

WETZEL'S PRETZELS FRANCHISE AGREEMENT

EXHIBIT C-1

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February 24, 2006

WETZEL'S PRETZELS®

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ATTACHMENTS:

- 1: Approved Location and Protected Area
- 2: Authorization Agreement for Prearranged Payment
- 3: Nondisclosure and Noncompetition Agreement
- 4: Assignment of Telephone Numbers
- 5: Personal Guaranty and Subordination Agreement
- 6: Cart Addendum
- 7: Lease Provisions
- 8: Release of Claims

WETZEL'S PRETZELS® FRANCHISE AGREEMENT

1. PARTIES

This Agreement is signed on _____ [date], between Wetzel's Pretzels, LLC ("Wetzel's Pretzels"), a California limited liability company with its principal office in the city of Pasadena, California, and _____ [franchisee's legal name] ("you").

2. RECITALS

2.1. Ownership of System

Wetzel's Pretzels is the owner of certain intellectual property rights, including the mark "WETZEL'S PRETZELS®". We have spent a considerable amount of time, effort, and money to develop business methods, technical knowledge, and marketing concepts including proprietary recipes, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and employee training techniques that, taken together, make up a proprietary system for the operation of Bakeries.

2.2. Objectives of Parties

Wetzel's Pretzels would like to grant to you and you would like to accept from us a franchise to own and operate a Bakery using the Trade Name, Marks, and System, upon the terms and conditions below.

3. DEFINITIONS

For purposes of this Franchise Agreement, when any of the following words and phrases begins with a capital letter, its meaning is defined in this Article 3:

3.1. Adjusted Gross Revenue

"Adjusted Gross Revenue" means "the total amount of money received by you and your Related Parties for all goods sold and services rendered from the Approved Location or the Trade Name or Marks, less sales tax, returns, and discounts, within an accounting period."

3.2. Agreement

"The Agreement" or "this Agreement" means "this Franchise Agreement."

3.3. Approved Location

"Approved Location" means "a location that we have approved in writing as a site at which you may own and operate a Bakery."

3.4. Bakery

"Bakery" means "a business that we conduct or have authorized a franchisee to conduct under the Trade Name, Marks, and System."

3.5. Designated Manager

"Designated Manager" means "you in your role as general manager of a Bakery or a person whom you have appointed as general manager of a Bakery." The Designated Manager must work at least forty (40) hours per week at the Bakery.

3.6. Franchise Network

"Franchise Network" means "the interdependent network composed of Wetzel's Pretzels, all of our franchisees, and any other people or business entities that we have licensed to use the Trade Name, Marks, System, or any of them."

3.7. Good Standing

"Good Standing" means "your timely compliance and that of your Related Parties with all provisions of this Agreement and the Manual, specifically including provisions for timely payment of money you owe to us or our Related Party."

3.8. Manual

"Manual" means "the manual or manuals that Wetzel's Pretzels will lend you or to which we will give you access on our intranet during the term of this Agreement, containing information, forms, and requirements for the establishment and operation of a Bakery and for use of our Trade Name and Marks."

3.9. Marks

"Marks" means "selected trademarks, service marks, trade dress, logotypes, slogans, and other commercial symbols that we own and license to you under this Agreement."^

3.10. Proprietary Product

"Proprietary Product" means "any product that has been manufactured in accordance with our secret recipes or specifications or that has been packaged or labeled with the Marks."

3.11. Protected Area

"Protected Area" means "an area surrounding an Approved Location within which we agree to refrain from specified competitive activities." "Protected Area" does not include sites in hotels, airports, sports arenas, train stations, casinos, theme parks, military installations, movie theater, grocery store or college and university campuses located within its borders.

3.12. Related Party

"Related Party" or "Related Parties" means "people and companies affiliated with us or you, as the context indicates, including general partners, limited partners owning an interest in us or in you, shareholders owning an interest in us or in you, corporations in which we or you have an interest, corporations in which any person or company owning an interest in you also has an interest, or our officers, directors or limited liability company members or your officers, directors or limited liability company members."

3.13. Resale

Subject to the exceptions described in Article 9 of this Agreement, "Resale" means "any sale, gift, or other change in ownership of all or any part: (1) of the rights and obligations of this Agreement; (2) of the Bakery, including the lease for the Approved Location; or (3) of an ownership interest in you."

3.14. Start Date

"Start Date" means the earlier of _____ [date], or the date when your Bakery opens. The Start Date may be extended only with our written consent.

3.15. System

"System" means "the business methods, technical knowledge, and marketing concepts licensed by us to you under this Agreement, including the right to use our processes, recipes, trade secrets, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and employee training techniques."

3.16. Termination

"Termination" means "expiration of this Agreement; nonrenewal of this Agreement; or termination, under the circumstances described in Article 10 of this Agreement, of the then-current term of this Agreement prior to its normal expiration date."

3.17. Trade Name

"Trade Name" means "the commercial name WETZEL'S PRETZELS®."

3.18. Wetzel's Pretzels

"Wetzel's Pretzels" means "Wetzel's Pretzels, LLC or any person or company to which Wetzel's Pretzels, LLC allocates all or part of our rights and obligations under this Agreement."

3.19. You

"You" means "the person or company that is named as 'you' in Article 1 of this Agreement." "You" means, in addition, "all people or entities that succeed to your interest by Resale or operation of law."

4. FRANCHISED RIGHTS

4.1. Granting Clause

Wetzel's Pretzels grants to you and you accept from us a franchise to own and operate a Bakery at an Approved Location under the Trade Name, Marks, and System during the term of this Agreement and according to its provisions. You are not granted the right to engage in wholesale, Internet, or mail-order sales.

4.2. Protected Area

Each Approved Location will be within a Protected Area that will be the smaller of the area within a one-half (1/2) mile radius of the Approved Location or the shopping center or mall within which the Approved Location is located. "Protected Area" does not include sites in hotels, airports, sports arenas, train stations, casinos, theme parks, military installations, movie theater, grocery store or college and university campuses located within its borders. With the exceptions described below, we agree not to authorize any other franchisee to base a Bakery within the Protected Area, base any company-owned or Bakery within the Protected Area, or allow any other franchisee or company-owned Bakery to relocate to a site within the Protected Area.

4.3. Rights Reserved

^We reserve the exclusive right to control Internet sales. Further, we reserve all rights not expressly granted in this Agreement, including the right to sell Proprietary Products through any means of distribution not specifically prohibited by another provision of this Agreement.

4.4. Relocation

You may relocate the Bakery within the Protected Area only with our prior written consent, which will be granted only if the following conditions are fulfilled:

- (a) You and your Related Parties are in Good Standing under the Franchise Agreement, any other Agreement between us or our Related Party and you, and the Manual;

- (b) You and any Related Parties that have signed the original Franchise Agreement have signed a copy of the Franchise Agreement that is currently effective at the time of relocation;
- (c) You agree to plan, construct, equip, and furnish your new Bakery so that the premises meet the standards of appearance and function applicable to the premises of new Bakeries at the time of relocation;
- (d) You and any Related Parties that are parties to the Franchise Agreement have signed a general release of claims in a form satisfactory to us with respect to past dealings with us and our Related Parties;
- (e) You have paid us the relocation fee described in Article 6 to defray the cost to us of site inspection and construction design review; and
- (f) We have given our prior written approval to the new site and the provisions of the lease for the new premises.

4.5. Term and Renewal

4.5.1. Initial Term

The initial term of the franchise will begin on the Start Date and will continue for a period of ten (10) years or the length of the lease, whichever is shorter.

