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CARVEL® FRANCHISE AGREEMENT

BETWEEN

CARVEL CORPORATION

AND

«Z1_FIRST_NAME»«Z1_LAST_NAME»«Z2_FIRST_NAME»«Z2_LAST_NAME»«
Z3_FIRST_NAME»«Z3_LAST_NAME»«Z4_FIRST_NAME»«Z4_LAST_NAME»«Z
5_FIRST_NAME»«Z5_LAST_NAME»

License Number: «License_Number»

Store Number:«Store_Number»

Facility Type:

«Brand_Name»

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CARVEL® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made as of _____, 200__ (the "Effective Date"), between Carvel Corporation, a Delaware corporation ("we," "us," or "our"), and «Z1_First_Name»«Z1_Last_Name», a «Z1_State_of_Formation» «Z1_Entity_Type»«Z2_First_Name»«Z2_Last_Name»«Z3_First_Name»«Z3_Last_Name»«Z4_First_Name»«Z4_Last_Name»«Z5_First_Name»«Z5_Last_Name» ("you" or "your").

You and we agree as follows:

1. DEFINITIONS

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

1.1 Accepted Location means «Store_Street_Address», «Store_City», «Store_State» «Store_Zip».

1.2 Manuals means our library of Standard Operating Procedures Manuals. We may add to, delete from, or modify the Manuals from time to time.

1.3 Marks means the trademarks and trade names Carvel® together with the related logo(s), including designs, stylized letters; and colors that we permit you to use at the Accepted Location and in advertising for the Accepted Location, and any other additional or substituted trademarks, trade names, service marks or logos that we later adopt and authorize you in writing to use. You agree to operate the Accepted Location only under the Mark and trade name Carvel® and the designated logo or any other registered trademark as we require from time to time.

1.4 Opening Date means the date on which we approve you to begin selling Products from your Franchised Business.

1.5 Products mean ice cream, frozen desserts, and other products and services. When used alone, Products includes Proprietary Products and Non-Proprietary Products.

1.6 Standards means the guidelines, standards, specifications, rules, requirements, and directives we establish, including without limitation our standards and specifications as to recipes, ingredients, food preparation, food storage, interior and exterior design and décor, sanitation, maintenance, and equipment. We may add to, delete from, or modify the Standards from time to time.

1.7 System means our special techniques for packaging, displaying, merchandising, and marketing of food products; our methods of operating a retail business; our advertising and marketing programs and materials; our operations and administrative systems; our training programs; and the Marks. We may add to, delete from, or modify the System from time to time.

2. GRANT OF FRANCHISE

2.1 Grant of Franchise. Subject to the terms of this Agreement, we grant to you, and you accept, a non-exclusive franchise to operate one «Brand_Name» facility (the "Facility") only at the Accepted Location using the Marks, under the System (collectively, your "Franchised Business").

3. TERM AND RENEWAL

3.1 Initial Term. This Agreement will begin on the Effective Date and will end 20 years after the Opening Date (the "Term"), subject to earlier termination as stated in this Agreement.

3.2 Renewal. We may grant you one additional 20-year term (the "Renewal Term"). To obtain the Renewal Term, you must request, in writing, that we grant you a Renewal Term. We must receive your request no earlier than 12 months but no later than 6 months before the expiration of the Term. We will then provide you with an Application for Relicensing, which you must complete and return to us within 10 days after we deliver it to you.

A. We will evaluate your Application for Relicensing under substantially the same standards as we evaluate an application for a franchise submitted by a then-new franchisee. In addition, you must: (i) at all times during the Term have been in substantial compliance with this Agreement; (ii) agree in writing that, before the Renewal Term begins, you will make the significant capital expenditures necessary to materially remodel, refurbish, and renovate (collectively, "Remodel") the Facility, including without limitation the Facility's internal and external construction, design, furniture, fixtures, equipment, and décor, so that the Facility reflects our then-current Standards; and (iii) sign up for our Carvel Savings Plan to pay for future renovations.

B. If we grant your Application for Relicensing, you must:

(1) Sign and return our then-current form of franchise agreement (the "Relicense Agreement") within 30 days after we deliver it to you and pay the then-current initial franchise fee. You agree that the Relicense Agreement may contain terms that differ materially from this Agreement.

(2) Sign a general release in a form we prepare, releasing us and our directors, officers, shareholders, employees, agents, and attorneys, and our affiliates and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and our successors and assigns and the successors and assigns of any of them (collectively, the "FOCUS Brands Parties"), from all claims you may have against the FOCUS Brands Parties as of the date of the Relicense Agreement. FOCUS Brands Parties is not intended to include suppliers or distributors to you that are not affiliated with us and are not acting as our agent.

C. If you do not timely deliver all of the notices and documents this Section requires, you may not renew your franchise, and the renewal provisions in this Section will expire automatically and without further notice to you. You agree that this Agreement does not grant you any automatic renewal rights, and that the sole basis for any extension of your franchise beyond the Term is in this Section.

4. FEES

4.1 Initial Franchise Fee. When you sign this Agreement, you will pay us an initial franchise fee of \$«Initial Franchise Fee» (the "Initial Franchise Fee"). When we sign this Agreement, the Initial Franchise Fee is fully earned and nonrefundable.

4.2 Royalties; Advertising Contributions.

A. You must pay a recurring, non-refundable royalty fee of 6.0% of Gross Sales (as defined below) (the "Royalty") during the term of this Agreement, payable on or before the 10th day of each of our 12 periods per year that we designate ("Period") on the Gross Sales of the Franchised Business for the preceding Period (or on any other basis stated in the Manuals or in

our written notice to you). Concurrent with these payments, you must submit to us any reports or statements required under Section 17.

B. You must pay a recurring, non-refundable advertising contribution in an amount we determine, in our sole discretion, not to exceed 3% of the Gross Sales of the Franchised Business (the "Advertising Contribution"), payable on or before the 10th day of each Period, for the preceding Period (or on any other basis stated in the Manual or in our written notice to you).

C. For the purposes of this Agreement, the term "Gross Sales" means all revenues generated by your Franchised Business conducted from or with respect to the Franchised Business, whether sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Business, including without limitation off-premises services such as catering and delivery. Gross Sales will not include the sale of food or merchandise for which refunds have been made in good faith to customers, the sale of equipment used in the operation of the Franchised Business, nor will it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers; provided that the amount for the tax is added to the selling price or absorbed therein, and is actually paid by you to a governmental authority.

4.3 Additional Payments. You also must pay us or our affiliates within 10 days after demand: (i) all sales taxes, corporate taxes, trademark license taxes, and any like taxes imposed on, required to be collected by, or paid by us on account of products or services we furnish to you, through sale, lease, or otherwise, or on account of our collection of any fee related to this Agreement; (ii) all franchise or like taxes, whether based on gross receipts, gross revenues, Royalties, Advertising Contributions, or otherwise, imposed on, required to be collected by, or paid by us; and (iii) all other amounts we pay or must pay for you for any reason.

4.4 Means of Payment. Until we notify you otherwise, you must pay all amounts you owe us by check transmitted to our headquarters address or as we otherwise direct. We reserve the right to require you to deliver these payments to another party or location, or through any other means of delivery we specify, including without limitation, by surcharge on your purchases of Mix, by electronic bank draft, wire transfer or other forms of electronic funds transfer. We also reserve the right to change the frequency of the due dates (including weekly payments) of the amounts that you owe to us under this Agreement. We will notify you when we change the location for payments or the required payment delivery method or the frequency of the due dates for payments. You must comply with any new or additional procedures as we may specify in the Manuals or otherwise, in writing, and/or perform any acts and sign and deliver any documents we designate as necessary to assist in accomplishing payment by the method provided for in this Section within 30 days of our notice to you. If there are insufficient funds in your account to cover our draft, we will charge you return costs and an administrative fee. The written authorizations and documents that we may require you to sign as provided under this Section may give us the right to initiate debit entries and/or credit corrections entries. We may make bank drafts based on the reports required under Section 17 and/or the data of the point-of-sale system and other equipment provided for in Section 15.10. If you fail to report the Gross Sales of the Franchised Business to us for any reporting period as required in this Agreement, we have the right to make bank drafts from you in an amount equal to the Royalty and Advertising Contribution we drafted for the last reporting period for which a report of the Gross Sales of the Franchised Business was provided to us in an amount based on the reports required under Section 17 and/or the data of the point-of-sale system and other equipment provided for in Section 15.10.

4.5 Interest. You will pay us interest on amounts not paid on time at the rate of 1.0% per month or portion of a month, but not more than the maximum interest rate permitted by applicable laws. At our option, we may permit you to pay by adding a surcharge on each gallon of Mix you purchase, payable when you purchase the Mix. If we permit you to pay by a surcharge, the surcharge will be calculated so as to liquidate the past due amount and applicable late charges within 120 days.

4.6 Application of Funds; Withholding of Payments. If you are late in paying any obligation you owe us or our affiliates, we or our affiliates may apply any payment you make to any obligation you owe us or our affiliates, whether or not you make any designation to the contrary. You will not withhold or set off payment of any amount you owe us or our affiliates on grounds of alleged non-performance of any obligation we or they owe you.

