

(b) Purchase Price. The purchase price for the Assets will be equal to the greater of:

(i) The sum of the book value of your Store's Assets, other than Inventory, amortized on a straight-line basis over a 7 year period, plus the lesser of cost and the then-current wholesale market value of the Inventory, or

(ii) The product of your Store's average cash flow for the 2 most recently completed fiscal years, multiplied by 2. "**Cash flow**" means your Store's Gross Revenues less all Franchised Store-related costs (i.e., cost of goods sold, labor, occupancy and other Franchised Store expenses) as well as annual administrative costs of \$15,000, continuing fees and marketing fees, but not including interest and depreciation.

We will have the right to set off against and reduce the purchase price by any and all amounts owed by you to us or our Affiliates. We have the right to exclude from the Assets purchased any equipment, furnishings, signs, and usable inventory of Pretzelmaker Products, materials, or supplies of your Stores that we have not approved as meeting our standards for Pretzelmaker Stores, and the purchase price will be reduced by the replacement cost of such excluded items which are required in the operation of your Stores being purchased.

(c) Payment of Purchase Price. The purchase price will be paid in cash at the closing of the purchase, which will take place no later than 90 days after your receipt of our notice of exercise of this option to purchase your Stores, at which time you will deliver instruments transferring to us good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances and with all sales and other transfer taxes paid by you, and with all licenses or permits of your Stores which may be assigned or transferred. If the closing of the purchase does not occur within the 90-day period because you fail to act diligently in connection with the purchase, the purchase price will be reduced by 10%. The purchase price will be further reduced by 10% per month for each subsequent month you fail to act diligently to consummate the purchase. Prior to closing, you and we will comply with the applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state where your Store is located.

(d) Lease of Premises. In connection with the purchase of the Assets of a Franchised Store, you will also deliver to us an assignment of the lease for your Store Premises (or, if assignment is prohibited, subleases for the full remaining term and on the same terms and conditions as your lease). If you own the Premises of your Store, you agree to lease the Premises to us pursuant to the terms of our standard lease, for a term of 5 years with two successive 5-year renewal options at fair market rental during the initial and renewal terms.

(e) Interim Management. If we exercise the option to purchase your Store, pending the closing of such purchase, we have the right to appoint a manager to maintain the operation of your Store or, at our option, require you to close your Store during such time period without removing any assets. If we appoint a manager to maintain the operation of your Store pending closing of such purchase, all funds from the operation of your Store during the period of management by our appointed manager will be kept in a separate fund, and all expenses of your Store, including compensation, other costs, and travel and living expenses of our appointed manager, will be charged to such fund. As compensation for such management services, we will charge such fund 10% of the Gross Revenues of your Store during the period of our management. Operation of your Store during any such period will be on your behalf, provided that we will have a duty only to utilize our good faith effort and will not be liable to you for any

debts or obligations incurred by your Store or to any of your creditors for any merchandise, materials, supplies or services purchased by your Store during any period in which your Store is managed by our appointed manager. You will maintain in force for your Store all insurance policies required by this Agreement until the date of closing.

(f) Termination of Franchise Agreement. Upon the closing of the purchase of the Assets and satisfaction by you of all of your obligations under this Agreement accruing through the closing, this Agreement will terminate.

14.6 Termination Fee. Upon (i) our termination of this Agreement according to its terms and conditions, except as a result of the circumstances set forth in Section 4.2(c), or (ii) your termination of this Agreement prior to expiration of its current term, except for termination as a result of the circumstances set forth in Section 4.2(c) or in accordance with Section 13.1(f), you agree to pay us within thirty (30) days after the effective date of such termination, in addition to other amounts owed to us under Section 14.2 hereof, a termination fee equal to the present value (using the then-current 30-year Treasury Bond rate) of the continuing fees you would have paid on the product of the Store's average Gross Revenues during the twelve (12) months of operation (or the total number of months of operation if less than twelve (12)) preceding the effective date of termination, multiplied by the number of months remaining in the current term (without giving effect to any renewal rights) of this Agreement had it not been terminated, as compensation to us for anticipated and reasonably estimated lost profits. You will not be required to pay this termination fee if we exercise our option and purchase the Store under Section 14.5.

14.7 Continuing Obligations. All obligations of us and you which expressly or by their nature survive the termination or expiration of this Agreement will continue in full force and effect subsequent to and notwithstanding termination and until they are satisfied in full or by their nature expire. Included in the obligations that will continue following termination or expiration of this Agreement are the provisions of Sections 6.3, 7.9, 8.2, 8.3, 10.5, 10.8, 12.3(m), 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 15.6, 15.7, 16.1, and the provisions of Articles 17 and 18.

