all signs, fixtures, furniture, decor items, marketing, advertising materials, forms and other materials and supplies which display any of the Marks or any distinctive features, images, or designs associated with Sweets For Change Businesses and, at your expense, make such alterations as may be necessary to distinguish the Location so clearly from its former appearance as a Sweets For Change Business as to prevent any possibility of confusion by the public;

(e) immediately cease to use all Confidential Information and return to us all copies of the Operating Manual and any other materials which have been loaned to you;

(f) immediately discontinue any mode of communications on the Internet directly or indirectly relating to your Business, including any Web sites or pages associated with your Business, and immediately take all steps required by us to transfer any domain name associated with your Business to us. You irrevocably appoint the person who is then our president as your

duly authorized agent and attorney-in-fact to execute all instruments and take all steps to transfer such domain names;

(g) not directly or indirectly communicate to anyone any information about us, any of our Affiliates or our officers, directors, or employees, or your former association with any of them through the Internet, except to respond to inquiries posed to you by prospective franchisees of ours in connection with their investigation of the franchise opportunity; and

(h) within 30 days after the effective date of termination or expiration, furnish us evidence satisfactory to us of your compliance with the foregoing obligations.

16.03 Our Right To Solicit Your Customers. We and other franchisees of Sweets For Change Businesses have the unrestricted right to solicit business from customers of your Business upon expiration (without renewal) or termination of this Agreement.

16.04 Continuing Obligations. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

17. RELATIONSHIP OF THE PARTIES.

17.01 Independent Contractors. Franchisor and Franchisee, as between themselves, are and shall be independent contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You agree to conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of your Business. You agree to place such other notices of independent ownership on membership forms, purchase orders, business cards, stationery, marketing, advertising and solicitation materials and other materials as we may require from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party, including members of your Business or for any representations made by you to any third party including members and prospective members of your Business. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

17.02 Indemnification. You agree to indemnify and hold harmless to the fullest extent permitted by law, Franchisor, its Affiliates and their respective directors, officers, employees, shareholders, agents, successors and assigns (collectively "**indemnitees**") from any and all losses and expenses (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with your development or operation of your Business (collectively "**event**"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees, provided, however, that this indemnity shall not apply to any liability arising from the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisee). The term "**losses and expenses**" shall be deemed to include compensatory, exemplary, and punitive damages; fines and penalties; lawyers' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You agree to give us prompt notice of any event of which you are aware for which indemnification is required, and, at your expense and risk, we may elect to assume (but under no circumstance obligated to undertake) the defense and/or settlement thereof, provided that we will seek your advice and counsel. Our assumption of the defense does not modify your indemnification obligation. We may, in our sole judgment, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in our sole judgment, necessary for the protection of the indemnitees or Sweets For Change Businesses generally. This section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

17.03 Taxes. You agree to promptly pay to us an amount equal to all taxes levied or assessed, including unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties, Ongoing Fees, or initial franchise fees, any similar taxes or levies, imposed upon or required to be collected or paid by us by reason of the furnishing of products, intangible property (including trademarks) or services to you. In the event of a bona fide dispute as to your liability for taxes, you may contest your liability in accordance with applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against your Business or any of its assets.

18. MISCELLANEOUS

18.01 Governing Law. This Agreement and all issues arising from or relating to this Agreement shall be governed by and construed under the laws of the state of California, provided the foregoing shall not constitute a waiver of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, California law will prevail, without regard to the application of state conflict of law principles. However, if any provision of this Agreement would not be enforceable under California law, and if your Business is located outside of California and such provision would be enforceable under the laws of the state in which your Business is located, then such provision shall be construed under the laws of that state.

18.02 Arbitration. Subject to Section 18.03, all controversies, disputes or claims between the parties and their respective owners, officers, directors, agents, employees and lawyers arising out of or related to their relationship or this Agreement shall on demand of either party be submitted for arbitration. Such arbitration proceeding shall take place in the municipality where our principal office is located in San Diego, California, and will be conducted in accordance with the United States Arbitration Act, 9 U.S.C. §§ 1 *et seq.* then-current commercial arbitration rules. The arbitrator(s) will have the right to award any relief which he or she deems proper, consistent with the terms of this Agreement, including money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, and legal fees and costs. The award and decision of the arbitrator(s) will be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction, and each

party waives any right to contest the validity or enforceability of such award. This provision will continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

Any judicial proceeding directly or indirectly arising from or relating to this Agreement will be considered unique as to its facts and may not be brought as a class action. You and each of your Principal Owners waive any right to proceed against us by way of class action. The court will not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other judicial or arbitration proceeding involving any other licensee of ours. Each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

18.03 Injunctive Relief. We may obtain at any time in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). You and each of your Owners acknowledges that any violation of Sections 10, 11, 13.02(g), 16.02 or 16.03 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consents to the issuance of an injunction at our request (without posting a bond or other security) prohibiting any conduct in violation of any of those sections and agree that the existence of any claims you or any of your Owners may have against us, whether or not arising herefrom, shall not constitute a defense to the enforcement of any of those Sections.