5. FACILITY LOCATION

5.1 No Marketing Exclusivity. You agree that: (i) nothing in this Agreement grants you any marketing exclusivity as to particular customers; and (ii) we and other Carvel franchisees may solicit customers in, and service customers who are from, any geographic location we or they desire, including close to your Franchised Business.

5.2 Limitations. This Agreement does not grant you any area, market, territorial, franchise, or other rights except as stated in this Agreement. We reserve all rights related to the System that we do not expressly grant you in this Agreement. We may produce and sell Products, or any other products or services, and authorize others to produce and sell Products or any other products or services, to any party, in any location, through a facility of a type described in this Agreement and/or through any channel of distribution, including without limitation to and through supermarkets, convenience stores, club stores, and other retail stores not dedicated to the sale of the Products, or any other channel including mail order and the internet, including mail order and the internet, using the Marks, the System and any other marks and/or systems, we desire, without providing any rights or compensation to you. We may acquire or be acquired by another business, and the other business may open and operate, and franchise others to open and operate, businesses similar to the Franchised Business: (i) at any location, including near your Accepted Location, using the Marks, through facilities that are the same as or similar to facilities of the type described in Section 2.1 of this Agreement, without providing any rights or compensation to you; and (ii) using marks other than the Marks, through facilities that are the same as or similar to facilities of the type described in Section 2.1 of this Agreement, without providing any rights or compensation to you. The essence of this Section 5 is that we and our affiliates may, and may authorize others to, engage in any business activity whatsoever, including near your Accepted Location.

6. SITE SELECTION REQUIREMENTS

6.1 Accepted Location. You must establish and operate the Facility only at the Accepted Location. You will not conduct, and you will not permit the conduct of, any business from the Facility other than the Franchised Business. You must obtain our prior written consent if you wish to co-brand the Franchised Business with another business. You must comply with all Standards for the type of Facility franchised under this Agreement, as stated in the Manuals described in Section 10 of this Agreement or otherwise.

6.2 Our Assistance. We may assist you in selecting a proposed site for your Facility (a "Proposed Site"), but we are not obligated to do so. Our acceptance of any Proposed Site is our agreement that the Proposed Site satisfies our minimum site selection criteria only, and will not be construed as a representation or warranty that the Facility located at the Proposed Site will be successful.

6.3 Location Not Accepted at Time of Signing. If you and we have not agreed on an Accepted Location at the time we sign this Agreement, you will select a proposed location ("Proposed Location") that complies with our site selection criteria. You will provide us with all material we request to evaluate the suitability of the Proposed Location for your facility along with a site plan for the Proposed Location. We will provide you with our acceptance or non-acceptance of the Proposed Location within 15 days after you deliver the last item of material we request, and our determination will be final. You must sign the lease, sublease, or other rental agreement for the location (the "Lease"). You will have 120 days following the Effective Date to identify the Accepted Location, obtain our acceptance of the Accepted Location, and to obtain a fully executed Lease and Rider to Lease for the Accepted Location. For a timeline stating these deadlines, see Schedule A, Schedule of Events. If you do not secure an Accepted Location within the time limits and as stated in this Section, we may terminate this Agreement.

6.4 Accepted Location Lease. If you lease the Accepted Location, we will have the right to approve your Lease, which approval will not be unreasonably withheld. You must deliver to us a copy of the Lease in signing form, with all material terms shown, and any other documents you propose to sign with the Lease, either: (i) immediately after we sign this Agreement (if we have accepted the location before we sign this Agreement); or (ii) before our acceptance of the location (if we accepted the location following the signing of this Agreement). Our acceptance of any Lease will not be construed as a representation or warranty that the Lease is reasonable or on favorable terms.

A. If you lease or sublease the Accepted Location: (i) you may not create any obligations on our behalf, grant any rights against us, or agree to any other term that is inconsistent with any term of this Agreement; (ii) you will duly and timely perform all terms under the Lease; and (iii) except as otherwise provided in this Agreement, you will not assign, encumber, or transfer the Lease, or sublet all or any part of the Accepted Location, without our prior written approval.

B. All Leases or other agreements you enter into to secure the Accepted Location must contain the Rider to Lease attached as Schedule B.

6.5 Governmental Approvals and Licenses. You must promptly seek and obtain all governmental approvals and licenses required to open and operate the Facility.

6.6 Relocation of the Facility.

A. You may relocate the Facility, if you first obtain our written acceptance for the new location. If you relocate the Facility in compliance with this Section, the new location will be the "Accepted Location" as used in this Agreement. You will reimburse us for all costs we incur related to the relocation. All Leases and other agreements you enter into to secure the substitute location must comply with Section 6.4 of this Agreement.

B. If we request that you relocate the Facility and you relocate to a site we accept, you will sign our then-current form of franchise agreement and this Agreement will then terminate. You are not obligated to relocate your Facility if we request you to. The new franchise agreement will expire on the expiration date of your lease for the new location. If that date falls within the Term of this Agreement, you will not pay another initial franchise fee and the Royalty and Advertising Contribution will remain the same as in your present Franchise Agreement, unless the relocated facility is in a different type of location (i.e., change from a mall location to a street-side location, in which case the Advertising Contribution will be that then charged for the type of venue of the relocated facility. If the expiration date of your new lease falls after the expiration date of your present Franchise Agreement, then you must pay an Initial Franchise Fee of \$1,000 multiplied by the number of years between the expiration date of the

present term and the expiration date of the new term; and after the expiration date of your present Franchise Agreement, the Royalty and Advertising Contribution will be changed to that stated in our then-current Franchise Agreement for the type of venue in which the Facility is located.

6.7 Our Right to Master Lease. We reserve the right, directly or through an affiliate, to master lease any Accepted Location and then sublet the Accepted Location to you. We will not do so unless we and you agree as to the fees, rents, and deposits we will charge. Our exercise of our right to master lease the Location, sublease it to you, and derive profit from doing so will not be construed as our express or implied warranty with regard to the viability of the Accepted Location.

7. LEASEHOLD IMPROVEMENTS

7.1 Leasehold Improvements. You must hire a general contractor that we approve in writing to complete the build-out of your Carvel Facility. Our approval of your general contractor will not in any way be our endorsement of your general contractor or render us liable for your general contractor's performance. You will, at your expense, make all leasehold improvements to the Accepted Location, and will install all furniture, fixtures, equipment, and décor, that we require. With the exception of certain equipment that you must purchase from suppliers we designate or approve, you may purchase the required items from any source, if the items comply with our Standards. You must purchase certain items of machinery and equipment from consolidators that we have approved in writing or as we otherwise direct. The consolidator will coordinate the ordering and delivery of your machinery and equipment.

7.2 Architectural Plans. We will provide you with a sample layout for the interior of a typical facility and specifications for furniture, fixtures, equipment, and décor. You must, at your expense, employ architects (that we approve in writing), designers, and others as necessary to prepare your plans, modify or complete the layouts, renderings, plans, and specifications, which must include interior and exterior elevations of the Accepted Location (the "Architectural Plans"). Our approval of your architect will not in any way be our endorsement of your architect or render us liable for your architect's performance.

A. You will submit to us, within 120 days after the Effective Date, a complete set of final Architectural Plans. We will promptly review the Architectural Plans and will either approve the Architectural Plans or provide comments to you on changes we require. You will not begin construction of the Facility until we have approved the final Architectural Plans in writing.

B. You will, before we approve the Architectural Plans, have your architect or you certify to us that the Architectural Plans comply with the Americans with Disabilities Act (the "ADA"), the architectural guidelines under the ADA, and all other federal, state, and local statutes, rules, regulations, ordinances, and codes that apply to the Facility.

7.3 Construction, Inspection, and Opening. You must begin the construction and equipping of the Facility ("Construction Start") within 240 days after the Effective Date. You must use a licensed general contractor that we have approved in writing to perform construction work at the Facility, and you must furnish us with all documents we request related to construction. Our approval of your general contractor will not in any way be our endorsement of your general contractor or render us liable for your general contractor's performance. You must obtain our written approval of any changes to the Architectural Plans before you implement the changes. We will have access to the Facility while work is in progress and on its completion. On completion of construction and before the Opening Date, any architect and general contractor you employ or you will provide us with a certificate stating that the as-built plans for the Facility comply with the ADA, the architectural guidelines under the ADA, and all other federal, state,

and local statutes, rules, regulations, ordinances, and codes that apply to the Facility. We may require you to make any modifications we deem necessary to bring the Facility into compliance with the Architectural Plans, and you will promptly make these modifications. We will not allow the Facility to open if it does not conform to the final Architectural Plans and changes we approved.

7.4 Signage. All exterior and interior signage you use for the Facility must conform to our Standards, including our Standards as to type, color, size, design, and location. You must obtain our written approval before you install or display any signage: You must use a signage vendor that we approve in writing.

8. PROPRIETARY PRODUCTS AND NON-PROPRIETARY PRODUCTS

8.1 Proprietary Products and Non-Proprietary Products. The "Proprietary Products" are all Products and other products, services, and equipment that now comprise, or that in the future may comprise, a part of our System that we developed, are proprietary to us, or we keep secret, including the Mix. The "Non-Proprietary Products" includes all non-Proprietary toppings, flavorings, other ingredients, components, cones, and other edible items sold as part of the end products we offer for consumption to the retail purchaser. A list of the Proprietary Products and Non-Proprietary Products is included in the Manuals.

