

court would not have subject matter jurisdiction had the action been commenced in such court, then, in such event, the action shall (with respect to actions commenced by Store Owner), and may (with respect to actions commenced by CBL), be brought in the state court within the judicial district in which CBL has its principal place of business at the time the action is commenced. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

23.6 No right or remedy conferred upon or reserved to CBL or Store Owner hereby is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

23.7 Nothing in this Agreement shall bar CBL's right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Store Owner's obligations. CBL also shall be able to seek injunctive relief to prohibit any act or omission by Store Owner or its employees that constitutes a violation of any applicable law, is dishonest or misleading to Store Owner's customers or to the public, or which may impair the goodwill associated with the Proprietary Marks; and Store Owner agrees to pay all costs and reasonable attorneys' fees incurred by CBL in obtaining such relief.

23.8 CBL and Store Owner irrevocably waive trial by jury in any action, proceeding, or counterclaim whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding. With the exception of claims or actions relating to royalty fees, advertising contributions or other sums due to CBL, any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. CBL and Store Owner hereby waive in any arbitration or judicial action, to the fullest extent permitted by law, any right to or claim of any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each shall be limited to the recovery of any actual damages sustained by it.

24. ACKNOWLEDGMENTS

24.1 Store Owner acknowledges that it has conducted an independent investigation of the rights granted by this Agreement, recognizes that the business venture contemplated herein involves business risks, and that its success will be largely dependent upon the ability of Store Owner as an independent businessperson. CBL expressly disclaims the making of, and Store Owner acknowledges that it has not received, any representation, express or implied from any agent or employee of CBL, as to the prior, current, or potential sales, income, profits, or success of the business venture contemplated by this Agreement or of any other Store.

24.2 Store Owner acknowledges that it received a copy of the complete CBL Franchise Agreement, and the attachments relating thereto, if any, at least five (5) business days prior to the Effective Date. Store Owner further acknowledges that it received CBL's uniform franchise offering circular at least ten (10) business days prior to the Effective Date. Store Owner acknowledges that it has read and understands this Agreement, the attachments hereto, if any, and that CBL has accorded Store Owner ample time and opportunity to consult with advisors of Store Owner's own choosing about the potential benefits and risks of entering into this Agreement.

(Signatures on following page)

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

Address For Notices Pursuant to Section 20 of this Agreement

CBL Address
3429 Pierson Place
Flushing, Michigan 48433
Attn: Executive Vice President

Signatures

THE COFFEE BEANERY, LTD.

By: _____

Title: _____

Store Owner Address

STORE OWNER

By: _____

Title: _____

STORE OWNER

By: _____

Title: _____

STORE OWNER

By: _____

Title: _____

GUARANTEE

As an inducement to The Coffee Beanery, Ltd. ("CBL") to execute the Franchise Agreement with _____ ("Store Owner") dated _____, 20____, and in consideration of CBL executing the Franchise Agreement and of the sum of One Dollar (\$1.00) now paid by CBL to Guarantors, the receipt of which is hereby acknowledged, Guarantors jointly and severally agree as follows:

1. Guarantors shall pay or cause to be paid to CBL all monies payable by Store Owner under the Franchise Agreement on the date and in the manner required for payment.

2. Guarantors unconditionally guarantee full performance and discharge by Store Owner of all the obligations of Store Owner under the Franchise Agreement on the date and times and in the manner required.

3. Guarantors shall indemnify and save harmless CBL and its affiliates, and their respective shareholders, directors, employees, and agents, against and from all losses, damages, costs, and expenses which CBL and its affiliates may sustain, incur, or become liable for by reason of:

a. Store Owner's failure to pay the monies payable pursuant to the Franchise Agreement or to do and perform any other act, matter, or thing required by the Franchise Agreement; or

b. Any action by CBL to obtain performance by Store Owner of any act, matter, or thing required by the Franchise Agreement.

4. CBL shall not be obligated to proceed against Store Owner or exhaust any security from Store Owner or pursue or exhaust any remedy, including any legal or equitable relief against Store Owner, before proceeding to enforce the obligations of the Guarantors herein set out, and the enforcement of such obligations may take place before, after, or contemporaneously with, enforcement of any debt or obligation of Store Owner under the Franchise Agreement.

5. Without affecting the Guarantors' obligations under this Guarantee, CBL, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Store Owner, or settle, adjust, or compromise any claims against Store Owner. Guarantors waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Store Owner.

6. This Guarantee shall terminate upon the termination or expiration of the Franchise Agreement, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the Store Owner or the Guarantors, and all covenants which by their terms continue in force after the expiration or termination of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Guarantors will continue in full force and effect.

7. The provisions of Section 23 of the Franchise Agreement shall apply as to any interpretation or enforcement of this Guarantee, and the provisions of Section 20 of the Franchise

Agreement shall apply to any notice to either party, except that notice to Guarantors shall be sent to the address(es) set forth below beneath each Guarantor's signature.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Franchise Agreement.