18.04 Costs and Lawyers' Fees. If we claim in any judicial proceeding that you owe us or any of our Affiliates money or that you have otherwise breached this Agreement and we prevail on such claims, then we shall be awarded our costs and expenses incurred in connection with such proceedings, including reasonable lawyers' fees.

18.05 Limitations on Legal Claims. Except with respect to any of your obligations herein regarding the Confidential Information and the Marks, Franchisor and Franchisee (and its Owners) each waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other. You and each of your Owners waive, to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement. **FURTHERMORE, THE PARTIES AGREE THAT ANY LEGAL ACTION IN CONNECTION WITH THIS AGREEMENT THAT IS NOT, FOR WHATEVER REASON, ARBITRATED IN ACCORDANCE WITH SECTION 18.02 SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, AND ALL PARTIES WAIVE ANY RIGHT TO HAVE ANY ACTION TRIED BY JURY.**

18.06 Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical territory, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law. If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or

unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

18.07 Waiver of Obligations. We and you may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days' prior notice. You and we shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by you or us to exercise any right under this Agreement (except as provided in Section 18.08) or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, whether of the same, similar or different nature, with respect to other Sweets For Change Businesses; or the acceptance by us of any payments due from you after any breach of this Agreement.

18.08 Exercise of Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within 12 months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

18.09 Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, schedules, exhibits and riders (if any) to this Agreement, as well as the Operating Manual, are a part of this Agreement, which constitutes the entire understanding of the parties with respect to the subject matter hereof. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, other than the franchise disclosure document, that either party may or does rely on or that will have any force or effect. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties.

The headings of sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" or "you" is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time Franchisee hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity and voting control of such entity.

This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

18.10 Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefor, and such approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, such party may withhold approval or consent at its sole discretion.

18.11 Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the same day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) 5 business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

18.12 - Reservation of Rights. The Franchisor reserves all of its rights pertaining to the subject matter of this Agreement, except as specifically granted to the Franchisee by this Agreement.

18.13 - Counterparts. The parties agree that the execution of this Agreement may be completed by the exchange of telecopied signature pages, with the exchange of original executed copies to be completed as soon as reasonably possible thereafter. The parties further agree that this Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall constitute an original, but all such counterparts shall together constitute one in the same instrument.

18.15 - Currency. All reference to money amounts herein, unless otherwise specified, shall be United States of America currency.

18.16 - Right of Set Off. Notwithstanding any other provision of this Agreement, upon the failure of the Franchisee to pay the Franchisor as/and when due any sums of money, the Franchisor may, at its election, deduct any and all such sums remaining unpaid from any monies or credit held by the Franchisor for the account of the Franchisee.

18.17 Receipt of Disclosure Document and Agreement. You acknowledge having received our franchise disclosure document by the earliest of: (1) the first personal meeting to discuss our franchise; or (10) ten business days before signing a binding agreement in California. You acknowledge having received this Agreement, with all blanks completed, at least 5 business days before you signed it.

Franchisee initials _____

18.18 - Not Withhold Payment. The Franchisee agrees that it will not on the grounds of the alleged non-performance by the Franchisor of any of its obligations hereunder withhold payment of any amounts due to the Franchisor or any of its Affiliates.

18.19 - Further Assurances. Both parties agree to execute, on demand, such further and other agreements, assurances, undertakings, acknowledgements or other documents as may be requested by the other party in connection with this Agreement; if, in the reasonable opinion of such other party, the same are required to properly preserve and protect the rights of such other party or to more clearly or fully express the intention of this Agreement. The Franchisee will, if requested by the Franchisor:

- (a) execute an acknowledgement to any third party as to the validity and status of this Agreement, including, without limiting the generality of the foregoing, acknowledgement of any monies owed to the Franchisor under or by virtue of this Agreement;
- (b) execute a general security agreement, personal guaranty, non-competition agreement, trade mark agreement;
- (c) agree in writing to be bound by a direction from the Franchisor to pay to or to the direction of any third party any monies payable by the Franchisee under or by virtue of this Agreement.