4.5.2. Renewal

You will have the right to renew the franchise for an additional ten- (10-) year term on the same terms and conditions as those on which we are customarily granting new franchises at the time of renewal if at the time of renewal the following conditions have been fulfilled:

- (a) You and your Related Parties are in Good Standing under this Agreement, any other Agreement between us or our Related Party and you, and the Manual;
- (b) You have notified us in writing at least one hundred twenty (120) days before the expiration date of this Agreement of your wish to renew;
- (c) You and any Related Parties that have signed this Agreement have signed a copy of the new Franchise Agreement not less than thirty (30) days before the expiration of this Agreement or thirty (30) days after you receive the new Franchise Agreement from us, whichever is later;
- (d) You have agreed that you will, before the renewal term begins, at your own expense, remodel, modernize and redecorate the Bakery premises and replace and modernize the fixtures, equipment, and signs used in the Bakery so that the premises of the Bakery meet the standards of appearance and function applicable to the premises of a new Bakery at the time of renewal;
- (e) You have renewed or have the right to renew the lease for the Approved Location;

- (f) You and any Related Parties that are guarantors to this Agreement have signed a general release of claims in a form satisfactory to us with respect to past dealings with us and our Related Parties; and
- (g) You have paid the renewal fee described in Article 6.

The provisions of the standard franchise agreement we use at the time of renewal may be materially different from this agreement's provisions. Changed provisions may include but are not limited to increased royalties and advertising fund contributions and a modified Protected Area.

5. SERVICES TO FRANCHISEE

We agree to perform the following services for you at locations selected by us provided that you are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement(s) with us or our Related Party(ies), and the Manual:

5.1. Buildout and Decor

We will give you a construction manual to guide you in constructing tenant improvements to, furnishing, and equipping your Bakery. You must employ a construction manager approved by us for this purpose. You will, at your own expense, tailor the plans and specifications provided by us for your individual use. If you do not engage our designated architect for this purpose, you must then, at your own expense, submit the customized plans and specifications to us for written approval. You will bear the cost of review by our designated architect.

5.2. Training

5.2.1. Initial Training

Before the opening of your Bakery, we will conduct an initial training program in the operation of the Bakery under the System for as many as three (3) members of your management. Your Designated Manager must attend and successfully complete the training program to our satisfaction before you may open your Bakery. If the employment of a Designated Manager is terminated, you must promptly employ a new Designated Manager who must successfully complete the initial training program before starting work.

5.2.2. Continuing Education

We will offer continuing education programs at the Annual Convention. Your attendance at the Annual Convention is important and mandatory. Failure to attend is a breach of this Agreement. We may offer other continuing education on matters related to the operation or promotion of the Bakery on an optional or mandatory basis, as we consider appropriate.

5.3. Consultation

We[^] will use our best efforts to make our personnel available to you for consultation throughout the term of the franchise in a timely manner for no additional charge except reimbursement of direct costs.

5.4. Manual

We will lend you or make available to you on our intranet a Manual containing explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the Bakery, sample business forms, information on marketing, management, and administrative methods developed by us for use in the Bakery, names of approved suppliers, and other information that we believe may be necessary or helpful to you in your operation of the Bakery. We will revise the manual periodically to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to you, or, if the Manual has been placed on our intranet, will post revised pages there.

5.5. Advertising

5.5.1. Advertising Fund

We will administer the advertising fund, which will be accounted for separately on the general [^]ledger. The purpose of the Fund is to pool our advertising money and that of each of our franchisees so as to achieve greater benefits for all in promoting the Trade Name and Marks. The Fund may be used to pay for market research, advertising materials, media space and time for a national or regional advertising program, a referral program, or any combination of them. The Fund may also be used for advertising grants to franchisees, collectively on a regional basis or individually on a local basis. In addition, the Fund may be used to pay for point-of-purchase materials or public relations projects. Twenty percent (20%) of Fund money will be used to compensate us for overhead and other expenses incurred in connection with our administration of the Fund. We will distribute to our franchisees, once a year, an Advertising Fund report which will set out the total amounts of money collected and spent by the Fund during the past year and list, by general category, the manner in which the money was spent.

5.5.2. Allocation of Expenditures

Because the benefits of advertising and promotion are difficult to measure, we reserve the unqualified right to determine, in our sole discretion, how Advertising Fund money may be spent.

5.5.3. Repayment of Advances

We have the right to loan money to the Advertising Fund, without interest, and to repay ourselves from Fund money during the same or a subsequent fiscal year.

5.6. Suggested Suppliers

We will give you, in the Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that currently meet our standards and specifications. In advising you of suppliers which meet our standards and specifications, **we expressly disclaim any warranties or representations as to the condition of the goods or services sold by such suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose.** You agree to look solely to the manufacturer of goods or the supplier of services for the remedy for any defect in the goods or services.

5.7. Approved or Designated Suppliers

We will give you, in the Manual or otherwise in writing, a list of names and addresses of approved or designated suppliers of specified goods and services that you may or must, respectively, use or sell in your Bakery. In approving or designating a particular supplier, **we expressly disclaim any warranties or representations as to the condition of the goods or services sold by such suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose.** You agree to look solely to the manufacturer of goods or the supplier of services for the remedy for any defect in the goods or services.

5.8. Proprietary Products Availability

We will use our best efforts to ensure that we or a designated supplier will at all times have a supply of Proprietary Products for sale to you.

6. PAYMENTS BY FRANCHISEE

6.1. Initial Fee

When you sign this Agreement, you will pay us in immediately accessible funds an initial franchise fee of thirty thousand dollars (\$30,000). The initial fee is not refundable.

6.2. Royalties

By Wednesday of each week during the term of this Agreement, or any other day that we designate in the Manual, you must pay us a weekly royalty of six percent (6%) of Adjusted Gross Revenue, as "Adjusted Gross Revenue" is defined in Article 3 of this Agreement, calculated on the basis of Adjusted Gross Revenue received by you in the immediately preceding week, ending at close of business on Sunday. For purposes of this Article 6 of this Agreement, "pay" means "complete or, if appropriate, cooperate to cause completion of a transfer of funds to our designated bank account by electronic funds transfer, pre-arranged draft, or sweep of your bank account, as we require at our option, no later than the date when payment must be made." For that purpose, you agree to complete, sign, and deliver to your bank or other depository an authorization in the form of Attachment 2 to this Agreement.

6.3. Advertising Fund Contributions

Together with your weekly royalty payment, you must pay ^Advertising Fund a weekly contribution of one percent (1%) of the Adjusted Gross Revenue of the Bakery during the previous week.

6.4. Audit

We will have the right during normal working hours to audit your books and records, including your tax returns, with respect to the Bakery with no advance notice. The auditor may be our employee or an independent contractor and need not be an accountant. If an audit discloses an underpayment of royalties or Advertising Fund contributions payable under this Agreement, you will immediately pay these amounts to us together with accrued interest on the amount underpaid in accordance with Section 6.15 of this Agreement. In addition, if the underpayment exceeds three percent (3%) of the total royalty or Advertising Fund contribution payable for any period covered under the audit, you must reimburse us for all expenses we incur in connection with the audit.

6.5. Secret Shopper Fee

You must pay us thirty dollars (\$30) each calendar quarter to reimburse us for subscribing to a secret shopper service on your behalf.

6.6. Training Fees and Costs

We will not charge a fee for the initial training program at which you or your Designated Manager, and up to three additional people, are trained. However, if you later replace your Designated Manager, we may charge a training fee for the new Designated Manager's training. We may also charge a training fee for continuing education programs. For all training we offer, you must pay any costs of travel, lodging, parking, meals, and other incidental expenses that you or your employees incur.

6.7. Annual Convention Registration

The continuing education programs offered at the Annual Convention are valuable and mandatory. Because planning and funding the Annual Convention requires a substantial advance financial commitment on our part, we have the right to debit your bank account for a registration fee of one thousand dollars (\$1,000) whether or not you attend.

6.8. Consulting Costs

As described in Section 5.3 of this Agreement, we will, at no additional charge to you, use our best efforts to make our personnel available to you for consultation in a timely manner if you request such assistance. You will promptly reimburse us for all incidental expenses we incur in rendering consulting services, including, but not limited to, the cost of business class transportation, lodging, meals, and delivery and courier charges.