ARTICLE 15

RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

15.1 Independent Contractors. This Agreement does not create a fiduciary relationship between the parties. We and you are independent contractors and 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. You will conspicuously identify yourself in all dealings as the owner of your Store under a franchise granted by us and will place such other notices of independent ownership on the forms, business cards, stationery, marketing and other materials as we have the right to require from time to time.

15.2 No Liability for the Act of Other Party. You will not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any indebtedness or obligations of you, nor may you use the Marks in any way not expressly authorized by us. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representations made by the other. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your business authorized by or conducted pursuant to this Agreement.

15.3 Your Control. You have the sole right and responsibility for the manner and means by which the day-to-day operation of your Store is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us, this right and responsibility includes the employment, supervision, setting the conditions of employment and discharge for your employees at your Store, daily maintenance, safety concerns, and the achievement of conformity with the System Standards.

15.4 Our Approval and Enforcement. Our retention and exercise of the right to approve certain matters, to inspect your Store and its operation and to enforce our rights, exists only to the extent necessary to protect our interest in the Pretzelmaker System and the Marks for the benefit of us and the Pretzelmaker System. Neither the retention nor the exercise is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor shall they be construed to do so.

15.5 Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or your assets or upon us, arising in connection with your sales or the business conducted by you pursuant to this Agreement, except for taxes that we are required by law to collect from you with respect to purchases from us and except for our own income taxes. Payment of all such taxes will be your responsibility.

15.6 Indemnification. You agree to indemnify, defend and hold harmless us, our parent company, subsidiaries and Affiliates and each of our and their respective shareholders, directors, officers, employees, agents, successors and assigns (the "**Indemnified Parties**") against and to reimburse the Indemnified Parties for any claims, liabilities, lawsuits, demands, actions, damages and expenses arising from or out of (a) any breach of your agreements, covenants, representations, or warranties contained in this Agreement, (b) any damages or injury to any person, including, but not limited to, your employees, our employees and agents, your customers, and members of the public, suffered or incurred on or about any Franchised Store owned or operated by you, (c) product liabilities claims or defective manufacturing of Pretzelmaker Products by you, or (d) the activities under this Agreement of you or any of your officers, owners, directors, employees, agents or contractors. For purposes of this indemnification, claims will mean and include all obligations, actual, consequential, and incidental damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. We will have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the termination of this Agreement.

15.7 Waiver of Claims. You agree to waive all claims against us for damages to property or injuries to persons arising out of the operation of your Store.

ARTICLE 16

SECURITY AGREEMENT

16.1 Security Interest. In order to secure full and prompt payment of the fees and other charges to be paid by you to us, and to secure performance of your other obligations and covenants under this Agreement, you hereby grant us a security interest in, lien upon, and right of set off against all of your interest in the improvements, fixtures, inventory, goods, appliances and equipment now or hereafter owned and located at your Store (whether annexed to the Premises or not) or used in connection with the business conducted at the Premises, including all raw materials, work in process and finished goods, and

all replacements thereof, attachments, additions, and accessions thereto, and products and proceeds thereof in any form, including but not limited to insurance proceeds and any claims against third parties for loss or damage to or destruction of any or all of the foregoing (collectively, the “Collateral”).

16.2 Requirements. Without our prior written consent, you agree that no lien upon or security interest in the Collateral or any item thereof will be created or suffered to be created and that no lease will be entered into with respect to any item of Collateral. Without our prior written consent, you will not sell or otherwise dispose of any item of Collateral, or remove any Collateral from the Premises, unless the same is replaced by a similar item of equal or greater value, and except for the sales of inventory in the ordinary course of business. You agree to give to us advance notice in writing of any proposed change in your name, identity, or structure and not to make any change without our prior written consent and compliance with the provisions of this Agreement, including Article 12. You agree to execute for filing the financing statements and continuation statements as we have the right to require from time to time. You agree to pay all filing fees, including fees for filing continuation statements in connection with the financing statements, and to reimburse us for all costs and expenses of any kind incurred in connection therewith. If you default under this Agreement, we will have all the remedies and rights available as a “secured party” with respect to the Collateral under the Uniform Commercial Code as in effect from time to time in the state where the Premises are located. The grant of the security interest by you pursuant to Section 16.1 will not be construed to derogate from or impair any other rights which we may have under this Agreement or otherwise at law or equity. The provisions of this Section shall survive the termination of this Agreement.