GUARANTOR:

Signature

Printed Name

Street Address

City and State

GUARANTOR:

Signature

Printed Name

Street Address

City and State

GUARANTOR:

Signature

Printed Name

Street Address

City and State

GUARANTOR:

Signature

Printed Name

Street Address

City and State

Countersigned:

THE COFFEE BEANERY, LTD.

By: _____

Title: _____

MANAGEMENT AGREEMENT

The undersigned hereby agree to devote full time, energy, and best efforts to the management of the business licensed hereunder throughout the term of this Agreement, and acknowledge the Franchisor has entered into this Agreement in reliance upon and in consideration of this understanding and agreement by the undersigned.

Dated: _____

Signature

Printed Name

Street Address

City and State

Signature

Printed Name

Street Address

City and State

(This page is intentionally left blank)

WAREHOUSE AGREEMENT

This Agreement is made this _____ day of _____, 20____, by and between THE COFFEE BEANERY, LTD. ("CBL"), SHAW'S DISTRIBUTION WAREHOUSE ("Shaw's"), and _____ (collectively "Store Owner"). This Agreement is in conjunction with the Franchise Agreement between CBL and Store Owner. ("Franchise Agreement").

WHEREAS, CBL and Store Owner have entered into a Franchise Agreement as referenced above; and

WHEREAS, the Franchise Agreement obligates Store Owner to purchase certain goods (which are identified herein and in the Franchise Agreement as "Products and supplies") from CBL; and

WHEREAS, CBL provides some of the Products and supplies through its affiliate, Shaw's; and

WHEREAS, this Agreement contains the terms and conditions pursuant to which Shaw's will sell Products and supplies to Store Owner.

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the covenants, promises and conditions hereinafter set forth, it is agreed as follows:

- (1) Shaw's agrees to sell certain Products and supplies to Store Owner from time to time as Store Owner orders as long as Store Owner is in compliance with this Agreement and the Franchise Agreement.
- (2) The terms of sale are Net fifteen (15) days. Shaw's will grant a two percent (2%) discount on invoices paid within seven (7) days. The Store Owner agrees to make payments required by this Agreement to CBL by electronic funds transfer using such forms and systems as CBL may require. Shaw's reserves the right to change its terms of sale and to limit quantities purchased.
- (3) If Store Owner is past due more than fifteen (15) days on any payment obligations to Shaw's, Store Owner will be charged interest on the unpaid balance at a rate of one and one-half percent (1.5%) per month or the highest legally permissible contract interest rate in the state where the Store Owner operates the franchised business, whichever is less, and Products and supplies will be sold to Store Owner on a C.O.D. basis only. If Store Owner is past due more than thirty (30) days on any payment obligations to Shaw's, Shaw's may suspend or cease altogether sales of Products and supplies to Store Owner. Shaw's reserves the right, from time to time, to impose credit limits consistent with sound business practices on Store Owner. Such credit limits may be based, in part, upon the personal financial statement which Store Owner or its principal owners shall provide pursuant to paragraph 11 of the Franchise Agreement.
- (4) If Store Owner is in default under the Franchise and License Agreement, Shaw's may suspend or cease altogether sales of Products and supplies to Store Owner.

- (5) Store Owner's failure to comply with the terms of this Agreement shall constitute a default under the terms of the Franchise Agreement and CBL may thereupon pursue any or all of its rights under the Franchise Agreement.
- (6) The undersigned individuals represent that they are all of the Store Owner's shareholders or partners, or otherwise have a direct or indirect beneficial interest in the Store Owner. Accordingly, to induce Shaw's to grant Franchisee terms and credit for purchases of Products and supplies from Shaw's, each of the undersigned individuals jointly and severally agrees to be primarily liable for all of such purchases.
- (7) The provisions of the Franchise Agreement are incorporated herein by reference and the provisions herein are incorporated into the Franchise Agreement by reference.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date stated above.

"CBL"

"SHAW'S"

THE COFFEE BEANERY, LTD.

SHAW'S DISTRIBUTION WAREHOUSE

BY: _____

BY: _____

ITS: _____

ITS: _____

Store Owner Address

STORE OWNER

By: _____

Title: _____

STORE OWNER

By: _____

Title: _____

STORE OWNER

By: _____

Title: _____

THE COFFEE BEANERY, LTD.
CONVERSION ADDENDUM FOR CONVERSION OWNERS

THIS ADDENDUM is entered into on _____, 20____, by and between The Coffee Beanery, Ltd. ("CBL"), and _____ ("Conversion Owner").