6.9. Payment for Proprietary Products

When ordering Proprietary Products from us or our Related Party, you must submit a check for the full purchase price, plus an additional amount to cover the costs of shipping, freight insurance, and any applicable sales or use tax, as specified by us, with each order for Proprietary Products. We have the right to require payment in cash, electronic funds transfer, cashier's check, or other means of making the funds immediately accessible to us if, in our reasonable discretion, your payment practices or financial status, the amount of the order, general economic conditions, or other business reasons make it advisable.

6.10. Renewal Fee

As a condition of renewal of this franchise, you must pay, when you sign the franchise agreement for the first renewal term, a renewal fee of twenty-five percent (25%) of the current initial fee at the time of renewal. Any renewal fee for a later renewal term will be set in accordance with the terms specified in the franchise agreement for the expiring franchise term.

6.11. Resale Fee

As a condition of Resale of this franchise, you must pay, upon giving notice of intent to resell, a resale fee of thirty thousand dollars (\$30,000) if Resale occurs during the first twelve (12) months of the initial franchise term and fifteen thousand dollars (\$15,000) thereafter. This fee will defray our expenses of evaluating the transferee's qualifications, preparing legal documents in connection with the Resale, and training the transferee. If the Resale is not concluded, we will refund the fee to you less our costs, in the minimum amount of two thousand five hundred dollars (\$2,500), in connection with the proposed Resale.

6.12. Cart Resale Fee

As a condition of Resale of a satellite cart, you must pay, before closing the sale, a resale fee of one-half (½) the current satellite cart fee at the time of Resale.

6.13. Relocation Fee

As a condition of relocation of this Franchise, you must pay, prior to relocation, a relocation fee of five thousand dollars (\$5,000). This fee will defray our expenses of reviewing and approving the new site and your plans for constructing, equipping, and furnishing it.

6.14. Option Fee

In ^return for an exclusive one- (1-)year option to enter into a franchise agreement and assume our position in lease negotiation and store development for a site in a specific mall, you must pay us an option fee of five thousand dollars (\$5,000). If you enter into a franchise agreement for the site, the option fee is fully applicable to the initial franchise fee. The option fee is not refundable under any circumstances.

6.15. Interest on Late Payments

Any payment not received by us when due will bear interest at eighteen percent (18%) per year or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. Interest charges on late payments are intended to partially compensate us for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure with precision. The fact that such charges are imposed should not be construed as a waiver of our right to timely payment.

6.16. Payment Procedures

Subject to reasonable advance notice for non-recurring payment amounts, we have the right to debit your depository account, according to the Authorization Agreement for Prearranged Payment attached to this agreement, for any of the payments described above. We may apply any money you pay us, at our option, to any of your past due indebtedness to us or our Related Party regardless of your intention. Once so applied, we will not change the manner in which the payment has been applied. We are not required to accept payments after they are due or to extend credit or otherwise finance your operations. If you fail to pay all amounts when due, we may suspend our services and support until the failure is cured. Repeated failure to pay all amounts when due or failure to cure a late payment within the applicable cure period constitutes good cause for termination of this Agreement.

7. OBLIGATIONS OF FRANCHISEE

7.1. Use of Trade Name and Marks

7.1.1. Context

You may use the Trade Name and Marks only in the operation of a Bakery at an Approved Location. You may not use any other trade name or marks in connection with a Bakery unless we authorize you to do so under a co-branding addendum to this Agreement.

7.1.2. Changes in Trade Name and Marks

We have invested a great deal of time, energy, and money in the promotion and protection of our Trade Name and other Marks. We do not intend to change them. However, we recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend. The prospect of settling an infringement claim or lawsuit or changes in the cultural and economic environment within which the System operates may make changes in the Trade Name and Marks desirable or necessary. We therefore reserve the right to change our Trade Name and Marks and the specifications for each when we believe that these changes will benefit the Franchise Network. You agree that you will promptly conform, at your own expense, to any such changes.

7.1.3. Advertising Materials

You agree to submit to us copies of all advertising materials that you propose to use at least two weeks before the first time they are broadcast, published, or otherwise disseminated. We will review the materials within a reasonable time and will promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material.

7.1.4. Legal Protection

You agree to notify us immediately in writing if you become aware of any unauthorized use of our Trade Name, Marks, or System. You will promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such claim, demand, or suit, you agree that we may select legal counsel and have the right to control the proceedings.

7.2. Quality Control

7.2.1. Initial Training Program

You or, if you are not an individual franchisee, your Designated Manager must faithfully attend all phases of the initial training program and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as we determine in our sole discretion, constitutes grounds for immediate termination of your franchise, but we have the right to offer you one or more remedial courses of action, such as additional training or employment of supplemental personnel, if we believe the alternative or alternatives may make termination of the franchise unnecessary. If you do not accept the alternative course of action within the time we allow, we may declare the franchise terminated, effective immediately.

7.2.2. Development

You must, on your own initiative and at your own expense, negotiate and sign the lease for the Bakery. You must obtain our prior written approval of the proposed lease. **By approving a particular site for the premises of a Bakery, we do not warrant that the Bakery operating at that location will be successful. By approving the lease, we make no warranties concerning its contents.**

You agree to plan, construct, equip and furnish your Bakery in accordance with our currently effective standards, as described in the Manual. You will submit all construction plans and designs to us for our prior written approval, which will not be unreasonably withheld. You must take all necessary action to develop your Bakery in a timely manner in relationship to the Start Date stated in Article 3 or any written extension

of the Start Date. Default under your lease, if noncurable or if uncured within any applicable cure period, is a noncurable default under this agreement and may, at our option, lead to immediate termination of this Agreement.

7.2.3. Opening

You may not open the Bakery to the public until we certify in writing that, in the view of our management, you and your employees are prepared to begin operation. **By certifying that our management believes the Bakery is prepared to open, we do not warrant that the Bakery will be successful.** Success is dependent on a number of factors, including your skill, your efforts, and general economic conditions, that are not within our control.

7.2.4. Compliance with Manual

You must operate the Bakery in absolute compliance with the standards and specifications stated in the Manual. We may make changes in these standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the Franchise Network. Such changes may necessitate the purchase of equipment, supplies, furnishings or other goods, completion of additional training by your employees, or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. You must at all times keep your copy of the Manual current by inserting in it revised pages given to you by us and deleting superseded pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual we maintain will control.

7.2.5. Products and Services Offered

You must offer and sell all the products and services and only the products and services that we have authorized you to provide. If you would like to use or sell any product which is sold by a supplier that we have not previously approved, and if it is a product that we have advised you must be purchased from an approved supplier, you must advise us of this fact and, upon our request, give us product specifications, sample products, and/or information about the supplier. We will promptly communicate to you either our approval or our reasons for withholding our approval. Silence may not be construed as consent. As a condition of approving a supplier, we will require you to reimburse us for any expenses we reasonably incur in inspecting the supplier's premises, checking the supplier's credentials, or testing the product. As a condition of approving a supplier of any product that bears the Trade Name or Marks, we may require that the supplier sign our License Agreement. We may withdraw our approval of a supplier if the supplier no longer meets our standards.

7.2.6. Customer Satisfaction Program

You must distribute customer response cards in the form prescribed by us for return by your customers to us. You must subscribe to the secret shopping service we currently designate. If your scores from the customer response cards do not meet our currently effective standards, as described in the Manual, if the secret Shopping reports are not satisfactory, or if we receive unusual numbers of customer complaints about your

Bakery, we may suggest ways in which you can improve your performance. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement.

7.2.7. Inspections

We will conduct periodic quality assurance inspections of the Bakery during normal business hours. Quality assurance inspections may be made with or without prior notice. If you install security cameras that may be viewed over the internet, you must give us access to the web addresses for viewing. You must promptly correct any deficiencies in your operation of which we advise you. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement. If an inspection discloses one or more material defaults, you must reimburse us for our cost of repeat inspection in an amount not to exceed five hundred dollars (\$500).