ARTICLE 17

DISPUTE RESOLUTION

17.1 Injunctive Relief. Notwithstanding anything to the contrary contained in Section 17.4, we and you will each have the right in a proper case to obtain specific performance, eviction from the Premises, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. However, the parties will contemporaneously submit their dispute for arbitration on the merits. You agree that we may have temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any the injunction being expressly waived). In addition, notwithstanding anything to the contrary contained in Section 17.4, we and our Affiliates have the right to commence a civil action against you or take other appropriate action for the following reasons: (i) to collect sums of money due to us or our Affiliates; (ii) to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; (iii) to compel you to compile and submit required reports to us or our Affiliates; or (iv) to permit evaluations or audits authorized by this Agreement.

17.2 Rights of Parties Are Cumulative. Our and your rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement which it is entitled by law or this Agreement to exercise or enforce.

17.3 Costs and Attorneys’ Fees. If a claim for amounts owed by you to us or our Affiliates is asserted in judicial proceeding or appeal, or if we or you are required to enforce this Agreement in an arbitration or proceeding or appeal, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable arbitrators’, accounting and legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand,

claim, action, hearing or proceeding to enforce the obligations of this Agreement. If we incur expenses in connection with your failure to pay when due amounts owing to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, including, but not limited to legal, arbitrators' and accounting fees, you will reimburse us for any such costs and expenses which we incur.

17.4 Arbitration.

(a) All Disputes Subject to Arbitration. EXCEPT AS DESCRIBED IN SECTION 17.1, ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN US (AND OUR SUBSIDIARIES AND AFFILIATES, AND EACH OF OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND ATTORNEYS) AND YOU (AND YOUR ENTITY OWNERS, GUARANTORS AND EMPLOYEES, OFFICERS, DIRECTORS, AGENTS, AND ATTORNEYS) ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US WILL BE SUBMITTED FOR ARBITRATION TO THE SALT LAKE CITY, UTAH OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION ON DEMAND OF EITHER YOU OR US. SUCH ARBITRATION PROCEEDINGS WILL BE CONDUCTED IN SALT LAKE CITY, UTAH AND WILL BE HEARD BY ONE ARBITRATOR IN ACCORDANCE WITH THE THEN CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. SUCH ARBITRATOR WILL BE A LAWYER OF RECOGNIZED STANDING AND EXPERTISE IN THE AREA OF BUSINESS LAW.

(b) Awards. THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD ANY RELIEF WHICH THE ARBITRATOR DEEMS PROPER IN THE CIRCUMSTANCES, INCLUDING MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF AND ATTORNEYS' FEES AND COSTS, IN ACCORDANCE WITH SECTION 17.3, EXCEPT THAT THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE ARBITRATOR WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. EACH PARTY WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD. THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME BY WHICH CLAIMS MUST BE BROUGHT. THE PARTIES AGREE THAT, IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING, EACH WILL SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTER-CLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDINGS AS THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED IN SUCH PROCEEDING WILL BE BARRED.

(c) Permissible Parties. YOU AND WE AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT A CLASS-WIDE BASIS, AND THAT ANY ARBITRATION PROCEEDING BETWEEN YOU AND US WILL NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING US AND ANY OTHER PERSON OR ENTITY.

(d) Survival. THE PROVISIONS OF THIS SECTION 17.4 WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

17.5 Governing Law. ALL MATTERS RELATING TO ARBITRATION AND WITHIN THE SCOPE OF THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 *ET SEQ.*) WILL BE GOVERNED BY SUCH ACT. EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

17.6 Consent to Jurisdiction. WE MAY INSTITUTE ANY ACTION AGAINST YOU (WHICH IS NOT REQUIRED TO BE ARBITRATED HEREUNDER) IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF UTAH, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU MAY HAVE TO EITHER THE JURISDICTION OF OR VENUE IN SUCH COURTS.

17.7 Waiver of Punitive Damages and Jury Trial. THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. IN ADDITION, THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

17.8 Limitation of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties to this Agreement will be barred unless an action or proceeding is commenced within one year from the date you or we knew or should have known of the facts giving rise to such claim.

ARTICLE 18

GENERAL PROVISIONS

18.1 Severability. Each article, section, paragraph, term and provision of this Agreement will be considered severable and if, for any reason, any provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, and such other portions will continue to be given full force and effect and bind the parties, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt of a notice of non-enforcement thereof from us.

18.2 Rights Provided by Law. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions of this Agreement, and we will have the right to modify the invalid or unenforceable provision to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

18.3 Waivers by Either of Us. Either we or you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice of waiver to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked by us at any time and for any reason, effective upon delivery to you of 10 days' prior written notice.