A. You will purchase from us or our designated supplier, your entire requirement of the Proprietary Products and Non-Proprietary Products. If we sell the Proprietary Products or Non-Proprietary Products to you, we will do so at the same price as we charge similarly-situated franchisees, exclusive of freight. If we arrange for manufacturers to sell the Proprietary Products or Non-Proprietary Products directly to our designated suppliers who then sell them to you, then we will have the right to receive compensation or other consideration from the manufacturers for these sales.

B. If you are in default under this Agreement, then all obligations we and our designated suppliers may have to sell you Proprietary Products, Non-Proprietary Products, or other products, services, or equipment will abate; and you will not, as a result, have a defense at law or equity based on impossibility of your performance or any claim against us or our designated suppliers.

C. If we or our designated suppliers are unable to supply you with the quantity and type of Proprietary Products or Non-Proprietary Products you request, we will exert reasonable commercial efforts to allocate, or to cause our designated suppliers to allocate, the Proprietary Products and Non-Proprietary Products available on an equitable basis among the businesses that seek to purchase Proprietary Products or Non-Proprietary Products.

8.2 Requirements Concerning Proprietary Products and Non-Proprietary Products.

A. You will purchase the Proprietary Products and Non-Proprietary Products, and certain other products, services, and equipment for the operation of the Franchised Business we specify, only from us; from suppliers we designate in writing; from suppliers you select and we approve; or in accordance with our Standards.

B. We will exercise our approval of suppliers reasonably, in accordance with the following procedures: (i) you must submit a written request to us for approval of the supplier; (ii) the supplier must demonstrate that it is able to supply the item to you in accordance with our Standards including our standards as to the artwork and text on the items; (iii) if the supplier is to receive access to any of our confidential information, trade secrets or logos, the supplier must sign a confidentiality agreement or our standard form license agreement we prepare; (iv) the supplier pays our then-current supplier evaluation fee; and (v) the supplier must demonstrate

that it is in good standing in the business community with respect to its financial soundness and the reliability of its products or services. We reserve the right to test, analyze, inspect, or sample the product, service, or equipment of any supplier you propose using at your expense, whether we approve or reject the supplier. We will give you notice of our approval or disapproval within a reasonable time. If we revoke approval of any supplier, we will give you written notice.

8.3 Non-Proprietary Products.

A. We may designate certain products, services, or equipment that you may obtain from suppliers other than us, our affiliates, or our designated suppliers (the "Non-Proprietary Products"). We may establish Standards governing the minimum specifications of these Non-Proprietary Products.

B. You may purchase certain paper and plastic products bearing the Marks, such as dishes, cartons, bags, napkins, and packaging supplies, from us or a supplier we authorize, or from another supplier, if we have approved the supplier as stated in Section 8.2 of this Agreement.

8.4 Products You Sell. You will produce and sell all Products we specify, including without limitation all menu items and other products and services that we require you to sell, as stated in the Manuals or otherwise, and that are part of the System. You will not produce or sell any Products or other products or services: (i) that we do not authorize you to produce or sell; or (ii) that we direct you not to produce or sell. You must prepare all Products you produce and sell in compliance with our Standards, using only those Non-Proprietary Products that meet our Standards. This means that you may use only those Product components, ingredients, flavoring, and garnishes that meet our then-current Standards.

8.5 Limitations. You will only engage in the sale of Products under the System from the Facility to the ultimate consumer. You will not offer for sale, sell, or deliver any Proprietary Product, Non-Proprietary Product, or supply, or any constituent part of any Proprietary Product, Non-Proprietary Product, or supply, including without limitation the Mix, to a third party for resale, retail sale, or further distribution, without our prior written consent. You may not sell Products thru the Internet or using any channel of distribution other than your Facility.

8.6 Items You Develop. You license to us, permanently and irrevocably, for incorporation into the System and for any other use we desire, full rights to all of the following if developed by you or for you during the Term, without payment of any compensation to you: (i) ice cream, frozen dessert, and other food and non-food products; (ii) equipment related to clause (i); and (iii) sales, marketing, and promotional programs and campaigns related to clause (i).

8.7 Disclaimer of Warranties. **WE EXPRESSLY EXCLUDE AND DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ALL PROPRIETARY PRODUCTS, NON-PROPRIETARY PRODUCTS, AND OTHER PRODUCTS, SUPPLIES, SERVICES, AND EQUIPMENT WE OFFER, SELL, OR REQUIRE FOR YOUR FRANCHISED BUSINESS. YOUR EXCLUSIVE REMEDY AND OUR EXCLUSIVE LIABILITY FOR ALL CLAIMS AS TO ANY PROPRIETARY PRODUCTS, NON-PROPRIETARY PRODUCTS, AND OTHER PRODUCTS, SUPPLIES, SERVICES, AND EQUIPMENT IS LIMITED TO THE PURCHASE PRICE THEREFOR, PLUS SHIPPING COSTS, IF ANY, YOU PAID; OR, AT OUR OPTION, THE REPLACEMENT THEREOF. WE WILL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, MULTIPLIED, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER OR NOT CAUSED BY OR RESULTING FROM OUR NEGLIGENCE, FOR ANY MATTER STATED IN THIS SECTION.**

9. COMPLIANCE WITH STANDARDS

9.1 Compliance with Standards. You must comply with our Standards. All references herein to the Agreement and the System include the Standards.

9.2 Changes to the Standards. We will communicate changes in the Standards in writing or electronically to you, as we deem appropriate. Changes in the Standards may obligate you to invest additional capital in the Franchised Business and incur higher operating costs; provided, however, they will not: (i) materially and unreasonably increase your investment under this Agreement; or (ii) materially alter your fundamental rights under this Agreement.

9.3 Variances. You agree that complete uniformity under many varying geographic and other conditions, and over extended spans of time, is not practical and may be detrimental to the System, and that as a result: (i) we may vary the Standards for any franchisee as we deem necessary; (ii) we may grant franchises using the System under terms that may differ materially from the terms of this Agreement; and (iii) our obligations and rights with respect to our various franchisees may differ materially from our obligations and rights with respect to you, without in any way affecting our rights with respect to you. You will have no right to require that we disclose any variation to you or that we grant you the same or a similar variation.

10. STANDARD OPERATING PROCEDURES MANUALS

10.1 Manuals. We own the Manuals for the System. We will loan you one copy of the Manuals during our Initial Training Program, which Manuals you may keep on loan during the Term. We may provide the Manuals, and any Supplements to the Manuals (defined below), to you in hard copy or electronically via diskette, CD ROM, electronic mail, the internet or other electronic format.

10.2 Supplements to the Manuals. We may make additions to, deletions from, and modifications to the Manuals from time to time (the "Supplements to the Manuals"). All Supplements to the Manuals are binding on you. All references in this Agreement or otherwise to the Manuals will include Supplements to the Manuals.

10.3 Operation. You will operate the Facility in compliance with the Manuals, including without limitation all operational systems, procedures, policies, methods, and requirements in the Manuals from time to time applicable to the type of Facility franchised under this Agreement. You will immediately adopt and use any Supplements to the Manuals. The Manuals and Supplements to the Manuals will not materially alter your fundamental rights and obligations under this Agreement.

10.4 Master Copy. You will ensure at all times that your copy of the Manuals is current and up-to-date. If there is any dispute as to your compliance with the Manuals, the master copy of the Manuals we maintain will control.

10.5 Ownership. You agree that we own all proprietary rights in and to the System and the Manuals. The Manuals will at all times remain our property and you and all your directors, officers, shareholders, partners, members, employees, agents, independent contractors, and others who gain access to the Manuals and the information contained in the Manuals will treat the Manuals and the information in the Manuals as our confidential information.

11. PROPRIETARY MARKS

11.1 Non-Ownership. You will not contest our rights to the current or future System and Marks, nor our right to grant to others use of the Marks or of any other marks that we own. You understand that the Marks are and will remain our property, and that your use of the Marks

inures to our benefit. You will immediately assign to us on our request any rights to the Marks that you may gain through your use of the Marks.

11.2 Use of Marks. You will use the Marks as the sole identification of the Franchised Business. You will not use the Marks in connection with any business other than the Franchised Business. You will not use any Mark as part of your business name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor will you use any Mark in connection with any product or service, or in any place, or in any manner, that we have not authorized in writing. You will give notices of trademark and service mark registrations related to the Marks as we specify. You will conspicuously identify yourself and the Facility, in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee, in the fashion that we specify. We may enter the Facility, at any reasonable time and without causing any undue business disruption, to correct or terminate any unauthorized use of the Marks.

11.3 Defense of Marks. You must promptly notify us of any suit filed or demand made against you challenging the validity of any of the Marks ("Mark Claim"). Using our attorneys, we agree to protect and defend you against a Mark Claim, and to defend and indemnify you against your loss, cost or expense related to the Mark Claim, except where the Mark Claim arose because you used the Marks in violation of this Agreement. You may not settle or compromise a Mark Claim without our prior written consent, and you agree to cooperate with us in defending against a Mark Claim.

11.4 Internet Use. You will not establish a web site on the Internet using any domain name containing the Marks or anything similar to these words without our prior written consent. We retain the right to pre-approve your use of linking and framing between your web pages and all other web sites.

12. ADVERTISING AND PROMOTION

12.1 Advertising Standards. You will use only advertising and promotional materials that we have furnished or approved in writing in advance. You will conform all advertising to our Standards.