7.2.8. Proprietary Products

The Proprietary Products used in the Bakery are unique and their ingredients and manufacturing processes are trade secrets that are important to the success of the System. The Proprietary Products must be used as prescribed. You may purchase the Proprietary Products only from us or our designated supplier. Use or sale of any substitute for the Proprietary Products without our prior written consent, which we may withhold in our sole discretion, is a material breach of this Agreement and will result in immediate Termination of your franchise.

7.2.9. Notification of Complaints

You must notify us promptly if you are served with a complaint in any legal or administrative proceeding that is in any way related to the Bakery or if you become aware that you are the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

7.3. Personnel

7.3.1. Management

Your Designated Manager must devote all his or her productive time and effort to the management and operation of the Bakery in the minimum amount of forty (40) hours per week. The Designated Manager or another employee who has successfully completed our initial training program and been certified as a manager by us must be present at the Approved Location whenever the Bakery is open for business. If you own more than one Bakery, an additional Designated Manager must be employed for each. If we, in our sole discretion, determine that a Designated Manager is not properly performing his or her duties, we will advise you and you must immediately take steps to correct the situation. You must keep us informed of the identity of your Designated Manager(s). Upon the termination of employment of a Designated Manager, you must promptly appoint a successor who must successfully complete the training program before starting work in the Bakery.

7.3.2. Employees

You must maintain at all times a staff of properly trained employees that is large enough to operate the Bakery in compliance with our standards.

7.4. Advertising Obligations

7.4.1. Grand Opening

You must spend at least five hundred dollars (\$500) on a grand opening advertising program conducted in accordance with the general guidelines in the Manual for an initial advertising program.

7.4.2. In-Store Material

You must use any point-of-sale or display material we give you as directed by us. This material may promote the sale of franchises and, if this is its primary purpose, will not be paid for by the Advertising Fund.

7.4.3. Signs

You must permanently display, at your own expense, on your business premises and on all vehicles you use in the franchised Bakery, signs of any nature, form, color, number, location and size, and containing any legends that we have designated in writing.

7.5. Financial Information

We may, at our option, poll financial information, including data relating to sales, bookkeeping, menu mix, point-of-sale, operations, and financial information, from your point-of-sale system, computer or both on a daily basis. You must retain daily sales records for at least three years after the dates of sale. If, for any reason, your cash register must be repaired, you must use a replacement cash register.

7.5.1. Reports

We may require you to purchase or lease computer and/or communications equipment and software that meet specifications set out in the Manual. You must submit to us, upon request, copies of all federal, state and local income, and sales tax returns. You will prepare and submit to us financial statements and weekly sales reports in the format, using the chart of accounts, and at the times specified in the Manual as periodically revised. Failure to submit an annual income statement and balance sheet for the preceding year on or before March 15 of each year constitutes a material breach of this Agreement. We may use this data to assist you in tracking and improving your performance, confirm that you are complying with your obligations under this Agreement, and formulate earnings and expense information to disclose to prospective franchisees.

7.6. Insurance

You must purchase and maintain a policy or policies of comprehensive public liability insurance, including products liability coverage, covering all Bakery assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death, or property damage of not less than two million dollars (\$2,000,000). We may

increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must also carry (1) casualty insurance in a minimum amount equal to the replacement value of your interest in the Bakery premises, including furniture, fixtures, and equipment; and (2) business interruption insurance in an amount sufficient to cover the rent of the Bakery premises, salary, or wages of key personnel, and other fixed expenses. In addition, you must maintain policies of workers' compensation insurance, disability insurance, and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without ten (10) days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us as an additional named insured and be satisfactory to us in form, substance, and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us within ten (10) days after the policy is issued or renewed.

7.7. Financial and Legal Responsibility

7.7.1. Compliance with Law

You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the Bakery. You must keep current all licenses, permits, bonds, and deposits made to or required by any government agency in connection with the operation of the Bakery. If your health standards score is below ninety percent (90%) in three (3) or more government health inspections in any twelve- (12-) month period, it constitutes a material breach of this Agreement.

7.7.2. Payment of Indebtedness

You must pay promptly when due all taxes and debts that you incur in the conduct of your business. You and your Related Parties must remain current in any financial responsibilities to your mall and to us or our Related Parties as sublessor of the Approved Location.

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

You may not at any time do or cause to be done anything contesting or impairing our interest in our Trade Name, Marks, or System. You acquire no rights in any of these things except for your right to use them in accordance with the express terms of this Agreement. We retain the right to grant other franchises or licenses to use the Trade Name, Marks, and System on any terms that we would like, subject only to your limited territorial rights described in Article 4 of this Agreement.

8.2. Independent Status

You are an independent legal entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, customers, and others. You must rely on your own knowledge and judgment in making business decisions, subject only

to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold yourself out as our employee, partner, member, shareholder, joint venturer, or representative, nor may you expressly or implicitly state or suggest that you have the right or power to bind us or to incur any liability on our behalf. You may not use the Trade Name as part of your legal name (corporate, limited liability company, or limited partnership name), although you may use it as prescribed in your trade name.

8.3. Display of Statement

You must conspicuously display a sign that states that "THIS BAKERY IS AN INDEPENDENTLY OWNED AND OPERATED FRANCHISED BUSINESS" at the Approved Location. Business cards, stationery, purchase order forms, invoices, leases, tax returns, and other documents you use in your business dealings with suppliers, lessors, government agencies, employees, and customers must clearly identify you as an independent legal entity operating under a franchise.

8.4. Confidentiality

The information, ideas, forms, marketing plans, and other materials disclosed to you under this Agreement, whether or not included in the Manual, are confidential and proprietary information and our trade secrets. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to your employees and agents as necessary in the operation of the Bakery and except as we authorize in writing. You will be responsible for requiring compliance of your Related Parties with the provisions of this section. Each of your Related Parties must sign a written nondisclosure agreement, in the form of Attachment 3 to this Agreement, when you sign this Agreement. You must obtain a nondisclosure agreement from each new Related Party with which you become affiliated during the term of this Agreement and promptly send a copy of the nondisclosure agreement to us.

8.5. Mutual Indemnification

You must indemnify and hold us harmless from all expenses and liabilities of any kind arising from or in any way connected to any activity of yours other than the lawful operation of your franchised Bakery in strict conformity with this Agreement and the Manual. If we are made a party to a legal proceeding in connection with your act or omission, we may hire counsel to protect our interests and bill you for all expenses and fees we incur. You must promptly reimburse us.

We must indemnify and hold you harmless from all expenses and liabilities of any kind arising from or in any way connected to any third party claim that your operation of a Bakery infringes its intellectual property rights or misappropriates its trade secrets. If you are made a party to a legal proceeding in connection with a claim of this type, we will hire counsel to protect our interests and will defend you at our own expense. You will be bound by any settlement we negotiate, but we will reimburse you for your direct cost of compliance with the settlement agreement.

8.6. Covenant Not to Compete

You may not, during the term of this Agreement and for two (2) years after its Termination, operate or own more than a ten percent (10%) beneficial interest in any company that is competitive with any Bakery and that is located within the United States or Canada. You agree to obtain the individual written agreement of each of your Related Parties to the provisions of this section in the form of Attachment 3 to this Agreement.

8.7. Non-Solicitation

During the term of this Agreement and for two (2) year after its Termination, you may not disrupt, damage, impair, or interfere with our business or any of our other franchisees by directly or indirectly soliciting their employees to work for you or for any individual or company then in competition with the Franchise Network. You may not employ any employee of Wetzel's Pretzels or a franchisee while he or she is still so employed or within one (1) year after he or she leaves this employment without the employer's prior written consent. Violation of this clause is a material breach of the Franchise Agreement and may result in Termination of the franchise.