18.4 Certain Acts Not to Constitute Waivers. Neither we nor you will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Pretzelmaker Stores or franchise agreements; or (iii) our acceptance of any payments due from you after any breach of this Agreement.

18.5 Excusable Non-Performance. Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform obligations results from transportation shortages; inadequate supplies of equipment, merchandise, supplies, labor, material or energy or the voluntary suspension of the right to acquire or use any of those items in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any governmental department or agency; compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any governmental department or agency; acts of God; fires, strikes, embargoes, war or riot; or any other similar event or cause beyond the reasonable control of the party. Any delay resulting from any of those causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

18.6 Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

(a) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the Pretzelmaker System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Our Reasonable Business Judgment. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the Pretzelmaker system generally even if the decision or action also promotes a financial or other individual interest of us. Examples of items that will promote or benefit the Pretzelmaker system include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Pretzelmaker system. Neither you nor any third party (including, without limitation, a trier of fact), shall substitute its judgment for our Reasonable Business Judgment.

18.7 Notice of Potential Profit to Us. We hereby advise you that we and/or our Affiliates have the right from time to time to make available to you goods, products and/or services for use in your Store on the sale of which we and/or our Affiliates may make a profit. We further advise you that we and/or our Affiliates have the right from time to time to receive consideration from suppliers and/or manufacturers related (directly or indirectly) to sales of goods, products or services to you, the promotion of goods, products or services by the Pretzelmaker System or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our Affiliates shall be entitled to said profits and/or consideration.

18.8 Binding Effect. Subject to the restrictions on Transfers contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both you and us.

18.9 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

18.10 Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the right to refuse any request by you or to withhold our approval of any action by you that requires our approval.

18.11 Headings. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

18.12 Joint and Several Liability. If you consist of 2 or more persons or Entities, whether or not as partners, joint venturers, or co-owners, the obligations and liabilities of each person and Entity to us are joint and several.

18.13 Counterparts. This Agreement may be executed in multiple copies, each of which will be deemed an original.

18.14 Notices and Payments. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered at the time delivered by hand; 1 business day after transmission by telegraph, facsimile, or other electronic system; 1 business day after being placed in the hands of a commercial courier service for next business day delivery; or 3 business days after placement in the United States Mail by registered or certified mail, return receipt requested, postage prepaid, and will be addressed to the parties at the addresses set forth on the first page of this Agreement or to such other address as a party may specify in a written notice to the other party. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior thereto) will be deemed delinquent.

18.15 Entire Agreement. The Preambles and any exhibits, addenda and appendices attached hereto are a part of this Agreement. This Agreement constitutes the entire agreement of the parties except as provided below in this Section, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written. This Agreement is not valid until signed by our authorized officer.

PRETZELMAKER FRANCHISING, LLC
a Utah limited liability company

_____,
a _____

By: _____
Title: _____

By: _____
Title: _____

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**ACKNOWLEDGEMENT ADDENDUM TO
PRETZELMAKER® FRANCHISE AGREEMENT**

Acknowledgments and Representations.

1. You acknowledge and represent that you have read this Agreement and our offering circular and understand and accept the provisions of this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Pretzelmaker Stores franchised by us and to protect and preserve the goodwill of the Marks.

2. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and you recognize that, like any other business, the nature of the business contemplated by this Agreement may change over time, that an investment in a Pretzelmaker Store involves business risks, and that the success of the venture is largely dependent upon your business abilities and efforts.

3. You acknowledge and understand that any information relating to the sales, profits or cash flows of Pretzelmaker Stores operated by us or our Affiliates, or our franchisees that is contained in our offering circular and other materials is intended only to be an indication of historical performance of certain Pretzelmaker Stores and NOT of potential future financial performance.

4. Except for the earnings claim included as Exhibit 10 in our offering circular, we expressly disclaim the making of, and you acknowledge that you have not received or relied on, any express or implied warranty or guarantee as to the revenues, profits or success of the business venture contemplated by this Agreement.

5. You acknowledge and understand that our officers, directors, employees and agents are acting only in a representative and not a personal capacity in their dealings with you. You also acknowledge and represent that you have not received or relied on any representations about us or our franchise program or policies from us or our officers, directors, employees or agents that are contrary to the statements made in our offering circular or to the terms of this Agreement

6. You represent to us, as an inducement to your entry into this Agreement, that all statements in your application for the rights granted in this Agreement are accurate and complete and that you have made no misrepresentations or material omissions in obtaining these rights.