WITNESSETH:

WHEREAS, Conversion Owner presently conducts a business which provides coffee, coffee beans, tea, spices and related products and food items, including prepared coffee for on or off site consumption at the Approved Location ("Current Business");

WHEREAS, CBL and Conversion Owner have entered into a Franchise Agreement on _____, 20____, (the "Agreement") which they wish to modify by this Addendum to provide for the conversion of the Current Business to a Store; and

WHEREAS, all capitalized terms not otherwise defined in this Addendum shall have the same meaning as in the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Construction of Leasehold Improvements

1.1 Conversion Owner shall modify the Store premises in the manner set forth in Exhibit 1, to conform to CBL's prototype plans and specifications.

1.2 CBL and Conversion Owner agree that time is of the essence in connection with the construction of leasehold modifications. Conversion Owner shall complete such modifications no later than sixty (60) days from the execution of the Addendum. In the event that Conversion Owner fails to complete modifications by such date, CBL shall have the right to terminate this Agreement in accordance with Section 13.3 of the Agreement.

1.3 Upon completion of the modifications set forth in Exhibit 1, Conversion Owner shall submit a written request to CBL to conduct a final inspection of the Store premises and, upon receipt of such request, CBL shall promptly conduct a final inspection. Conversion Owner shall not open the Store for business without CBL's written authorization.

1.4 Conversion Owner may at its discretion continue to operate its Current Business during construction of leasehold modifications but shall not identify itself as a CBL Store Owner until receipt of CBL's written authorization to conduct business, as set forth in Section 1.3 of this Addendum.

2. Delay in Applicability of Conversion Owner Obligations

2.1 Conversion Owner's obligation to pay royalties and make expenditures and contributions for advertising and promotion, as set forth in Sections 3.2 and 3.3 of the Agreement, shall commence thirty (30) days from the effective date of the Agreement.

3. Deletions from the Agreement

3.1 The following Sections of the Agreement shall be deleted in their entirety, and have no force or effect:

3.1; 3.2; 4.1; 4.3; 4.6; 4.7; 5.10, but only to the extent that it applies to Conversion Owner's current lease;; 13.2.1; 13.4; 14.4; and 14.9.

4. Additions to the Agreement

4.1 The following Section 3.1 shall be inserted into the Agreement and made a part thereof:

4.1 CBL acknowledges receipt from Store Owner of an initial franchise fee of Six Thousand Eight Hundred Seventy Five and (\$6,875) which payment shall be fully earned and non-refundable when paid, in consideration of the administrative and other expenses incurred by CBL in entering into this Agreement, and for CBL's lost or deferred opportunity to enter into this Agreement with others.

5. Integration

5.1 This Addendum shall be considered an integral part of the Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Conversion Addendum for Conversion Owners on the day and year first above written.

THE COFFEE BEANERY, LTD.

By: _____

Title: _____

CONVERSION OWNER

By: _____

Title: _____

CONVERSION OWNER

By: _____

Title: _____

(Page left intentionally blank.)

THE COFFEE BEANERY, LTD.
CONVERSION ADDENDUM FOR CONVERSION OWNERS

EXHIBIT 1

Required Modifications To
Leasehold Premises

CBL's Initials: _____

Store Owner's Initials: _____

(Intentionally Blank)

THE COFFEE BEANERY, LTD.
ADDENDUM FOR CO-BRANDED LOCATIONS

THIS ADDENDUM is entered into on _____, 20___, by and between The Coffee Beanery, Ltd. ("**Coffee Beanery**"), and _____ ("**Co-Brand Store Owner**").

WITNESSETH:

WHEREAS, Co-Brand Store Owner presently conducts a business which provides products and services other than coffee, tea and similar products and services as described on Schedule 1 to this Co-Brand Addendum (the "Co-Brand Products") at the Approved Location;

WHEREAS, the Co-Brand Store Owner wishes to continue to offer the Co-Brand Products;

WHEREAS, Co-Brand Store Owner wishes to enter into a Franchise Agreement with Coffee Beanery under which Co-Brand Store Owner would convert a portion of facilities where the Co-Brand Products are offered to a Coffee Beanery Store ("Store") but which would offer the Co-Brand Products;

WHEREAS, Coffee Beanery and Co-Brand Store Owner have entered into a Franchise Agreement on _____, 20___, (the "**Agreement**") which they wish to modify by this Addendum to provide for a Store which will operate as a Coffee Beanery Store but which will continue to offer the Co-Brand Products; and

WHEREAS, all capitalized terms not otherwise defined in this Addendum shall have the same meaning as in the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Construction of Leasehold Improvements

1.1 Co-Brand Store Owner shall modify the Store premises in the manner set forth in Exhibit 1, to conform to Coffee Beanery's prototype plans and specifications.