9. RESALE OF FRANCHISE

9.1. Purpose of Conditions for Approval of Resale

Our grant of this franchise is made in reliance on your integrity, ability, experience, and financial resources. Neither the franchise nor the Bakery operated under it may be sold unless you have first obtained our written consent, which may not be unreasonably withheld. [^]To ensure that no Resale jeopardizes the Trade Name, Marks, or our interest in the successful operation of your Bakery, we will consent to a Resale only if you comply with the provisions of Sections 9.2 through 9.4 of this Agreement.

9.2. Notice of Intention to Resell

If you would like to Resell this franchise, you must submit to us: (a) the form of franchise purchase application we currently use, completed by the prospective transferee; (b) a written notice, describing all the terms and conditions of the proposed Resale; and (c) the resale fee described in Article 6 of this Agreement. If we do not approve the Resale, we will return the resale fee to you after deducting direct costs incurred in connection with the proposed Resale in the minimum amount of two thousand five hundred dollars (\$2,500).

9.3. Consent by Wetzel's Pretzels; Right of First Refusal

We must respond in writing to your written notice within fifteen (15) days after receiving it, or, if we request additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen- (15-) day period. We may either consent to the Resale, state in writing our reason for refusing to consent, or purchase the Bakery from you ourselves on the same terms and conditions as those offered by the third party. Silence may not be construed as consent. If we consent to the Resale, then you may Resell the interest described in the notice only to the named

transferee and only on the terms and conditions stated in the notice. Our consent to a particular Resale will not constitute consent to any other or subsequent Resale.

9.4. Conditions for Consent to Resell

Our consent to your Resale will not be unreasonably withheld, but our consent is subject to certain conditions, including, but not limited to:

- (a) Our determination, based on the information that you submit and any other information available, that the proposed transferee meets all of the criteria of character, business experience, financial responsibility, net worth, and other standards that we customarily apply to new franchisees at the time of Resale;
- (b) Payment of all your outstanding debts to us and our Related Parties;
- (c) Cure of all defaults under the Franchise Agreement, any other agreement(s) between us and you or your Related Party, and the Manual;
- (d) You have agreed that you will, before Resale concludes, at your own expense, remodel, modernize and redecorate the Bakery premises and replace and modernize the fixtures, equipment, and signs used in the Bakery so that the premises of the Bakery meet the standards of appearance and function applicable to the premises of a new Bakery at the time of Resale;
- (d) At our sole option, signing by the transferee of an assumption of the rights and obligations of this Franchise Agreement or signing by the transferee of the then-current form of franchise agreement, amended to shorten the term to the remainder of the term of the transferor's agreement and to eliminate start-up obligations of both parties; and signing by the transferee's Related Parties of required ancillary agreements in the forms attached to the applicable franchise agreement;
- (e) Your payment of the resale fee described in Article 6 of this Agreement;
- (f) Completion by the transferee of the initial training program to our satisfaction;
- (g) Signing by you and your Related Parties of a release of claims against us and our Related Parties in the form we prescribe;
- (h) Our determination, based on our review of the proposed purchase agreement or notice, that the agreement and any financing of the sale will give the buyer a reasonable chance to succeed as a franchisee; and
- (i) Your opening an escrow for the franchise Resale to ensure compliance with the bulk sales laws and fulfillment of the conditions for Resale listed above.

9.5. Changes of Ownership Not Considered To Be Resales

As used in this Agreement, the word "Resale" does not mean an assignment to:

- (a) Any Trustee, Guardian, Executor, or Conservator for the account and benefit of a spouse, ancestor, or descendent; or

- (b) Any of your employees under any employee stock option plan or stock purchase plan, as long as any share certificate distributed in connection with a plan of this type is marked with a legend describing the restrictions and conditions of Resale required by this Agreement; or
- (c) Any business entity if the beneficial ownership of the franchisee immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately before the assignment. However, no assignment of this type will relieve the original party of any of its obligations under this Agreement. For the assignment to be effective, you, if you are an individual franchisee, or each of your owners, if you are not, must first sign and deliver a personal guaranty to us. You must promptly submit to us information on any change of this type in the equity ownership of the franchisee, the percentage of ownership, and the address where business records are maintained.

9.6. Change of Ownership Upon Death or Total Disability

If you die or become totally disabled while this Agreement is in effect, your heirs or beneficiaries will have sixty (60) days within which to demonstrate to our satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth, and other standards that we require of new franchisees at that time. If we approve your heirs or beneficiaries as transferees of the franchise, we will waive any resale fee in connection with the Resale. If we advise your heirs or beneficiaries in writing that we do not approve them as transferees of the franchise, or if we do not approve or disapprove the Resale within sixty (60) days following your death, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Resale or the end of the sixty- (60-) day period, whichever is first, within which to find and notify us of a proposed Resale to a qualified transferee in compliance with the provisions of this article. If your heirs or beneficiaries do not advise us of a qualified transferee within the specified period, the franchise will automatically terminate at the end of that period unless we have granted a written extension of time.

9.7. Assignment by Wetzel's Pretzels

We may assign this Agreement or any rights or obligations created by it at any time without your consent upon the following conditions: (a) the assignee is financially responsible; (b) we reasonably believe that the assignee is capable of performing our obligations under this Agreement; and (c) the assignee expressly agrees in writing to assume our obligations under this Agreement.

10. TERMINATION OF FRANCHISE

10.1. Termination by Consent of the Parties

This Agreement may be terminated by the mutual written consent of the parties.

10.2. Termination by Wetzel's Pretzels

10.2.1. Notice of Default

This Agreement will terminate thirty (30) days after written notice of default is given to you if any of the defaults described in subsections (a) through (c) below has not been cured. This Agreement will terminate five (5) days after written notice is given to you if the default described in subsection (d) below has not been cured. This Agreement will terminate immediately when written notice is given to you if any of the defaults described in subsections (e) through (p) below occurs.

10.2.2. Acts of Default

Upon the occurrence of any of the following defaults, we, at our option, may terminate this Agreement:

- (a) If you do not submit to us in a timely manner any information or report you are required to submit under this Agreement;
- (b) If you do not begin operation of a Bakery by the Start Date of this Agreement or if you operate your Bakery in a manner that does not conform to this Agreement and the Manual;
- (c) If you default in the performance of any material obligation under this Agreement not otherwise described in this list of defaults or if you are notified in writing of your material default under any other agreement with us or our Related Party;
- (d) If you fail to make any payment when due under this Agreement or any other agreement between you or your Related Party and us or our Related Party;
- (e) If you fail to successfully complete the initial training program and we conclude, in our sole discretion, that you are unable or unwilling to do so;
- (f) If you misuse the Marks or the System or engage in conduct which reflects materially and unfavorably on the goodwill associated with them or if you use in your Bakery any names, marks, systems, logotypes, or symbols that we have not authorized you to use;
- (g) If you or any of your Related Parties has any direct or indirect interest in the ownership or operation of any business that is confusingly similar to a Bakery or that uses the System or the Marks without authorization from us, or if you fail to give us a signed copy of the Nondisclosure and Noncompetition Agreement for each of your Related Parties within ten (10) days after we request it;
- (h) If you or your Related Party attempt to assign your rights under this Agreement or to Resell the Bakery in any manner not authorized by this Agreement;
- (i) If you or your Related Party has made any material misrepresentation in connection with the acquisition of a Bakery or to induce us to enter into this Agreement;

- (j) If you act without our prior written approval or consent in regard to a matter for which our prior written approval or consent is expressly required by this Agreement;
- (k) If you stop operating the Bakery for a period of four (4) consecutive days or more or under circumstances that lead us to the reasonable conclusion that you do not intend to resume operation or if circumstances make it clear that you have permanently abandoned the Bakery;
- (l) If we give you written notice of any default and we have twice previously given you written notice of the same type of default within the preceding twelve (12) months, whether or not you have cured the defaults, or if you score less than ninety percent (90%) in three (3) or more government health inspections in a twelve- (12-) month period;
- (m) If any other agreement between you or your Related Party and us or our Related Party is terminated because of your material default;^
- (n) If we make a reasonable determination that the continued operation of the Bakery will pose a threat to public health or safety;
- (o) Except as otherwise required by the United States Bankruptcy Code, if you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization, or similar proceeding; or
- (p) If you are convicted of criminal misconduct which is relevant to the operation of the Bakery or any felony.