7. You acknowledge that you received a copy of this Agreement, all applicable addenda thereto, and any other related agreements with us or our Affiliates at least 5 business days prior to the date on which this Agreement was executed. You further acknowledge that you have received our offering circular at least 10 business days prior to the date on which this Agreement was executed.

a _____

By: _____

Title: _____

Date Signed: _____

**OWNERSHIP ADDENDUM TO PRETZELMAKER®
FRANCHISE AGREEMENT**

1. Entity Owners. You represent and warrant to us that your Entity Owners are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENTAGE OF INTEREST</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Change. You agree to immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

3. Date of Addendum. The date of this Addendum is _____, 20__.

Your Initials

Our Initials

GUARANTY

In consideration of, and as an inducement to, the execution by **PRETZELMAKER FRANCHISING, LLC ("Franchisor")** of the foregoing Pretzelmaker® Franchise Agreement (the "**Franchise Agreement**") with _____ ("**Franchisee**") dated _____, 20____, and for other good and valuable consideration, each of the undersigned for themselves, their heirs, legal representatives, successors and assigns (collectively the "**Guarantors**") do hereby unconditionally, individually, jointly and severally guarantee to Franchisor, and to its successors and assigns, the full, complete and timely payment and performance of each and all of the terms, covenants and conditions of the Franchise Agreement (and any modification or amendment to the Franchise Agreement) to be kept and performed by Franchisee during the term of the Franchise Agreement, including without limitation the payment of all continuing license fees, marketing fees and all other fees and charges accruing pursuant to the Franchise Agreement.

Each of the Guarantors further agrees as follows:

1. The Guarantors, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Franchise Agreement as though each of the Guarantors had executed a franchise agreement containing the identical terms and conditions of the Franchise Agreement, including without limitation the provisions of Section 10.8 and Article 11 relating to Confidential Information and covenants not to compete. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Franchise Agreement, and notwithstanding any assignment of the Franchise Agreement, with or without the Franchisor's consent. No extension, modification, alteration or assignment of the Franchise Agreement shall in any manner release or discharge the Guarantors, and each of the Guarantors consents to any such extension, modification, alteration or assignment.

2. This Guaranty will continue unchanged by the occurrence of any Insolvency Event, as defined in the Franchise Agreement, with respect to Franchisee or any assignee or successor of Franchisee or by any disaffirmance or abandonment of the Franchise Agreement by a trustee in bankruptcy of Franchisee. Each Guarantor's obligation to make payment or render performance in accordance with the terms of this Guaranty and any remedy for the enforcement of this Guaranty will not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

3. Each Guarantor's liability under this Guaranty is primary and independent of the liability of Franchisee and any other Guarantors. Each Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Franchise Agreement. Franchisor may proceed against each Guarantor and Franchisee, jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Franchisee or any other Guarantor. Each Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty.

4. The Guarantors unconditionally, individually, jointly and severally agree to pay all attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of this

5. Each Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Franchise Agreement, or any other notice of default under the Franchise Agreement. Each Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure of Franchisor to enforce any of the terms, covenants or conditions of the Franchise Agreement or this Guaranty, or the granting of any indulgence or extension of time to Franchisee, all of which may be given or done without notice to the Guarantors.

7. Until all obligations of Franchisee to Franchisor have been paid or satisfied in full, the Guarantors have no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Franchisee and any benefit of, and any right to participate in, and security now or in the future held by Franchisor.

9. This Guaranty shall be construed in accordance with the laws of the State of Utah, without giving effect to its conflict of laws principles.

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by _____.

Residing at _____

APPENDIX A TO PRETZELMAKER® FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

[Important Instructions for Completing this Form: Before we can process your Franchise Agreement, you must sign and return this authorization. If, at the time you sign your Franchise Agreement, you do not have your account set up, or if you do not yet know your account information, please show that you agree to the terms of this authorization by signing this form, leaving the account information blank, and returning the signed form with your Franchise Agreement. You can give us your account information when you receive it, but we must have the information before you open your store. If you have any questions about what this form means, you should get advice from your lawyer, your accountant or your bank.]

Your Name (or name of legal entity on Franchise Agreement): _____
Your Social Security Number (or legal entity Federal Tax ID Number): _____
Name on Bank Account (if different than above): _____

The undersigned ("ACCOUNT HOLDER") hereby authorizes Pretzelmaker Franchising, LLC ("COMPANY") to initiate debit entries and/or credit correction entries to ACCOUNT HOLDER's checking and/or savings account(s) listed below at the bank, credit union or other depository listed below ("BANK") and to debit such account per COMPANY's instructions for any and all amounts due to COMPANY. The ACCOUNT HOLDER understands that all amounts debited from the account below will be credited to COMPANY's account. **INSTEAD OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, YOU MAY ATTACH A CANCELLED OR VOIDED CHECK TO THIS AUTHORIZATION, BECAUSE A VOIDED CHECK INCLUDES ALL OF THIS INFORMATION.**