18.20 - Performance By Franchisor. If the Franchisee shall fail to observe or perform any covenant or agreement on its part herein contained, the Franchisor may, in its absolute discretion, perform any such covenant or agreement capable of being performed by it, including payment of monies required to be paid hereunder, and the costs and expenses incurred by the Franchisor in so performing such covenant or agreement shall be paid to the Franchisor by the Franchisee on demand and shall bear interest at the stipulated rate of interest until paid.

[Signing Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

SWEETS FOR CHANGE FRANCHISES, INC.

• **[FRANCHISEE]**

a California corporation

If a corporation, limited liability company or partnership:

By: _____

Print Name: _____

Title: _____

By: _____

Name: _____

Print

(Name of corporation, limited liability company or partnership)

SCHEDULE A

TO THAT FRANCHISE AGREEMENT ENTERED INTO BETWEEN SWEETS FOR CHANGE FRANCHISES, INC.
AND _____ AS OF _____

1. The Type of Business licensed hereunder shall be as set out in the space below:

2. The Franchisee is entitled to use the following Authorized Products and Services, which may be amended from time to time by the Franchisor:

3. The Protected Territory shall consist of the following geographic territory:

SCHEDULE B

TO THAT FRANCHISE AGREEMENT ENTERED INTO BETWEEN SWEETS FOR CHANGE FRANCHISES, INC.
AND _____ AS OF _____

The Business shall be operated at the following premises:

SCHEDULE C

TO THAT FRANCHISE AGREEMENT ENTERED INTO BETWEEN SWEETS FOR CHANGE FRANCHISES, INC.
AND _____ AS OF _____

1. Operating Partner. The name, home address and social security number of the Operating Partner is as follows: _____

2. Form of Entity of Franchisee.

(a) Corporation. Franchisee was incorporated on _____, under the laws of the state of _____. It has not conducted business under any name other than its corporate name. The following is a list of all of Franchisee's directors and officers as of 20_____

Name of Each Director/Officer

Position(s) Held

(b) Partnership. Franchisee is a [general] [limited] partnership formed on _____ under the laws of the state of _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of _____

Name of General Partner

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name, mailing address and social security number of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee, and each Owner as to his ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name, Address and
Social Security Number

Description of Interest

Submitted by Franchisee
on

Accepted by Franchisor and
made a part of the Franchise
Agreement as of

(Name of corporation, limited
liability company or partnership)

By:
Print Name:
Title:

By:
Print Name:
Title:

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

SCHEDULE D

TO THAT FRANCHISE AGREEMENT ENTERED INTO BETWEEN SWEETS FOR CHANGE FRANCHISES, INC.
AND _____ AS OF _____

OWNERS' PERSONAL GUARANTY OF
FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement dated as of _____ (the "Agreement") by and between Sweets For Change Franchises, Inc. ("Franchisor"), and _____ ("Franchisee"), each of the undersigned owners of an interest in Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and that each and every representation of Franchisee made in connection with the Agreement are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this guaranty shall be joint and several; (ii) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor 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 shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the agreement.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

PERCENTAGE OF OWNERSHIP
INTERESTS IN FRANCHISEE

GUARANTOR(S)

(Signature)

(Print Name)

(Signature)

(Print Name)

DATE: _____, 2006

Subscribed and sworn to before me this _____ day of _____,

Notary Public

My Commission expires:

SCHEDULE E

TO THAT FRANCHISE AGREEMENT ENTERED INTO BETWEEN SWEETS FOR CHANGE FRANCHISES, INC.
AND _____ AS OF _____

NON-COMPETITION AGREEMENT

This agreement is ENTERED INTO AS OF the _____ day of _____, 2006.

BETWEEN:

Sweets For Change Franchises, Inc., a company incorporated under the laws of the state of California (hereinafter referred to as the "Franchisor")

OF THE FIRST PART;

-and-

_____ (hereinafter referred to as the "Franchisee")

OF THE SECOND PART;

WHEREAS the Franchisor has entered into a franchise agreement (the "Franchise Agreement") dated as of the _____ day of _____, 2006 with the Franchisee of which _____ are Shareholders, Directors or Officers;

AND WHEREAS all Capitalized Words shall have the same meaning as set out in the Franchise Agreement unless otherwise defined herein.

AND WHEREAS pursuant to the provisions of the Franchise Agreement, the Shareholders, Directors, and Officers thereof have agreed to enter into a Non-Competition Agreement with the Franchisor on the terms hereinafter set out.