10.3. Termination by You

You may terminate this Agreement upon sixty (60) days' written notice to us if the conditions of the next section of this Agreement, entitled "Rights and Obligations After Termination," are met in full within the specified time periods.

10.4. Rights and Obligations After Termination

Upon Termination of this Agreement for any reason, the parties will have the following rights and obligations:

- (a) We may discontinue performance of our obligations under this Agreement;
- (b) You must give us a final accounting for the Bakery, pay us within thirty (30) days after Termination all payments due to us, and return the Manual and any other property belonging to us.
- (c) You must immediately and permanently stop using the Marks or any confusingly similar marks, the System, and any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a Bakery;
- (d) You must promptly sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories,

disconnect or, at our option, assign to us any telephone numbers that have been used in connection with the Bakery, and terminate all other references that indicate you are or ever were affiliated with us. By signing this Agreement, you irrevocably appoint us your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after this Agreement is terminated.

- (e) You must maintain all records required by us under this Agreement for a period of not less than three (3) years after final payment of any money you owe to us when this Agreement is terminated.
- (f) We have an option to purchase any and all of the physical assets of the Bakery, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination, valued at the lower of cost or fair market value.

We must send written notice to you within thirty (30) days after Termination of this Agreement if we elect to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree on an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after Termination. The sole appraiser must then determine the price for the physical assets of the Bakery in accordance with the standards specified above. This determination will be final and binding on both us and you.

- (g) We have an option to replace you as lessee under any equipment lease for equipment that is used in connection with the Bakery. Upon our request, you must give us copies of the leases for any equipment used in the Bakery. Upon our request, you must allow us the opportunity, at a mutually satisfactory time, to inspect the leased equipment. To exercise the option, we must request the information and access described in this paragraph within fifteen (15) days after Termination; we must advise you of our wish to exercise the option within fifteen (15) days after we have received the information and/or inspected the equipment. We may assume any equipment lease in consideration of its assumption of future obligations under the lease. Upon our exercise of this option, you will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.
- (h) We have an option to replace you as lessee of the premises of the Bakery. We may assume the lease for the Approved Location in consideration of our assumption of future obligations under the lease. Upon our exercise of this option, you will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

If the franchise granted in this Agreement is terminated because of your default, our rights described above may not necessarily be our exclusive remedies, but will instead supplement any other equitable or legal remedies available to us. If this Agreement is terminated because of your material default or repudiation of this Agreement, we have the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before Termination. All obligations of the parties which by their terms or by reasonable implication are to be performed in whole or in part after Termination will survive Termination.

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control.

11.2. Governing Law

This Agreement is made in the State of California and its provisions will be governed by and interpreted under the laws of that State, with the following exceptions: (a) the Franchise Investment Law and California Franchise Investment Act will not apply except to the extent that they would be applicable without this Agreement's designation of governing law; (b) the arbitration clause will be exclusively governed by and should be construed in accordance with the Federal Arbitration Act; and (c) trademark rights will be governed by and construed in accordance with the Lanham Act.

11.3. Notices

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), courier, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Notice of Termination or nonrenewal must be given by a receipted form of delivery.

11.4. Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5. Waiver

Waiver of any breach of this Agreement may not be interpreted as a waiver of any subsequent breach.

11.6. Integration

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise it grants. All other agreements and representations are superseded by it.

11.7. Negotiation and Mediation

11.7.1. Agreement to Use Procedure

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. They agree that, if any dispute arises between them, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good-faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2. Initiation of Procedures

The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The party receiving the notice ("Responding Party") has ten (10) days within which to designate by written notice to the Initiating Party one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

11.7.3. Direct Negotiations

The Authorized People may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fourteen (14) days from the date of the Initiating Party's written notice to discuss resolution of the dispute. The Authorized People may meet at any times and places and as often as they agree.

11.7.4. Mediation

If the Dispute has not been resolved within thirty (30) days after the initial meeting, either party may begin mediation procedures. Mediation will be conducted by and under the rules of the American Arbitration Association ("AAA"). The parties will share the costs of mediation, other than attorney fees, equally.

11.8. Arbitration

Any dispute arising out of or in connection with this Agreement, if not resolved by the negotiation and mediation procedures described above, must be determined in Los Angeles County, California, by the AAA. This arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction. The arbitrator must be an attorney with substantial experience in

franchise law. There will be no discovery except that required by applicable state law unless the parties mutually agree otherwise. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear. The arbitrator will have no power to 1) stay the effectiveness of any pending Termination of franchise; 2) assess punitive damages against either party; or 3) make any award that modifies or suspends any lawful provision of this Agreement. All expenses of arbitration, other than attorney fees, will be shared equally by the parties. Judgment on any award may be entered by any court of competent jurisdiction.

11.9. Injunctive Remedy for Breach

You recognize that you are a member of a Franchise Network and that your acts and omissions may have a positive or negative effect on the success of other businesses operating in association with the Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to us and to some or all of our other franchisees and licensees. For this reason, you agree that if we can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, we will be entitled to an injunction restraining the breach and/or to a decree of specific performance, without showing or proving any actual damage, until a final determination is made by an arbitrator.

11.10. Limitation of Actions

Neither party may maintain an arbitration proceeding against the other party unless (a) the party follows the negotiation and mediation procedures described above; and (b) files an arbitration within one (1) year after the event complained of occurs.

11.11. No Attorney Fees

If legal action, including any action on appeal, or arbitration is necessary to enforce the terms and conditions of this Agreement, neither party will be permitted to recover attorney fees from the other, unless either party is entitled to recover attorney fees under applicable law if it prevails. In that case, if the opposing party prevails, it has a reciprocal right to recover attorney fees from the other party.

11.12. Severability

Each provision of this Agreement will be considered severable. If, for any reason, any provision of it is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we determine that the finding of illegality adversely affects the basic consideration for its performance under this Agreement, we may, at our option, terminate it.

11.13. Approval and Guaranties

If you are a corporation, all officers and shareholders with a ten percent (10%) or greater interest in you, or, if you are a partnership, all your general partners, or, if you are a limited liability company, all your members must approve this Agreement, permit you to furnish the financial information we require, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and the Bakery and limitations on their rights to compete, and sign separately written guaranties of your payments and performance in the form of Attachment 5 to this Agreement.

11.14. Acceptance by Wetzel's Pretzels

This Agreement will not be binding on us unless and until it has been signed by an authorized officer of that company.

11.15. Your Representations

^You represent^ and we are entitled to rely on your representation that ^the information you gave us^ in support of your application for this franchise ^was true and complete^, that ^you have the resources of time, energy and money^ needed ^to operate your Bakery according to our System^ and that ^you are entering into this franchise to^ actively ^operate your Bakery on a long-term basis and not for the purpose of investment.^

11.16. Our Disclaimers

WE MAKE NO REPRESENTATIONS OR PROMISES OF ANY KIND ABOUT THE FRANCHISE EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE OFFERING CIRCULAR AND THIS AGREEMENT. NEITHER WETZEL'S PRETZELS NOR ANY OTHER PERSON GUARANTEES THAT YOU WILL SUCCEED IN THE OPERATION OF YOUR BAKERY OR THAT YOU WILL ACHIEVE ANY SPECIFIC LEVEL OF EARNINGS OR PROFITS.

****REMAINDER OF PAGE INTENTIONALLY LEFT BLANK****

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned
have signed it on the date stated in Article 1.