NAME OF BANK	Branch	_____	
City	State	Zip Code	
Telephone Number of Bank	Contact Person at Bank		
Bank Transit/ABA Number	Account Number		

This authority is to remain in effect until BANK has received joint written notice from COMPANY and ACCOUNT HOLDER of the ACCOUNT HOLDER's termination. Any termination notice must be given in a way as to give BANK a reasonable opportunity to act on it. If a debit entry is initiated to ACCOUNT HOLDER's account in error, ACCOUNT HOLDER shall have the right to have the amount of the error credited to the account by BANK, if (a) within fifteen (15) calendar days following the date on which BANK sent to ACCOUNT HOLDER a statement of account or a written notice regarding such entry or (b) forty-five (45) days after posting, whichever occurs first, ACCOUNT HOLDER shall have sent to BANK a written notice identifying such entry, stating that such entry was in error and requesting BANK to credit the amount thereof to such account. These rights are in addition to any rights ACCOUNT HOLDER may have under federal and state banking laws.

ACCOUNT HOLDER

By: _____
Title: _____
Date: _____

**CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the Franchise Investment Law and the rules and regulations promulgated thereunder, the Franchise Agreement is modified as follows:

1. Collection of the initial franchise fee identified in ~~<Section>~~**[Subparagraph]** 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular is deferred until we have completed our initial obligations under the Franchise Agreement.
2. ~~<Paragraph>~~**[Subparagraph]** 14.6 of the Franchise Agreement contains a liquidated damages clause. This provision may not be enforceable under California Civil Code Section 1671.
3. **[.] [Subparagraph 17.7 of the Franchise Agreement requires the parties to waive any and all rights to a trial by jury in the event of litigation. This provision may not be enforceable under California law.]**
- [4.]** Except as expressly provided herein, the Franchise Agreement shall remain in full force and effect.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the Illinois Disclosure Franchise Act and the rules and regulations promulgated thereunder, the Franchise Agreement executed as of _____, 20____, of Pretzelmaker Franchising, LLC shall be modified as follows:

1. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until we have completed our initial obligations under the Franchise Agreement.
2. The following statement is added to the end of Section 13.2, and inserted as Section 13.3(c):
The conditions under which your license rights can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.
3. The second sentence of Section 17.5 is hereby deleted in its entirety and the following is substituted in its place:
EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.
4. Section 17.6 is hereby deleted in its entirety.
5. Nothing in Section 18.15 shall be construed to mean that you may not rely on representations in the Pretzelmaker® Offering Circular that we provided to you in connection with the offer and purchase of your Pretzelmaker ® Store.
6. The following Section 18.16 is added to the Agreement:
18.16 Certain Waivers Void. This Agreement is subject to Section 41 of the Illinois Franchise Disclosure Act which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”
7. Paragraphs 4 and 5 of the Acknowledgement Addendum are deleted.

PRETZELMAKER FRANCHISING, LLC:

FRANCHISEE(S):

By _____
Its _____

(Signature)

(Signature)

**MARYLAND ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the rules and regulations promulgated thereunder, the Franchise Agreement is modified as follows:

1. The following is added at the end of the Acknowledgement Addendum:

Your acknowledgments and representations set forth in this Acknowledgement Addendum are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. The following is added at the end of Section 12.3(g):

; provided, however, that nothing in this Section 12.3(g) will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The second sentence of Section 17.5 is deleted in its entirety and the following is substituted in its place:

EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

4. The following is added at the end of Section 17.6:

NOTWITHSTANDING THE PRECEDING SENTENCE, YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

5. The following is added to the end of Section 17.8:

; provided, however, that this 1 year limitation of claims shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.

6. Any provision in the Franchise Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
7. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until we have completed our initial pre-opening obligations under the Franchise Agreement.
8. Except as expressly provided herein, the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment in _____ counterparts on the day and year first above written.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**MARYLAND ADDENDUM TO RENEWAL ADDENDUM TO
PRETZELMAKER® FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the rules and regulations promulgated thereunder, the Renewal Addendum is modified as follows:

1. Nothing in paragraph 2 of the Renewal Addendum and new Article 3 added to the Franchise Agreement thereunder will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
2. Except as expressly provided herein, the Renewal Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Addendum in _____ counterparts on the day and year first above written.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the Minnesota Franchise Act and the rules and regulations promulgated thereunder, the Franchise Agreement is modified as follows:

1. The following is added at the end of Section 12.3(g):

“except that this release shall not apply to any claims arising under the Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes;”