12.2 Submission of Proposed Materials. Except for advertising or promotional materials we furnish to you, you must submit to us for our approval, before use, copies of all proposed advertising and promotional materials, including without limitation business cards, signs, displays, press releases, leaflets, and mailouts.

12.3 Grand Opening Advertising. You must spend at least \$5,000 in grand opening advertising promoting the opening of your Facility (the "Grand Opening Obligation") within 30 days before or 60 days after the date you open the Facility. In addition, you also must spend an additional \$15,000 in local store marketing for your Facility during the first 12 months after the Opening Date. All materials you use for this Grand Opening Obligation, and the media in which you use them, are subject to our approval.

12.4 Computer Network Advertising. You will use only materials that we have approved. If we grant you approval for an Internet Site: (i) you will not use any Mark on the Internet Site except as we expressly permit; and (ii) you will list on the Internet Site any internet site we maintain and any other information we require. If you wish to modify your approved Internet Site, you must submit all proposed modifications to us for our prior written approval.

12.5 Telephones; Yellow and White Page Advertising. You will, at your expense, install the number and type of telephone lines and answering or voicemail systems we require. You may, at your expense, list your Facility in alphabetic directories ("White Pages") and advertise your

Facility in classified directories ("Yellow Pages"). You must obtain our approval of all Yellow Page advertising before you place it.

12.6 Our Advertising. You will pay the Advertising Contributions to us to contribute to our cost of advertising and promoting the System.

A. You agree that: (i) we undertake no obligation to make expenditures on your behalf that are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or *pro rata* from the placement of advertising, or to ensure that any advertising impacts or penetrates your area; (ii) we need not maintain the Advertising Contributions you pay or the income earned from the Advertising Contributions in a separate account from our other funds; (iii) we are not a fiduciary with respect to your Advertising Contributions; and (iv) the aggregate of your Advertising Contributions is not a trust or an "advertising fund."

B. We reserve the right to use any media, create any programs, and allocate advertising and promotional expenditures to any regions or locales we deem appropriate. We have sole authority to direct all advertising programs and promotions with sole control over the creative concepts, materials, and media used in the programs, and the placement and allocation of advertising. We may use your Advertising Contributions to meet the costs of administering, preparing, and conducting advertising programs, including without limitation the cost of preparing and conducting television, radio, magazine, and newspaper advertising campaigns and other public relations activities, and employing public relations firms and advertising agencies to assist in these activities. We may use your Advertising Contributions to compensate us for the reasonable administrative costs and overhead we incur in activities related to advertising and promotional programs, including without limitation new product development, market research, preparing advertising and promotional materials, working with public relations firms and advertising agencies, and compensating third parties for preparing and maintaining our internet sites.

13. TRAINING

13.1 New Franchisee Orientation Program. You, a partner if you are a partnership, a principal shareholder if you are a corporation, or the managing member if you are a limited liability company, must complete, to our satisfaction, the New Franchisee Orientation Program ("NFOP") within 90 days of the Effective Date and before you open your first Facility.

13.2 Initial Training Program. If you are an individual and will act as the full-time manager of your Facility (the "Facility Manager") or if this will be your first Facility, you and any other persons we designate must attend and successfully complete the initial training program for a «**Brand_Name**» Facility (the "Initial Training Program"). We will provide the Initial Training Program at no additional charge, but you must pay each attendee's travel expenses (including airfare, car expense, lodging, meals, etc). If you are an individual but will not act as Facility Manager and you have previously successfully completed our Initial Training Program, or if you are a corporation, partnership, limited liability company, or other entity, your Facility Manager and any other persons we designate must attend and successfully complete the Initial Training Program. All training attendees must be over the age of 18 years. We will provide you with a list of our scheduled dates for the Initial Training Program that occur within 90 days before your scheduled Opening Date and you must choose which Program you will attend. You must attend and successfully complete the Initial Training Program before the Opening Date. If, within the last 2 years, you, your Facility Manager or any attendees we designate (collectively, the "Participants") have previously attended and completed our Initial Training Program for another «**Brand_Name**» facility and have not defaulted under any other franchise agreement with us, then we will not require the person so trained to attend the Initial Training Program.

A. If we reasonably conclude that any Participant has failed to successfully complete the Initial Training Program, that person must re-enroll in our next scheduled applicable Initial Training Program at no additional charge. We will have the right to terminate this Agreement if, following the Initial Training Program and re-enrollment training, if any, no Participant from the Facility has successfully completed the Initial Training Program.

B. Any Facility Managers you hire or appoint after the opening of the Facility, and any other persons we designate, must attend and successfully complete our next scheduled Initial Training Program. We will provide this Initial Training Program at no additional charge, but you must pay each attendee's travel expenses (including airfare, car expense, lodging, meals, etc).

13.3 On-Site Training. You may request that we provide you with on-site training or consultation (the "On-Site Training"). We may agree to provide On-Site Training, but will not be obligated to do so. We may charge you a reasonable fee for On-Site Training.

13.4 Conventions. We may from time to time conduct conferences, conventions, or training sessions on any matters related to the System. You will cause your Facility Manager and other personnel we designate to attend each meeting or session. We may charge you a reasonable fee to attend.

13.5 Expenses; Compensation; Content. You will pay all expenses your personnel incur for training, including without limitation their travel, food, lodging, compensation, and benefit expenses. We will not pay any compensation for any services your personnel perform in any training program.

14. OUR OBLIGATIONS

The following obligations are in addition to our other obligations stated in this Agreement:

14.1 Loan of Manuals. Loan to you one copy of the current Manuals.

14.2 Inspections. Periodically visit the Facility, evaluate your compliance with this Agreement and the Standards, and advise you on changes necessary to bring the Facility into System compliance

14.3 Additional Services. After you open your Facility, we may furnish you with field support services as we deem appropriate. We may also offer you on-site services that are greater in scope than our standard field support services, and may charge you a reasonable fee for these services. On-site services are subject to availability.

14.4 Prices. We may from time to time offer you advice on the price of Products you sell. You will not be obligated to accept this advice; you will have the sole right to determine the prices you charge.

14.5 Test Marketing. We may from time to time conduct test marketing to determine consumer trends and the salability of new food or non-food products and services.

15. YOUR OBLIGATIONS

The following obligations are in addition to your other obligations in this Agreement:

15.1 Compliance with System. You agree that: (i) every component of the System is vital to us, to your Facility and Franchised Business, and to the facilities and franchised businesses our other franchisees operate; and (ii) your compliance with the System is of the essence to this Agreement. You therefore agree that you will conduct all activities and operations of your Facility and Franchised Business in strict compliance with the System, including without limitation the Standards and the Manuals, as though specifically stated in this Agreement.

15.2 Fictitious Name. You will file for and maintain a Certificate of Fictitious Name that includes the Mark "Carvel[®]" if required by the jurisdiction where the Facility is located, and will operate your Franchised Business using this name as the principal name of the Franchised Business.

15.3 Opening Date. Your Opening Date must occur within 360 days after the Effective Date. You must notify us of your proposed beginning date at least 30 days in advance. We have the right to inspect your Facility and take other measures we deem appropriate to determine whether you are ready to begin operations. You will not begin operations until we authorize you to do so in writing.

15.4 Compliance with Laws. You will operate the Facility and the Franchised Business in strict compliance with all applicable federal, state, and local statutes, regulations, ordinances, codes, and case law (collectively, the "Laws"), including without limitation all Laws related to health and safety. You will promptly furnish to us copies of all fire, health, or other inspection reports, warnings, certificates, and ratings issued by any government agency that assert any failure to comply strictly with any Law.

15.5 Inspections and Audits. We or any of our authorized agents may at any time during normal business hours enter the Facility or any other place where the Franchised Business is operated and: (i) conduct an operational audit to determine your compliance with this Agreement; (ii) examine, analyze, and inspect the Facility, the Proprietary Products and Non-Proprietary Products at the Facility, and the Proprietary Products and Non-Proprietary Products produced and sold at or from the Facility; (iii) take reasonable samples of any Proprietary Products and Non-Proprietary Products and the Proprietary Products and Non-Proprietary Products produced and sold at or from the Facility, without charge or liability therefor; (iv) inspect your employees; (v) confer with your employees and customers; and (vi) audit, review and examine by any means, including electronically through the use of telecommunications devices or otherwise, at our expense, your books, records, accounts, and tax returns related to the Franchised Business. You will provide us with full cooperation in the course of any inspection or audit we conduct under this Section. If any inspection, audit, review or examination reveals that Gross Sales have been understated in any report to us, you must immediately pay to us the Royalty and Advertising Contribution due with respect to the amount understated on demand, in addition to interest provided for under this Agreement. If any understatement exceeds 2.0% of Gross Sales as stated in the report, you must, in addition, on demand, reimburse us for all expenses connected with the audit, review or examination (including, without limitation, reasonable accounting and attorneys' fees). These remedies are in addition to any other rights and remedies we have.