1.2 Coffee Beanery and Co-Brand Store Owner agree that time is of the essence in connection with the construction of leasehold modifications. Co-Brand Store Owner shall complete such modifications no later than sixty (60) days from the execution of the Addendum. In the event that Co-Brand Store Owner fails to complete modifications by such date, Coffee Beanery shall have the right to terminate this Agreement in accordance with Section 13.3 of the Agreement.

1.3 Upon completion of the modifications set forth in Exhibit 1, Co-Brand Store Owner shall submit a written request to Coffee Beanery to conduct a final inspection of the Store premises and, upon receipt of such request, Coffee Beanery shall promptly conduct a final inspection.

1.4 Co-Brand Store Owner shall not commence operations as a Coffee Beanery Store without Coffee Beanery's written authorization. Co-Brand Store Owner may at its discretion continue to offer the Co-Brand Products during construction of leasehold modifications but shall not identify itself as a Coffee Beanery Store until receipt of Coffee Beanery's written authorization to conduct business, as set forth in Section 1.3 of this Addendum.

2. Delay in Applicability of Co-Brand Store Owner's Obligations

2.1 Co-Brand Store Owner's obligation to pay royalties and make expenditures and contributions for advertising and promotion, as set forth in Sections 3.2 and 3.3 of the Agreement, shall commence thirty (30) days from the date of the Agreement.

3. Deletions from the Agreement

3.1 The following Sections of the Agreement shall be deleted in their entirety, and have no force or effect:

3.1; 4.1; 4.3; 4.6; 4.7; 5.2; 5.3.2; 5.10, but only to the extent that it applies to Co-Brand Store's current lease; 13.2.1; 13.4; 14.4; and 14.9.

4. Additions to the Agreement

4.1 The following Section 3.1 shall be inserted into the Agreement and made a part thereof:

3.1 Coffee Beanery acknowledges receipt from Store Owner of an initial franchise fee of Thirteen Thousand Seven Hundred and Fifty Dollars (\$13,750), which payment shall be fully earned and non-refundable when paid, in consideration of the administrative and other expenses incurred by Coffee Beanery in entering into this Agreement, and for Coffee Beanery's lost or deferred opportunity to enter into this Agreement with others.

4.2 The following Section 3.2 shall be inserted into the Agreement and made a part thereof:

3.2 During the term of this Agreement, Store Owner shall pay to CBL a continuing weekly royalty fee in an amount equal to six percent (6%) of the Gross Sales for the Store. "Gross Sales" shall mean revenue from the sale of all products and services, and all other income or consideration of every kind and nature, received by the Store, whether for cash or credit, and regardless of collection in the case of credit, less: (i) any sales taxes or other taxes collected by Store Owner from its customers and thereafter paid directly to the appropriate taxing authority; (ii) charges imposed by credit card companies and customer refunds; (iii) revenue from the sale of the Co-Brand Products, provided, however, that such exclusion shall not apply to products and services that CBL requires Coffee Beanery stores to offer, including, without limitation, coffee and coffee based drinks. The royalty payment is not refundable. If Store Owner fails to maintain proper sales records or report Gross Sales to CBL, CBL has the right to estimate Gross Sales and invoice Store Owner for such amounts.

4.3 The following Section 5.2 shall be inserted into the Agreement and made a part thereof:

"5.2 Store Owner shall use and occupy the Store premises solely for the operation of the business franchised hereunder and for the operation of a business offering the Co-Brand Products and unless otherwise approved in writing by CBL, shall refrain from using or permitting the use of the premises for any other purpose or activity, and shall keep the Store open and in normal operation for at least such minimum hours and days as CBL may specify in the Manual or otherwise in writing, and as may be required by the lease for the Store premises."

4.4 The following sentence shall be added to Section 5.4 and made a part thereof:

“In the event of any conflict between the methods, standards and specifications prescribed by CBL and those of another franchised system that offers the Co-Brand Products, CBL agrees to consider, in its reasonable discretion, a limited variance from its standards (to the extent required to eliminate the conflict) provided, however, that Store Owner agrees that CBL shall have no obligation to modify its standards if (i) the other system’s standards are not required by the franchised system offering the Co-Brand Products or (ii) such a variance request relates to CBL’s routine products, including, without limitation, coffee products or the manner in which such products are prepared and served.”

4.5 The following language shall be inserted at the beginning of Section 5.3.2 and made a part thereof:

“5.3.2 With the exception of the Co-Brand Products...” [Store Owner, etc.]

4.6 The following language shall be inserted at the beginning of Section 5.4 and made a part thereof:

“5.4 With the exception of the Co-Brand Products...” [Store Owner, etc.]

5. Integration

5.1 This Addendum shall be considered an integral part of the Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum for Co-Branded Locations on the day and year first above written.

THE COFFEE BEANERY, LTD.

By: _____

Title: _____

CO-BRAND STORE OWNER

By: _____

Title: _____

CO-BRAND STORE OWNER

By: _____

Title: _____

(Page left intentionally blank.)