2. The following sentence is added to the end of Section 13.2:

With respect to the franchises governed by Minnesota law, notwithstanding the foregoing, Company will comply with Minnesota Statute Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. The third sentence of Section 17.1 is deleted.
4. Section 17.4 is amended to provide that any arbitration will take place in the state in which your Store is located.
5. The second sentence of Section 17.5 is deleted in its entirety and the following language is substituted in its place:

EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, OR MATTERS ARISING UNDER THE MINNESOTA FRANCHISE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

6. The following sentence is added to the end of Section 17.1:

Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this Section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. Section 17.6 is deleted in its entirety.
8. Section 17.7 is deleted in its entirety.
9. Section 17.8 is deleted in its entirety and the following language is substituted in its place:

Limitation of Claims. No action may be commenced against us pursuant to Minn. Stat. § 80C.17 more than three years after the action accrues.

10. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until we have completed our initial obligations under the Franchise Agreement.
11. Except as expressly provided herein, the Agreement shall remain in full force and effect.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**NEW YORK ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

1. The following is added after the third sentence in Section 5.2:

However, we will make no changes to the Operations Manuals which would impose an unreasonable economic burden on you or unreasonably increase your obligations.

2. Section 12.1 is amended by adding the following to the end of that Section:

However, we will make no assignment except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. The following language is added at the end of Section 12.3(g):

provided, however, that any release shall not apply to any claims arising under the provisions of Article 33 of the General Business Law of the State of New York.

4. The following sentence is added to the end of Section 15.6:

However, you will not be required to indemnify us for any claims arising out of a breach of the Agreement by us or other civil wrongs of us.

5. The following language is added at the end of the first sentence of Section 17.4(b):

provided, however, that we will seek no issuance of injunctive relief which would violate New York General Business Law Section 687.5.

6. The second sentence of Section 17.5 is deleted in its entirety and the following is substituted in its place:

EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

7. Except as expressly provided herein, the Agreement shall remain in full force and effect.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____

Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the North Dakota Franchise Act and the rules and regulations promulgated thereunder, the Franchise Agreement is modified as follows:

1. The following statement is added at the end of Sections 11.2, 12.3(j) and 12.5(c):

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except as provided by law.
2. The following statement is added at the end of Sections 12.3(g):

(Any release executed in connection herewith will not apply to any claims that may arise under the North Dakota Franchise Investment Law.)
3. Section 14.6 of the Franchise Agreement is deleted in its entirety.
4. Section 17.4 is amended to provide:
 - a. Arbitration will occur in the state in which your Store is located.
 - b. The arbitrator will have the authority to award exemplary or punitive damages in a proper case.
5. The second sentence of Section 17.5 is deleted in its entirety and the following is substituted in its place:

EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.
6. Section 17.6 is deleted in its entirety.
7. Section 17.7 is deleted in its entirety.
8. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until we have fulfilled all of our initial obligations under the Franchise Agreement or other documents and you have commenced doing business pursuant to the Franchise Agreement.
9. Except as expressly provided herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment in
_____ counterparts on the day and year first above written.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of the requirements of the Rhode Island Franchise Investment Act and the rules and regulations promulgated thereunder, the Franchise Agreement of Pretzelmaker Franchising, LLC is modified as follows:

1. The second sentence of Section 17.5 is hereby deleted in its entirety and the following is substituted in its place:

EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW AND EXCEPT WITH RESPECT TO MATTERS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT, WHICH MATTERS SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

2. Section 17.6 is hereby deleted in its entirety.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

In recognition of applicable franchise laws of South Dakota, including the rules and regulations promulgated thereunder, the Franchise Agreement is modified as follows:

1. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until we have completed our initial obligations under the Franchise Agreement and you have opened your store for business.

Except as expressly provided herein, the Agreement shall remain in full force and effect.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____

Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

**WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT
PRETZELMAKER FRANCHISING, LLC**

1. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.
3. A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act may not be enforceable.
4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.
5. Payment of the initial franchise fee identified in Section 6.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Offering Circular are deferred until you have received our initial training and open your Store for business.
6. It shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to:
 - (i) Refuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business: Provided, That compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor: Provided further, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor.
 - (j) Terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the franchisee to comply with lawful material provisions of the franchise or other agreement between the franchisor and the franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if such default cannot reasonably be cured within thirty days, the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default: Provided, That after three willful and material breaches of the same term of the franchise agreement occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure as provided in this subsection, the franchisor may terminate the agreement upon any subsequent willful and material breach

of the same term within the twelve-month period without providing notice or opportunity to cure: Provided Further, That a franchisor may terminate a franchise without giving prior notice or opportunity to cure a default of the franchisee: (i) Is adjudicated a bankrupt or insolvent; (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his express requirement: Provided, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor.