15.6 Adulterated Product. If: (i) any Product you produce or sell evidences dilution or adulteration from the Standards; (ii) any Product you produce or sell is contaminated or is otherwise in violation of applicable Law; or (iii) you fail to maintain the Facility in compliance with applicable Law, you must immediately cease operations, search out and destroy any

adulterated, diluted, or contaminated Products, eliminate their source, and remedy all unsanitary conditions present. You will not resume operation of the Facility until our laboratory analysis of your Products or inspection of your Facility, as applicable, demonstrates compliance with all applicable Laws and our Standards. Your obligations under this Section do not alter our right to terminate this Agreement under Section 20.2.B., if we instead choose to terminate this Agreement.

If: (i) we determine that a violation of this Agreement has occurred and that you have committed a similar violation within the one-year period before the date of the inspection and audit; (ii) you fail or refuse to comply with any or all of the remedial measures in this Section; (iii) you fail to provide us with full cooperation in the course of any inspection or audit we conduct; or (iv) we determine that there has been any repetition during the Term of any occurrence under this Section, then you will pay us a fee for the inspection or audit in the amount of \$5,000; plus the travel expenses of the inspector, the cost of any analyses we make, and any other expenses we incur in connection with this Section. The remedies stated in this Section are in addition to and not in substitution of any other remedies stated elsewhere in this Agreement, including our right to terminate this Agreement under Section 20.2.B., if we instead choose to terminate this Agreement.

15.7 Continuing Maintenance. You will continuously maintain and repair the interior and exterior of the Facility, and all furniture, fixtures, equipment, décor, and signage in or at the Facility. You will not make any material alteration to the interior or exterior of the Facility without our prior written consent.

15.8 Facility Remodeling. You will, at least twice during the Term, remodel the Facility, including without limitation the Facility's internal and external construction, design, furniture, fixtures, equipment, and décor, so that the Facility reflects our then-current Standards as to image and quality. You will perform all remodeling in compliance with the Standards, using a general contractor we reasonably approve in writing. Our approval of your general contractor will not in any way be our endorsement of your general contractor or render us liable for your general contractor's performance. All replacement designs, furniture, fixtures, equipment, and décor must be approved by us in writing; must conform to our then-current Standards; and, where we so require, must be purchased from suppliers we designate or approve in writing. You must begin one remodeling after the 5th anniversary of the Opening Date, but before the 7th anniversary of the Opening Date. You must begin another remodeling 5 years after the earlier of the actual or required completion date for the first remodeling. You must complete all remodeling within a reasonable time after its beginning, but in no event longer than 6 months after beginning. The requirements of this Section are in addition to the requirements for ongoing maintenance.

15.9 Your Participation; Facility Manager. You will devote your best efforts to the proper and effective operation of the Facility. In addition, your Facility will have at least one Facility Manager. If you are an individual, you may serve as Facility Manager or you may designate a Facility Manager. If you are a corporation, partnership, limited liability company, or other entity, you will designate a Facility Manager. You will inform us in writing of the identity of the Facility Manager and any successor Facility Manager. If you operate more than one facility, you will employ at least one Facility Manager for each facility. You will notify us immediately on the death, disability, or termination of employment of any of your Facility Managers and will designate a successor or acting Facility Manager within 30 days after the death, disability, or termination of the predecessor Facility Manager. Each Facility Manager must be approved by us, possess the credentials we require, successfully complete the Initial Training Program, and complete Additional Training and On-Site Training as we may specify.

15.10 Computerized Point of Sale System. You will promptly install at the Facility the computerized point of sale system, software, associated computer hardware, telephone lines, and other equipment that we require from time to time, all of which you will keep in good repair. We can also require you to purchase a computer system including hardware, software, communications equipment, telephone lines and other equipment. We have the right to retrieve all data from your computerized point of sale and/or computer system that we deem appropriate; provided, however, we will bear the telephone cost of this retrieval.

15.11 Test Marketing. You will participate in any test marketing we perform by providing us with timely reports and other relevant information as we may request. In connection with test marketing, you will purchase for the Facility the reasonable quantity of test products we specify and will use your best efforts to promote and sell test products.

15.12 Hours of Operation. You will continuously operate the Facility on the days and during the minimum hours we specify. You may establish days and hours of operation in excess of the required minimum days and hours.

16. INDEMNIFICATION; INSURANCE

16.1 Indemnification. You will defend, indemnify, and hold harmless the FOCUS Brands Parties (see Section 3.2.B(2) for definition) from and against all loss, expense, liability, or damage, including attorneys' fees, related to the Franchised Business, the Facility, or this Agreement, within 5 days after demand for defense or indemnification. Notwithstanding the foregoing, you will not be required to indemnify a FOCUS Brands Party for any liability arising out of the intentionally wrongful conduct of the FOCUS Brands Party, except to the extent that you are jointly responsible for the conduct, in which event the indemnification provided by this Section will not extend to the percentage of the FOCUS Brands Party's responsibility, as a court of competent jurisdiction determines. You will notify us immediately when you learn of any demand, suit, or proceeding related to the Franchised Business, the Facility, or this Agreement (a "Claim"). We may, at your expense and risk: (i) assume the defense of any Claim; or (ii) settle or take any other action we deem appropriate with respect to the Claim if, in our sole judgment, there are reasonable grounds to believe that any of the acts or omissions on which the Claim is based in fact occurred. We will seek your advice and will keep you informed with regard to any proposed or contemplated settlement. Any failure to pursue recovery from third parties or to mitigate any losses will in no way reduce the amounts the FOCUS Brands Parties may recover from you.

16.2 Required Insurance. You will obtain and maintain during the Term, at your expense, insurance calculated initially as follows:

A. Broad form comprehensive general liability coverage of at least \$1,000,000 per person or event, with a deductible of less than \$5,000.

B. Fire and Extended Coverage Insurance on your Facility and property in an amount adequate to replace them in case of a loss.

C. If any vehicle is operated for the Franchised Business, automobile liability coverage on all owned, non-owned, and hired vehicles, with minimum limits of liability in the greater of: (i) the amount required by Law; or (ii) \$1,000,000 for each person killed or injured; and a total minimum liability of \$2,000,000 for any number of persons killed or injured in one accident, and a minimum limit of \$300,000 for injury, destruction, or loss of use of property of third persons as the result of any one accident.

D. Business interruption insurance in an amount sufficient to cover your average profit margins and your fixed expenses for six months.

E. Workers' compensation insurance, employer's liability insurance, unemployment compensation insurance, and state disability insurance, as required by Law.

16.3 Carrier; Proof of Insurance. All insurance policies required under of this Agreement will: (i) be issued by an insurance carrier rated "A" or better by Alfred M. Best and Company, Inc., or its successor; (ii) insure you and name us, our affiliates and subsidiaries and the officers, directors, agents and employees of us, our affiliates and our subsidiaries as additional insureds; and (iii) stipulate that the insurer will deliver 30 days' written notice to us before any cancellation or modification. Your obligation to maintain this insurance will not be limited in any way by reason of any insurance that we may maintain, nor will it relieve you of your indemnity obligations stated in Section 16.1. You will deliver proof of your compliance with this Section to us so that we receive proof: (a) before you begin operations at the Facility; (b) on each renewal or replacement of each policy; and (c) within 10 days after we make any demand therefor. We may from time to time increase, decrease, add to, delete from, or modify the mandatory insurance coverages we require.

17. RIGHT TO ACCESS; RECORDS; REPORTING

17.1 Right to Access. We have the right, at any time during regular business hours, without notice, to enter the Facility or any other place where the Franchised Business is conducted to inspect, audit, and make copies of all your books, records, and files related to the Franchised Business. You will immediately on our request: (i) make all these materials available to us; and (ii) provide us with full cooperation for the inspection, audit, or copying.

17.2 Systems and Reports. You will: (i) comply with all our Standards on accounting systems, procedures, and formats, if any; (ii) timely submit to us complete and accurate financial, operational, and other reports we require (including weekly reports detailing the Gross Sales during the preceding week); and (iii) use all forms we specify. We may require you to submit any report by mail, telephone, electronic means, or any other means we may designate.

17.3 Financial Statements. On our request, you must furnish to us a statement of the profit and loss of the Franchised Business for the last fiscal year and a balance sheet as of the end of the last fiscal year, prepared in accordance with generally accepted accounting principles, including all disclosures required under those principles, on a compilation basis and certified by you to be true and correct. We may incorporate information derived from your financial statements in our franchise offering circular and promotional materials, but not so as to individually identify you or your Facility.

17.4 Tax Returns. No later than 30 days following our request, you will furnish to us exact copies of all tax returns, including federal, state, and any local income tax returns, you were required to file.

17.5 Financial Records. You will accurately and completely record all revenues the Franchised Business receives or is entitled to receive. You will keep and maintain accurate and complete records of revenues, and will maintain and preserve accurate and complete books, records, and tax returns, including related supporting material, such as cash receipts and credit and charge records, for the Franchised Business for at least 3 years. You will keep and preserve for 3 years the types and classes of records that we require, and all business, personnel, financial, and operating records related to the Franchised Business.

17.6 Research. You will inform us from time to time on our request of: (i) all prices you charge for Products you sell; and (ii) the prices your competitors charge in the area.

18. CONFIDENTIAL INFORMATION; RESTRICTIVE COVENANTS

18.1 Definitions. As used in this Agreement:

A. "Confidential Information" means any information related to the System that we disclose to you that we designate as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information," all the following will be conclusively presumed to be Confidential Information whether or not we designate them as such: (i) the Standards and Manuals; (ii) pricing information; (iii) materials describing our franchise network; (iv) our methods of preparing and serving Products, including recipes; (v) our training materials; (vi) our marketing plans; (vii) other information we give to you in confidence, except where such information is a Trade Secret; and (viii) this Agreement.