FRANCHISOR
WETZEL'S PRETZELS, LLC

By: _____
Anthony S. Parete, Executive Vice President
35 Hugus Alley, Suite 300
Pasadena, CA 91103

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name: _____

Signature: By: _____
Print Name: _____
Print Title: _____
Print Address: _____

APPROVED LOCATION AND PROTECTED AREA

The street address of the Approved Location is:

It is located in the following shopping center or mall ("Protected Area"):

ATTACHMENT 1

@PFDesktop\::ODMA\WORLD\W:\WDOX\CLIENTS\WTZ\007\00012030.WPD
Approved Location and Protected Area
February 24, 2006

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT (DIRECT DEBIT)

The undersigned depositor ("Depositor") authorizes Wetzel's Pretzels, LLC ("Wetzel's Pretzels") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to our instructions.

Depository

Branch

Street Address, City, State, Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from us and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give us and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor

Depository

By

By

Title

Title

Date

Date

ATTACHMENT 2

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

In return for (a) his or her training by Wetzel's Pretzels, LLC ("Wetzel's Pretzels") to operate a Bakery or (b) his or her employment by Wetzel's Pretzels or by one of its franchisees, _____ [Confidant's legal name] ("Confidant") agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration, or assignment of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish, or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Wetzel's Pretzels to any other person or company unless authorized in writing by Wetzel's Pretzels. Confidant agrees not to use any Trade Secret or Confidential Information for his or her personal gain or for purposes of personal gain by others, whether or not the Trade Secret or Confidential Information was conceived, originated, discovered, or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that we consider to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Wetzel's Pretzels, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the terms "Trade Secret" and "Confidential Information" mean any knowledge, technique, processes, or information made known or available to Confidant that we treat as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, customer accounts, manuals and instructional materials describing our methods of operation, including our Operations Manual; products; drawings, designs, plans, proposals, and marketing plans; all concepts or ideas in, or reasonably related to our business that have not previously been publicly released by Wetzel's Pretzels; and any other information or property of any kind of Wetzel's Pretzels that may be protected by law as a Trade Secret, confidential, or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Wetzel's Pretzels.

ATTACHMENT 3

3. Return of Proprietary Materials

Upon termination of franchise ownership or employment by Wetzel's Pretzels or a franchisee, Confidant must surrender to Wetzel's Pretzels all materials considered proprietary by Wetzel's Pretzels, technical or nontechnical, whether or not copyrighted, that relate to a Trade Secret, Confidential Information, or conduct of the operations of Wetzel's Pretzels. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Wetzel's Pretzels.

4. Solicitation of Employees

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of Wetzel's Pretzels, or the competitor's employees, agents, licensees, or franchisees, or the competitor's subsidiaries, the name of any person who is employed by Wetzel's Pretzels or its Related Parties or by any other franchisee of Wetzel's Pretzels or its Related Parties.

5. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Wetzel's Pretzels, Confidant will not, until the expiration of two (2) year after the termination of the employment relationship between Confidant and Wetzel's Pretzels or the franchisee that employs him or her, or termination of the ownership interest of Confidant in a franchise, engage, directly or indirectly, or through any corporations or Related Parties, in any business that is competitive with any Bakery and that is located within the United States or Canada.

6. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Wetzel's Pretzels. Nevertheless, Confidant and Wetzel's Pretzels are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Wetzel's Pretzels agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be considered modified to restrict Confidant's competition with Wetzel's Pretzels to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

7. Irreparable Harm to Wetzel's Pretzels

Confidant understands and agrees that Wetzel's Pretzels will suffer irreparable injury that cannot be precisely measured in monetary damages if Confidential Information or proprietary information is obtained by any person, firm, or corporation and is used in competition with Wetzel's Pretzels. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Wetzel's Pretzels for Confidant to enter into this Agreement. If there is a breach of this Agreement by Confidant, Confidant

consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

8. Binding Effect

This Agreement will be binding on Confidant's heirs, executors, successors, and assignees as though originally signed by those people.

9. Applicable Law

The validity of this Agreement will be governed by the laws of the State where Confidant lives. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

[Signature of confidant]

ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESS AND URL'S AND SPECIAL POWER OF ATTORNEY

1. _____ [Franchisee's legal name] ("You"), in return for valuable consideration, including our signing a franchise agreement with you at the same time that this assignment is signed, assign to Wetzel's Pretzels all telephone numbers, email addresses, and URL's and listings you advertise, publicize, or otherwise make known to customers or the public in the operation of a franchised Bakery, both now and in the future, in the city where the franchised business is operated.

2. This assignment will automatically become effective immediately upon Termination (meaning "termination, expiration, or nonrenewal") of your franchise. When the franchise is terminated, you agree to do whatever is necessary to cause the companies providing service to the franchised Bakery to promptly transfer the telephone numbers, email addresses and URL's and associated directory listings to Wetzel's Pretzels or its designee.

3. You agree to pay the telephone company, on or before the date when the franchise is Terminated, all amounts you owe it in connection with the telephone numbers, including payment for any advertisements or listings in a classified telephone directory or directories. You further agree to indemnify Wetzel's Pretzels for any money Wetzel's Pretzels must pay the telephone company before the telephone company will carry out this agreement.

4. You appoint Wetzel's Pretzels as your attorney-in-fact to sign any documents and do any things necessary to carry out this agreement if you fail to sign or do them within three (3) business days after termination of the franchise agreement. You further agree to indemnify Wetzel's Pretzels for any expenses, including legal fees, that Wetzel's Pretzels incurs which would not have been incurred if you had performed as you promised under this agreement.

Dated: _____

FRANCHISEE

[Signature of franchisee]

ATTACHMENT 4

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

To induce Wetzel's Pretzels, LLC ("Franchisor") to enter into or permit assignment of a certain Franchise Agreement with _____

[franchisee's full legal name] ("Franchisee"), signed on the same date as the date of this Guaranty, the undersigned unconditionally, jointly and severally, personally guaranty to Franchisor, its successors, or its assignees, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to Franchisor, including, but not limited to, all obligations arising out of the Franchise Agreement and any other agreement between the parties and all extensions or renewals of it or them in the same manner as if the Franchise Agreement were signed between Franchisor and the undersigned, as franchisee, directly.

The undersigned expressly waives notice of acceptance by Franchisor to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Franchisor, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization, or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee's obligations or liability to Franchisor or any other circumstances whether or not referred to in this Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional, and absolute guaranty of payment and performance and the undersigned agrees that the undersigned's liability under this guaranty will be immediate and will not be contingent upon the exercise or enforcement by Franchisor of whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security Franchisor may at any time possess.

The undersigned agrees that any current or future indebtedness by the Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of Guarantor.

ATTACHMENT 5

The undersigned further agrees that as long as the Franchisee owes any money to Franchisor (other than royalty and advertising fund payments that are not past due), the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives the undersigned's right to trial by jury, if any, and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned signed this guaranty on _____ [date].

[Signature of guarantor]

CART ADDENDUM TO FRANCHISE AGREEMENT

1. INTRODUCTION

This Cart Addendum ("this Addendum") modifies a Franchise Agreement ("the Franchise Agreement") dated _____ between Wetzel's Pretzels LLC ("Wetzel's Pretzels"), a California limited liability company with its principal place of business in Pasadena, California, and _____ ("you") for the operation of a Bakery at _____ [mall where Bakery is located]. This Addendum is made in light of the following facts:

2. RECITALS

A. The landlord of the premises of your Bakery has agreed to allow you to operate a satellite cart ("the Cart") within the Territory granted to you by the Franchise Agreement. The landlord's consent is evidenced by a letter or temporary space lease, a copy of which is attached.

B. You are in Good Standing under the Franchise Agreement and all other agreements between you or your Affiliate or both and Wetzel's Pretzels or its Affiliate or both.

C. The purpose of this Addendum is to provide for your operation of a satellite cart in the same mall or Shopping center where your Bakery is located.

3. AGREEMENT

Accordingly, the parties agree as follows:

3.1. Granting Clause

We grant to you and you accept from us a license to operate a Satellite Cart as an auxiliary to your Bakery, within the Protected Area, using the Trade Name, Marks and System under the terms of this Addendum and the letter of approval or temporary space lease provided by the landlord.