Dated: _____

PRETZELMAKER FRANCHISING, LLC:

By _____
Its _____

Dated: _____

FRANCHISEE(S):

(Signature)

(Signature)

RENEWAL ADDENDUM TO PRETZELMAKER® FRANCHISE AGREEMENT

This is an addendum (the “**Renewal Addendum**”) to the PRETZELMAKER® FRANCHISE AGREEMENT between _____ (“you” or the “Franchisee”) and Pretzelmaker Franchising, LLC (“us”, “we” or “Pretzelmaker”), dated _____, 20__ (the “**Agreement**”) and is considered to be part of that Agreement. All capitalized terms used in this addendum but not defined herein shall have the same meanings ascribed to them in the Agreement.

1. **Preambles.** You have owned and operated a Pretzelmaker store under and by virtue of a franchise agreement dated _____ made and entered into between you and Pretzelmaker (the “**Original Franchise Agreement**”). The initial term of the Original Franchise Agreement has expired or will soon expire, and the parties wish to renew the franchise relationship by entering into the Agreement, as modified by this Renewal Addendum. The Renewal Addendum is necessary to modify the terms of the standard form of Franchise Agreement to remove the right to renew for an additional term thereunder, and to provide for a general mutual release of claims, a condition to renewal set forth in the Original Franchise Agreement.

2. **Term.** Article 3 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

ARTICLE 3 TERM

3.1 **Term of the Franchise Agreement.** The term of this Agreement will be 7 years, commencing on the date of this Agreement. This Agreement is granted in connection with the renewal of a predecessor franchise agreement entered into between you and us. See the Renewal Addendum attached to this Agreement. References to the term of this Agreement mean the 7-year renewal term granted hereunder, and notwithstanding anything to the contrary contained in this Agreement or any related exhibit or addenda, no additional right to renew is granted by virtue of this Agreement.

3. **Mutual Release.** The following provision is hereby added to the Agreement as a new Section 15.8:

15.8 **Mutual Release of Claims.** You (and your Entity Owners, if you are an Entity), on behalf of you, your Entity Owners, your affiliates, wholly-owned or controlled corporations, subsidiaries, parents, employees, agents, representatives consultants, predecessors, successors, assigns, heirs, executors, and administrators (collectively the “**Franchisee Parties**”), hereby remise, release, and forever discharge generally Pretzelmaker and any affiliate, wholly-owned or controlled corporation, subsidiary, predecessor, successor, or assign thereof and any shareholder, officer, director, employee, or agent of any of them (collectively the “**Pretzelmaker Parties**”), and Pretzelmaker does hereby remise, release, and forever discharge generally the Franchisee Parties from any and all claims, demands, damages, and injuries, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which any of the Franchisee Parties or the Pretzelmaker Parties may now have, or may hereafter claim to have had or to have acquired against the other, of whatever source of origin, which in any way arise out of or are connected with the Store, or any franchise agreements or rights under which you currently operate the

Store, arising from any periods prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations (the "**Released Claims**"). Further, each of the Franchisee Parties and the Pretzelmaker Parties agree never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action against the other, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction in connection with or related to the Released Claims.

NOT RELEASED BY THE PRETZELMAKER PARTIES ARE (1) CURRENT OR PAST DUE DEBTS ON ACCOUNT OR UNDER ANY AGREEMENT, PAYABLE EITHER TO PRETZELMAKER OR ANY OF OUR AFFILIATES, (2) THE COLLECTION OF ANY CURRENT OR DELINQUENT REPORTS OR RECORDS REQUIRED TO BE FILED BY YOU UNDER ANY AGREEMENT BETWEEN YOU AND PRETZELMAKER OR ANY OF OUR AFFILIATES, AND (3) ANY CLAIMS ARISING FROM OR RELATED TO MRS. FIELDS' AUDIT RIGHTS UNDER THE FRANCHISE AGREEMENT.

THIS IS A RELEASE. A RELEASE HAS LEGAL CONSEQUENCES. ANY PARTY HERETO SHOULD CONSULT WITH AN ATTORNEY IF SUCH PARTY DOES NOT FULLY UNDERSTAND WHAT A RELEASE IS OR THE EFFECT OF THIS RELEASE.

THIS RELEASE MAY BE SUBJECT TO OR LIMITED BY LOCAL LAW IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDA OR RIDERS ATTACHED TO THE AGREEMENT.

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

PRETZELMAKER FRANCHISING, LLC

By: _____
Title: _____

By _____
Title: _____