B. "Trade Secret" means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of "Trade Secrets," all the following will be conclusively presumed to be Trade Secrets whether or not we designate them as such: (i) the composition of our Proprietary Products, Mix, and Non-Proprietary Products; (ii) our advertising, marketing, and public relations strategies; and (iii) our marketing analyses.

C. The terms "Confidential Information" and "Trade Secret" do not include: (i) information generally known to the public at the time we disclose it to you; (ii) information that becomes known to the public after we disclose it to you, unless it becomes known due to your breach of this Agreement or someone else's breach of a duty to maintain confidentiality; or (iii) information you can prove was already known to you at the time we disclosed it to you.

18.2 Protection of Confidential Information and Trade Secrets. You agree that the Confidential Information and Trade Secrets are not, by definition, generally known in the trade, that they are beyond your present skill and experience, and that for you to develop the Confidential Information and Trade Secrets on your own would be expensive, time-consuming, and difficult. You agree that the Confidential Information and Trade Secrets provide you with a competitive advantage, that they will be economically valuable to you in the development of your Franchised Business, and that gaining access to Confidential Information and Trade Secrets is therefore a primary reason why you are entering into this Agreement. Accordingly, in consideration of our disclosure of the Confidential Information and Trade Secrets, you agree that:

A. You will not, during the Term: (i) appropriate or use any Confidential Information or any Trade Secret for any purpose other than in accordance with this Agreement; (ii) disclose or reveal any portion of the Confidential Information or any Trade Secret to any person, other than to your directors, officers, Principal Owners, management employees, or others who have a legitimate business need to know of it to operate your Franchised Business; or (iii) divulge or use any Confidential Information or any Trade Secret for the benefit of any other person or entity except as we expressly authorize.

B. You will not, for 2 years after the termination or expiration of this Agreement for any reason: (i) use any Confidential Information for any purpose; or (ii) divulge or use any Confidential Information for the benefit of any other person or entity.

C. You will not at any time after the termination or expiration of this Agreement: (i) use any Trade Secret for any purpose; or (ii) divulge or use any Trade Secret for the benefit of any other person or entity.

D. You will not copy, duplicate, record, or otherwise reproduce any of the Confidential Information or Trade Secrets, in whole or in part; store Confidential Information or Trade Secrets in a computer retrieval or data base; or otherwise make Confidential Information or Trade Secrets available to any third party, except as we authorize in this Agreement.

E. You will make all reasonable efforts and take all appropriate precautions to prevent unauthorized copying or disclosure of any Confidential Information or Trade Secrets; which precautions will include, but not be limited to, restricting access to Confidential Information and Trade Secrets on a "need to know" basis.

18.3 Unfair Competition. Your breach of this Section will constitute unfair competition. You agree that Sections 18.1 and 18.2 are a reasonable effort under the circumstances to maintain the confidentiality of our Confidential Information and the secrecy of our Trade Secrets.

18.4 Restrictive Covenant. For the purposes of this Agreement, "Covenanting Personnel" means your Principal Owners and your directors and officers, as added to, deleted from, or replaced from time to time. You agree that you will require all Covenanting Personnel to sign the Personal Covenants in Schedule C. You agree that you will comply with the following restrictions, which you agree are reasonable and necessary to protect our legitimate interests, the interests of our other franchisees, and integrity of the System:

A. During the Term, neither you nor any of your Covenanting Personnel, nor any person or entity controlling, controlled by, or under common control with you or them, will individually or jointly with others, directly or indirectly, by, through, on behalf of, or in conjunction with, any person or entity: (i) own, maintain, operate, engage in, or have any interest in, any business that is engaged in the production or sale of products or services that are the same as or similar to any of the Products or that is similar in any material respect to any Carvel facility that offers or sells any other product or service that now comprises, or that may in the future comprise, a part of the System, or any product or service confusingly similar thereto (a "Competing Activity"), other than the Franchised Business or another business you or they operate under an agreement with us, without our prior written consent; (ii) act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, landlord or proprietor, or participate or assist in the control of, any business engaged in a Competing Activity; or (iii) divert or attempt to divert any business from the Franchised Business.

B. Beginning at the expiration or termination of this Agreement and for 2 years thereafter or 2 years after a court of competent jurisdiction enters an order enforcing this Section of this Agreement, whichever occurs last, within 3 miles of any Carvel facility (including the Accepted Location), neither you nor any of your Covenanting Personnel, nor any person or entity controlling, controlled by, or under common control with you or them, will individually or jointly with others, directly or indirectly, by, through, on behalf of, or in conjunction with, any person or entity: (i) own, maintain, operate, engage in, or have any interest in, any business engaged in a Competing Activity, without our prior written consent, except under another agreement with us; (ii) act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, landlord or proprietor, or participate in the control of, any business engaged in a Competing Activity; or (iii) divert or attempt to divert any purchaser or prospective purchaser of any Product.

18.5 Remedies. This Section is a primary inducement to us to enter into this Agreement, and on any breach of this Section you agree that we would be irreparably injured and without adequate remedy at law. Therefore, on a breach or a threatened or attempted breach of this Section, you agree that we are entitled, in addition to any other remedies we may have under this Agreement or at law or in equity (including the right to terminate this Agreement), to a

preliminary and permanent injunction and a decree for specific performance of the terms of this Section without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security. You agree that it is conclusively presumed that any violation of Section 18.4 was accompanied by the misappropriation and inevitable disclosure of our Confidential Information, Trade Secrets, and other methods and procedures.

18.6 Modification. If any term in this Section must be interpreted by a court or an arbitrator of competent jurisdiction, you expressly agree that: (i) the terms of this Section are made freely and voluntarily by you and us, as two independent businesses, together with your Covenantee Personnel to whom we delivered due consideration, in an arms-length commercial transaction between experienced business operators; (ii) in no event should the terms be construed in the same manner or under the same body of law as analogous terms in a contract of employment; (iii) if a court or arbitrator finds that any term in this Section is invalid or unenforceable for any reason, that term will automatically be modified to the minimum extent necessary to make it valid and enforceable, and the modification will be deemed to have been a part of this Agreement as of the Effective Date; and (iv) the court or arbitrator should strictly construe these terms in favor of enforcement. Any dispute between you and us arising out of or related to Section 18.4, regardless of the forum in which the dispute is litigated, arbitrated, or otherwise addressed for purposes of resolving the dispute, will be governed by and construed and enforced in accordance of the laws of the state in which your Accepted Location is located, which laws will prevail in the event of any conflict of law. You specifically agree that these restrictions must be enforced even before you open the Facility, since you will receive valuable information and training about the System and the operation of the Facility before you begin operations. Accordingly, you agree that we may enforce these restrictions even if you do not open the Facility as this Agreement requires.

19. TRANSFER

19.1 General. This Agreement is personal to you and you will not, nor will you attempt to, sell, assign, delegate, transfer, or encumber ("Transfer") any of your rights or obligations under this Agreement, without our prior written consent. We may void any purported Transfer in violation of this Section. If you are a corporation, partnership, limited liability company, or other entity: (i) you will give us prompt notice of any additions to, deletions from, or changes to equityholders or interests; and (ii) the terms of this Section will be deemed violated on any purported Transfer of more than 25% in the aggregate of the equity in you or a share of the equity in you sufficient to cause a change in control over you. In addition, if you are a partnership, the terms of this Section will be deemed violated on any removal or addition of any general partner.

19.2 Death or Disability. On the death, disability, or permanent incapacity of a shareholder, partner, or member of yours that results in a change in control over you or the Franchised Business, all of the interest of the deceased, disabled or incapacitated person must be transferred to a buyer we approve within 1 year after the date that person dies or becomes disabled, provided that each person obtaining the interest: (i) is capable of conducting the Franchised Business in accordance with this Agreement; (ii) signs the form of Personal Covenants attached as Schedule C to this Agreement; and (iii) signs the form of Guaranty of Payment and Performance attached as Schedule D to this Agreement; without all of which we may terminate this Agreement.

19.3 Conditions for Your Transfer. You agree that the restrictions on transfer in this Agreement are reasonable and necessary to protect the System and our reputation and goodwill. We will not unreasonably withhold our consent to your sale, assignment, or transfer of the Franchised Business; provided, however, that we may refuse to consent to the transfer unless:

- A. All sums you owe us and our affiliates are paid.
- B. You are not, and have not been during the Term, in default in any material respect under this Agreement or any other agreement with us, any of our affiliates, or any of our designated suppliers.
- C. The transferee and its proposed directors, officers, shareholders, partners, and members, as applicable, and its Facility Manager and any other personnel we designate, who will be responsible for operating and managing the Facility, satisfactorily complete before the date of transfer our then-current training required of new franchisees.
- D. The transferee and its directors, officers, shareholders, partners, and members, as applicable, meet our requirements for new franchisees.
- E. The transferee agrees in writing that it will, at its expense, upgrade the Facility to conform to our then-current Standards for quality and appearance, within the time we reasonably specify.
- F. The transferee signs our then-current form of franchise agreement and all other then-current related agreements as we require of new franchisees generally; provided, however, the transferee will not be required to pay the initial franchise fee stated in the franchise agreement and the term of the new franchise agreement will expire on the expiration date of the Term of this Agreement.
- G. You, all your individual owners, the transferee, and all individual owners of the transferee, deliver to us a written and duly signed: (i) general release, in a form that we will prepare at our sole expense, of all claims against the FOCUS Brands Parties; and (ii) indemnity protecting the FOCUS Brands Parties against any statements, representations, or warranties that you may have made or given to the proposed transferee.
- H. We receive a fully-signed copy of all transfer documents.
- I. You pay us a transfer fee of \$7,500.00.