NOW THEREFORE, in consideration of the execution of the Franchise Agreement, the covenants herein contained, and the sum of two (\$2.00) dollars now paid by the Franchisor to the Franchisee (the receipt and sufficiency of which by the Franchisee is hereby acknowledged), the parties hereto covenant and agree as follows:

A. During the Term of the Franchise Agreement or any extension thereof, and for a period of Two (2) years thereafter, regardless of the cause of termination, the Franchisee or the Owners shall not, except with respect to the ownership or operation by the Franchisee of an additional Sweets For Change confectionary distribution and charity fund raising business pursuant to other valid franchise agreements with the Franchisor:

(a) Divert or attempt to divert any business of, or any customers of the Sweets For Change Business licensed herein to any other competitive establishment by direct or indirect inducement, or do anything injurious or prejudicial to the goodwill associated with the Marks or the System.

(ii) Employ or seek to employ any person who is, at that time operating or employed by, or at, any other Sweets For Change confectionary distribution and charity fund raising business Franchise or the Franchisor, or to otherwise directly or indirectly induce such person to leave his or her employment thereat.

(iii) directly or indirectly (such as through members of his or their Immediate Families) own any legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business located anywhere; or (2) any entity located anywhere which grants franchises, licenses or other interests to others to operate any Competitive Business:

B. During the term of the Franchise Agreement or any extension thereof, and for a period of Two (2) years thereafter, regardless of the cause of the termination, neither the Franchisee, or Owner, or any partner, if the Franchisee is a partnership, or any shareholder, officer or director if the Franchisee is a corporation, shall either directly or indirectly for itself, on behalf of, or in conjunction with any other person, persons, partnership, association or cooperation, own, maintain, engage in, participate and/or have any interest in, advise, lend money to, guarantee the debts or obligations of, or permit his name or any part thereof to be associated with, the operation of any enterprise which is the same or substantially similar to the business covered by the Franchise Agreement in the country of the United States of America. Without limiting the generality of the foregoing, similar business shall include the sale of any related products or services utilizing specially developed Sweets For Change charitable donation boxes for receipt of payment placed in businesses and other premises open to the public, identification schemes, route management procedures, programs, staffing, production standards, specifications and proprietary Marks.

C. During the term of this Agreement and at all times thereafter neither the Franchisee, or Owner, or any partner, if the Franchisee is a partnership, or any shareholder, officer or director if the Franchisee is a corporation, shall communicate or divulge to, or use, or copy, for the benefit of any other person, persons, partnership, association or corporation any information or knowledge concerning the sources of product, methods of equipping or operating a Sweets For Change Business which may be communicated to the Franchisee, or of which the Franchisee may be apprised, by virtue of the Franchisee's operation under the terms of this agreement

D. If: (a) the Franchise Agreement is terminated prior to its expiration; or (b) the Franchised Agreement expires and is not renewed in accordance with the provisions of Section 15 thereof, then for a period of 2 years, starting on the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor any of your Owners may directly or indirectly (such as through his or their Immediate Families) own a legal or beneficial interest in, or render services or give advice to, any Competitive Business located or operating in the Protected Territory.

You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity for exploiting those skills in other ways, so that enforcement of the covenants made in this Section will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will continue in effect for a period of time ending 2 years after the date such person commences compliance with the order enforcing the covenant.

E. The covenants contained in this paragraph shall be construed as severable and independent and the parties acknowledge that the restrictions contained herein are reasonable and necessary under the circumstances hereof and that damages shall not compensate the Franchisor in the case of a breach and therefor the Franchisor shall be entitled to injunctive relief in addition thereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, dated the day of , 2006

SIGNED, SEALED AND DELIVERED

in the presence of

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SCHEDULE "F"

ONGOING FEES SCHEDULE

In consideration of our signing this Agreement, you must pay to us the following fees, in addition to any others required under this Agreement, all payable in United States currency at our principal office:

Ongoing Fees

A. You must pay a continuing non-refundable Donation Box Rental Fee during the Term equal to One Dollar (\$1.00) per Charity Donation Box calculated on a weekly basis and paid monthly.

You must maintain the number of charity donation boxes equal to not less than 90% of the required placement total described in Schedule G, with the exception of the first six months from the date of this Agreement. Further, you must manage the charity donation boxes so as to stay within 14% of the system-wide pilferage experience factor of 40%.

B. You must pay a continuing non-refundable fee of 10% of your total confectionary purchases to the Starlight Children's Foundation Charity on a monthly basis as published in our confidential operating manual, as amended from time to time, regardless of whether the purchases are from us or an authorized supplier.

SCHEDULE "G"