3.2. Incorporation of Franchise Agreement

All references in the Franchise Agreement to the Bakery will be considered to apply to the Bakery and Cart, unless otherwise noted. The terms and conditions of the Franchise Agreement are incorporated in this Addendum by reference except to the extent that they conflict with the terms and conditions of this Addendum. If there is such a conflict, the terms and conditions of this Addendum will govern.

ATTACHMENT 6

3.3. Satellite Cart Fee

When you sign this Agreement, you will pay Wetzel's Pretzels the sum of one thousand dollars (\$1,000) as a Satellite Cart Fee.

3.4. Term

The term of this Addendum is coterminous with the Franchise Agreement it modifies or with the temporary space lease, whichever is shorter.

3.5. Equipment and Trade Dress

Before leasing or purchasing a cart, you will obtain our prior written approval of your plans and specifications for the furnishing, equipping, and decorating of the cart. Before beginning operation of the cart, you will obtain our written certificate that the cart meets our currently effective standards and that you may begin operation of the cart.

3.6. Insurance

You have arranged for appropriate liability and casualty insurance coverage for the Cart, as required by your landlord, and have made us an additional named insured under the additional or extended insurance coverage. You have given us a copy of the policy's declarations page evidencing this coverage. You agree to maintain this coverage throughout the term of this Addendum.

3.7. Resale

Upon resale of your Bakery, if the landlord is willing to permit you to transfer the Cart with the Bakery, the Cart must be included in the resale, you must remodel the Cart to currently effective standards, and you must pay a resale fee for the reconveyance of the Cart equal to fifty percent (50%) of the currently effective satellite cart fee at the time of Resale. Otherwise, the license conveyed by this Addendum will expire upon Resale of your Bakery.

****REMAINDER OF ^PAGE INTENTIONALLY LEFT BLANK****

IN WITNESS TO THE FOREGOING, the parties to this Addendum have signed and delivered it as of the date of the Franchise Agreement.

FRANCHISOR
WETZEL'S PRETZELS LLC

By: _____
Anthony S. Parete, Executive Vice President
35 Hugus Alley, Suite 300
Pasadena, CA 91103

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name: _____

Signature: _____ *By:* _____
Print Name: _____
Print Title: _____
Print Address: _____

LEASE PROVISIONS

Please give this language to your prospective lessor and ask that it be added to the terms of the lease. We will not approve leases that do not include substantially similar provisions:

- Lessor will simultaneously give written notice to both Wetzel's Pretzels, LLC ("Wetzel's Pretzels") and Lessee of any default under the lease. If Lessee does not cure any curable default during the time allowed by the lease, Wetzel's Pretzels may have an additional 15 days within which to cure the default on its own behalf as assignee of the lease. Notice will be directed to Wetzel's Pretzels at 35 Hugus Alley, Suite 300, Pasadena, CA 91103.
- If the lease is terminated for any reason or if the franchise agreement between Wetzel's Pretzels and Lessee is terminated for any reason, Wetzel's Pretzels may enter the leasehold premises for purposes of removing all signs and other materials bearing Wetzel's Pretzels' trade name, marks or other commercial symbols.
- If the lease is terminated for any reason or if the franchise agreement between Wetzel's Pretzels and Lessee is terminated for any reason, lessor consents to assignment, without further action on its part, of this lease to Wetzel's Pretzels. Under these circumstances, Lessor will not unreasonably withhold its consent to assignment of the lease by Wetzel's Pretzels to another WETZEL'S PRETZELS® franchisee with financial qualifications comparable to those of Lessee.
- Lessor may, upon Wetzel's Pretzels' written request, disclose to Wetzel's Pretzels all reports, information or data in Lessor's possession regarding sales made in, upon or from the leased premises.
- The leased premises may be used by Lessee only for operation of a WETZEL'S PRETZELS® Bakery.

ATTACHMENT 7

RELEASE OF CLAIMS

This Release of Claims is signed on _____ [date], at Pasadena, California, by _____ [name of releasor], referred to in this Release as "Releasor," in favor of Wetzel's Pretzels, LLC, referred to in this Release as "Releasee."

RECITALS

This Release is made and delivered with reference to the following facts:

A. Releasee and Releasor are parties to a WETZEL'S PRETZELS'® franchise agreement dated _____ [date] (the "Franchise Agreement").

B. Releasor would like to assign the Franchise Agreement and the franchised business operated under it to a Transferee described in the accompanying documents

—OR—

B. Releasor would like to renew the Franchise Agreement.

C. Releasee is willing to consent to Releasor's request on condition that Releasor meets the conditions for consent stated in the Franchise Agreement. One of these conditions is that Releasor must sign a release of claims in favor of Releasee.

D. For the above-described consideration, the value and adequacy of which Releasor acknowledges, Releasor signs and delivers this Release.

RELEASE

1. Releasor, on behalf of Releasor and Releasor's Related Parties, as the term "Related Parties" is defined in the Franchise Agreement, now and forever releases and discharges Wetzel's Pretzels, LLC. and its successors, attorneys, insurers, brokers, principals, officers, directors, shareholders, partners, agents, employees, and contractors, from any and all claims, demands, losses, expenses, damages, liabilities, actions, and causes of action of any nature, *except those that may not be waived in advance under applicable law*, that in any manner arise from or relate to the franchise relationship described above.

2. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the parties do not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. RELEASOR EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of signing the release, which if known by him must have materially affected his settlement with the debtor." Releasor represents and warrants that Releasor has considered the possibility that claims, liabilities, injuries, damages, and causes of action that Releasor does not presently know or suspect to exist

ATTACHMENT 8

in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration received for this Release.

3. Releasor covenants and agrees that Releasor will not make, assert, or maintain any claim, demand, action, or cause of action that is discharged by this Release against any Releasee named or described in this Agreement. Releasor agrees to indemnify, defend, and hold each Releasee named or described in this Release, and their successors in interest, harmless against any claim, demand, damage, liability, action, cause of action, cost, or expense, including attorney fees, resulting from a breach of the covenant contained in this paragraph.

I, the undersigned, have read this Release and understand all of its terms. I sign it voluntarily and with full knowledge of its significance.

Dated: _____

[Signature of releasor]

[Print name of releasor]

In ^return for the sum of five thousand dollars (\$5,000), the receipt of which is ^now acknowledged, Wetzel's Pretzels, LLC, ("Wetzel's Pretzels") grants to _____ [name of option holder] an exclusive option to enter into a franchise agreement with Wetzel's Pretzels for any location that becomes available for lease at _____ [name of mall] and is approved by Wetzel's Pretzels in accordance with its usual site approval criteria.

This option is good for (a) a twelve- 12-month term beginning on _____ or (b) until one (1) week after an optioned site has become available and all applicable franchise disclosure requirements concerning an optioned location have been met, whichever of (a) or (b) is earlier. The option fee is not refundable under any circumstances, but if Option Holder enters into a franchise agreement with Wetzel's Pretzels for an optioned location within the option term, the fee is fully applicable to the initial fee for the franchise.

Wetzel's Pretzels will comply with disclosure requirements pertaining to any site that becomes available at the optioned mall within the option term and provide a franchise agreement for a Wetzel's Pretzels Bakery to Option Holder for signature. The franchise agreement will be in the currently effective form. As a condition of exercising the option, Option Holder must reimburse Wetzel's Pretzels for any out-of-pocket expenses it has incurred in negotiating the lease and securing the site. If Option Holder does not sign the franchise agreement and pay the remainder of the initial franchise fee and any sums required to reimburse Wetzel's Pretzels within one (1) week after expiration of any applicable disclosure period under state or federal franchise law, Wetzel's Pretzels may grant the franchise for that location to another prospective franchisee or may proceed to develop the site itself.

Dated: _____

WETZEL'S PRETZELS, LLC

By: _____
Anthony S. Parete, Executive Vice President

OPTION HOLDER

EXHIBIT C-2