19.4 Right of First Refusal. If you receive and want to accept a *bona fide* written offer from a third party to purchase the Franchised Business or substantially all the interests in you (collectively, the "Interest"), you must give us: (i) prompt written notice of the offer, stating the name and address of the prospective purchaser and the price and terms of the offer; and (ii) copies of all written documents and other information related to the offer provided by or to the prospective purchaser. For 30 days after we receive the information required by this Section (the "Option Period"), we will have the option to purchase the Interest on the same terms as the third party offers; provided, however, if any portion of the consideration the third party offers is other than cash, we will have the option of substituting the equivalent cash value. If we cannot agree within a reasonable time on the equivalent cash value, we will appoint an independent appraiser, whose determination will be binding on the parties. You and we will equally split all the appraiser's expenses. In order for us to have enough information to decide whether to exercise our option, you must promptly deliver to us, at our request, any information about the Franchised Business that we request not otherwise called for by this Agreement. If you comply with this Section and we do not exercise our right of first refusal within the Option Period, you may, within 30 days after the expiration of the Option Period, sell, assign, and transfer the Interest to the third party specified in your notice, provided the conditions of Section 19.3 are met. Any material change in the terms of the offer before closing of the sale to the third party will constitute a new offer, subject to the same rights of first refusal by us as in the case of an initial offer. If we purchase the Interest under this Section, you will not owe us any

liquidated damages under Section 21.2. Our failure to exercise our option under this Section will not be waiver of any other provision of this Agreement.

19.5 Our Transfer. We may Transfer all of our rights and obligations under this Agreement, provided that: (i) we determine that the transferee under the Transfer is able to perform our obligations under this Agreement; and (ii) the transferee agrees, in writing, to perform our obligations under this Agreement. We are not required to obtain your consent for our Transfer. Following the effective date of the Transfer, you will look solely to the transferee, and not to us, for the performance of all obligations in this Agreement.

20. DEFAULT AND TERMINATION

20.1 Your Termination and Notice of Our Breach. You will have no right to terminate this Agreement. If we breach this Agreement, your sole remedy will be an arbitration proceeding under this Agreement.

20.2 Our Termination: No Opportunity to Cure. We have the right to terminate this Agreement without affording you any opportunity to cure the default, effective on our sending of notice of termination to you (or the earliest date permitted by applicable law) if:

A. The operation of your Franchised Business or Facility poses a threat or danger to public health or safety.

B. There is any dilution or adulteration of Proprietary Products or Non-Proprietary Products, or any misrepresentation, substitution, or palming off of non-Carvel products from the Facility.

C. You sell, barter, or exchange, or attempt to sell, barter, or exchange, any Proprietary Product or supply, including without limitation the Mix, at wholesale or retail, except as contemplated by this Agreement.

D. You: (i) do not comply with the restrictive covenant in Section 18 of this Agreement during the Term; (ii) violate the restrictions related to the use of Confidential Information or Trade Secrets in Section 18 of this Agreement; or (iii) do not obtain the signing of the Personal Covenants required in Section 18.4 of this Agreement.

E. You copy or permit others to copy any portion of the Manuals, except for forms and similar items included in it for the express purpose of copying, or fail to take all necessary precautions to ensure that the Manuals is kept free from theft, unauthorized copying, unauthorized access, fire, or other acts that may jeopardize the confidentiality of its contents.

F. You or any of your Covenanting Personnel: (i) are convicted of or plead no contest to a felony or a crime involving fraud or moral turpitude; (ii) are convicted of or plead no contest to any other offense or crime or engage in other conduct that we deem likely to reflect materially and unfavorably on the goodwill or reputation of the System; (iii) commit fraud in relation to the Franchised Business or its customers, or otherwise engage in conduct that, in our determination, materially impairs the goodwill related to the System; (iv) fail to comply fully with all Laws, unless there is a *bona fide* dispute as to the violation or legality of a Law and you promptly resort to a court or other appropriate forum having jurisdiction to contest the violation or illegality; (v) make, or have made, any material misrepresentation to us related to the Franchised Business or this Agreement, or (vi) knowingly maintain false books or records, or submit any false reports to us related to the Franchised Business.

G. You fail to maintain accurate books of account and business and accounting records as required by this Agreement.

H. You fail to grant us immediate access to your Facility or any other place where the Franchised Business is conducted to perform any of the inspections, audits, or copying described in this Agreement; or if in the course of an inspection, audit, or copying you fail to make the materials we request available to us or provide us with full cooperation in the course of the inspections, audits, or copying.

I. You: (i) fail to open the Facility within 360 days after the Effective Date of this Agreement; (ii) abandon the Franchised Business or Facility; (iii) without our prior written consent, cease operation of the Franchised Business or Facility for a period of 5 consecutive days or any shorter period that indicates your intent to discontinue operation of the Franchised Business or Facility, except for a period of not more than 180 days as a result of a Force Majeure, as defined in Section 23.4 of this Agreement.

J. We send you 2 or more written notices of default under this Agreement for the same or a similar cause or reason in any consecutive 12 month period, whether or not cured.

K. You: (i) become insolvent by reason of an inability to pay debts as they come due; (ii) are adjudicated bankrupt; (iii) file a petition for bankruptcy protection; (iv) are the debtor in an involuntary bankruptcy petition that is not dismissed within 60 days; (v) are the debtor in an assignment for the benefit of creditors that is not dismissed within 60 days; (vi) are the subject of a voluntary or involuntary petition for reorganization or similar proceeding that is not dismissed within 60 days; (vii) are the subject of a petition for appointment of a receiver, permanent or temporary, that is not dismissed within 60 days; (viii) are the judgment debtor in any final judgment of \$10,000 or more and the judgment remains unsatisfied of record for more than 60 days; (ix) have your bank accounts, property, or receivables attached and the attachment proceedings are not dismissed within 60 days; (x) have an execution levied against your business or property and the execution is not dismissed within 60 days; or (xi) are the subject of any suit to foreclose any lien or mortgage related to the Franchised Business or the property thereof, and the suit is not dismissed within 60 days.

L. You or your affiliate materially breaches any other agreement with us or our affiliates, or any mortgage, deed of trust or lease covering the Franchised Business, unless cured within any applicable notice or grace periods contained in those documents.

20.3 Termination by Us: Opportunity to Cure. We have the right to terminate this Agreement for any of the defaults in this Section 10 days after we send you a notice of default, if you fail to cure the default to our reasonable satisfaction within this time (or the earliest date permitted by applicable law), without further notice or opportunity to cure if:

A. You fail to pay promptly when due all debts you owe us or our affiliates, all undisputed debts you owe our designated suppliers, and all taxes and other obligations you owe for the Franchised Business; including, without limitation, all federal, state, and local taxes, and all accounts payable of any nature.

B. You default under any lease or sublease of the Accepted Location or lose the right to possession thereof. If loss of possession is the result of governmental exercise of eminent domain, you may, within 360 days of the loss of possession, relocate the Facility to some other premises, subject to our acceptance of the Proposed Site and compliance with the Facility opening criteria stated in this Agreement.

C. You operate your Franchised Business, including your Facility, in a manner reflecting gross mismanagement.

D. You breach any of your other obligations to us under this Agreement (including for a quality assurance inspection failure).

21. OBLIGATIONS ON TERMINATION

21.1 General Obligations. On expiration or termination of this Agreement for any reason, you will:

A. Immediately cease using the System, including the Marks and any confusingly similar names, marks, commercial symbols, systems, insignia, symbols, color schemes, trade dress, designs, procedures, and methods (including on any web page that you operate or have used for marketing).

B. Immediately return to us: (i) all molds related to the System; (ii) all hard and electronic copies (capable of being returned) of the Standards and the Manuals, together with all copies of any of them; and (iii) all other manuals, records files, instructions, correspondence and other materials related to the operation of the Franchised Business ("Other Materials"). If you have on your computer system or in your e-mail accounts copies of the Standards, the Manuals and/or Other Materials, you must immediately erase these copies from your computer system or e-mail account.

C. Immediately cancel all assumed name registrations.

D. Within 5 days after expiration or termination, pay us and our affiliates the full amount you owe us and them.

E. Immediately stop identifying yourself in any way as our franchisee or former franchisee.

F. Immediately comply with the restrictive covenants in Section 18 of this Agreement.

G. Immediately cease using the Facility's telephone numbers; and, on our written demand, direct the telephone company to transfer the telephone numbers for the Facility to us or to any other person and location that we specify. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.

H. Promptly sign all documents and take all other actions as we deem necessary to effect the intent and provisions of this Section.

21.2 Liquidated Damages. You agree that:

A. Any termination of this Agreement before the expiration of the initial Term will deprive us of the benefit of the bargain we are entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Opening Date, you will pay us, as liquidated damages for the loss of the benefit of the bargain we are entitled to receive, and not as a penalty, a lump-sum payment equal to the Royalty you owed us during the 36 months before the termination date. If less than 36 months have lapsed between the Opening Date and the termination date, the liquidated damages will be the average monthly Royalty during the time between the Opening Date and the termination date, multiplied by 36. If the termination occurs before the Opening Date, you will forfeit the Initial Franchise Fee paid and will not owe us any liquidated damages. Notwithstanding the foregoing, you will not owe us these liquidated damages if you are insolvent at the time of termination.

B. You will pay all amounts stated in this Section within 30 days after the termination of this Agreement. You agree, and you direct any party construing this Agreement to conclusively presume, that the damages stated in this Section: (i) are true liquidated

damages; (ii) are intended to compensate us for the harm we will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of our probable loss resulting from your defaults, viewed as of the Effective Date; and (v) will be in addition to all other rights we have to obtain legal or equitable relief.

21.3 Additional Obligations. The following obligations are in addition to the General Obligations and Liquidated Damages stated above.

A. If we terminate this Agreement under Section 20, we will have the right immediately to enter and take possession of your Facility to maintain continuous operation of the previously-franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If we exercise this right, you will vacate the Facility promptly and completely, rendering all necessary assistance to us to enable us to take prompt possession. If you dispute the validity of our termination of the Franchise Agreement, we will nevertheless have the option, which you irrevocably grant, to operate the business pending the final, unappealed determination of the dispute under this Agreement. If an arbitrator or court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we will make a full and complete accounting for the period during which we operated the business.

B. If we terminate this Agreement under Section 20, you will, at our option, assign to our affiliate, Franchise Stores Realty Corp. ("FSRC"), or another franchisee we designate, your interest in any Lease for the Accepted Location, and will vacate the Facility promptly and completely, rendering all necessary assistance to FSRC or the other franchisee to enable it to take prompt possession.

C. Within 15 days after the termination or expiration of this Agreement, you will arrange with us for an inventory to be made by us, at our cost, of all your personal property, fixtures, equipment, inventory, and supplies related to the Facility, including without limitation all items bearing the Marks. We will have the option, to be exercised within 30 days after termination or expiration of this Agreement, to purchase from you any or all of these items at the depreciated book value or actual fair market value, whichever is less (the "Purchase Value"). If the parties cannot agree on a Purchase Value within a reasonable time, the Purchase Value will be determined by three independent appraisers chosen in the following manner: you will designate one appraiser and we will designate one appraiser, and the two appraisers that you and we designate will select a third appraiser. The majority determination of the three appraisers will be binding. Each party will pay the appraiser's fee for the appraiser designated by that party. You and we will each pay 50% of the third appraiser's fee. If we elect to exercise this option to purchase, we may set off all amounts you owe us or our affiliates under this Agreement against any payments for the purchase.

22. DISPUTE RESOLUTION

22.1 Resolution of Disputes.

A. Except as stated in Section 22.1.B of this Agreement, all disputes between you and us, including without limitation any disputes related to this Agreement or the making of it, will be resolved by binding arbitration. One arbitrator will conduct the arbitration. **NEITHER PARTY WILL BE ENTITLED TO RECOVER SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES.** Neither party may join any arbitration proceeding with any arbitration proceeding or other action brought by any other person or entity. Any arbitration under this Section will be conducted under the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") and any arbitration proceeding will be held at the offices of our franchise headquarters at the time of institution.

B. The following disputes will not be resolved through arbitration unless we consent to arbitration: (i) disputes that arise under or are related to the Lanham Act, as now or later amended; (ii) disputes that otherwise relate to the ownership or validity of any of the Marks; (iii) disputes that involve enforcement of our intellectual property rights; or (iv) disputes related to the payment of sums you owe us or any affiliate of ours. Any litigation under this subsection will be filed exclusively in the United States District Court for the district in which we have our principal place of business at the time of filing, and you irrevocably consent to this court's jurisdiction over you.

22.2 Injunctive Relief. In addition to any other relief available at law or equity, we will have the right to obtain restraining orders or temporary or permanent injunctions to: (i) enforce, among other matters, the provisions of this Agreement related to the System; (ii) enforce your obligations on termination or expiration of this Agreement; and (iii) prohibit any act or omission by you or your employees that is a violation of applicable Law or that threatens the Marks.

22.3 Cumulative Rights and Remedies. Except as otherwise stated in this Agreement, all rights and remedies in this Agreement are cumulative and may be exercised or enforced concurrently, and none will exclude any other right or remedy allowed at law or in equity.

22.4 Attorneys' Fees. In any arbitration or litigation involving this Agreement, including any arbitration or litigation involving the making of this Agreement, the non-prevailing party will pay the prevailing party its costs, including its reasonable attorneys' fees and costs of appeal, all of which will be taxed as costs, so that the prevailing party actually receives payment therefor within 5 days after demand for payment.

23. MISCELLANEOUS

23.1 Relationship of Parties. You are an independent contractor. Nothing in this Agreement is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. This Agreement does not create a fiduciary relationship between us. All employees or agents you hire or engage, or who work for you, are only your employees or agents, and are not for any purpose be deemed our employees or agents, or subject to our control or right of control.

23.2 No Liability; No Warranties. You will not use the Marks in signing any contract, instrument, application for any license or permit, or legal obligation, or in a manner that may result in liability to us for your obligations, except as this Agreement expressly authorizes. Except as this Agreement expressly authorizes, neither of us will make any express or implied agreements, warranties, guarantys, or representations, or incur any debt, in the name of or on behalf of the other or represent that the relationship between you and us is other than that of franchisor and franchisee.

23.3 General Release and Covenant Not To Sue. In consideration of our agreement to enter into this Agreement, you, for yourself and if you are a corporation, partnership, limited liability company, or other entity for your directors, officers, shareholders, partners, members, employees, agents, and attorneys, and for your affiliates and their directors, officers shareholders, partners, members, employees, agents, and attorneys, and for the successors and assigns of any of them, releases and forever discharges us and our parents, subsidiaries, and affiliates and the respective officers, directors, stockholders, employees, agents, attorneys, contractors, legal successors, and assigns of each of the forgoing entities (in their corporate and individual capacities), of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, agreements, controversies, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or in equity, that you and/or your officers, directors,

stockholders, agents, heirs, executors, administrators, legal successors and assigns, ever had, now has, or that they hereafter can or may have for, on or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the day of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

23.4 Force Majeure. On an act of God, terrorism, war, insurrection, civil commotion, strike, lockout, or embargo; or lack of water, materials, power, or telephone transmissions specified or reasonably necessary for the operation of your Franchised Business or our business; or fire, hurricanes, or unavoidable casualties; and any other occurrence, event, or condition beyond your or our reasonable control, whichever is applicable (a "Force Majeure"), the party so affected will be relieved of its respective obligations to the extent that that party is necessarily prevented, or materially hindered or delayed, in performance during the period of the Force Majeure.

23.5 Notices. All notices required or permitted under this Agreement must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to us at **Carvel Corporation, 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342, Attention: Vice President, Legal**, and to you at «Z1Street_Address», «Z1_City», «Z1_State» «Z1_Zip». Either you or we may change the address by written notice to the other party. Any notice by registered or certified mail or by courier service is deemed given and received at the date and time of sending.

24. ACKNOWLEDGEMENTS

You agree that: (i) you have conducted an independent investigation of the business contemplated by this Agreement, recognize that it involves business risks, and recognize that making a success of a venture is largely dependent on your own business abilities; (ii) no assurance or warranty, express or implied, has been given to you as to the potential success of any business contemplated by this Agreement or the profits that may be achieved; and (iii) there are no promises, commitments, "side deals," options, rights of first refusal, or other rights or obligations in connection with this Agreement except as expressly provided for in this Agreement.

25. CONSTRUCTION

25.1 Waiver or Delay. Except as otherwise stated in this Agreement, no waiver of, or delay in requiring strict compliance with any obligation of this Agreement, or the exercise of any right or remedy provided in this Agreement, and no custom or practice at variance with the requirements of this Agreement, will constitute a waiver or modification of any obligation, right, or remedy, or preclude the exercise of any right or remedy or the right to require strict compliance with any obligation stated in this Agreement, or will preclude, affect, or impair enforcement of any right or remedy provided in this Agreement with respect to any later default.

25.2 Entire Agreement; Amendments. The term "Agreement" as used in this Agreement includes all schedules attached to this Agreement and amendments to this Agreement, if any. This Agreement states the entire agreement between you and us related to the subject matter of this Agreement and fully replaces all prior agreements, representations, or understandings between you and us, whether oral or written, related to the subject matter of this Agreement. Except as otherwise expressly stated in this Agreement, this Agreement may be amended only by a written document signed by you and us.

25.3 Survival of Obligations. The obligations in this Agreement that by their terms require performance after the termination or expiration of this Agreement, or that by their nature would be expected to continue in effect after termination or expiration of this Agreement, will survive

the termination or expiration of this Agreement and will be enforceable notwithstanding the termination or expiration of this Agreement for any reason.

25.4 Applicable Law. This Agreement, including the making of it, will be construed and enforced in accordance with the laws of the State of Georgia applicable to agreements made and to be entirely performed in Georgia, which laws will prevail on any conflict of laws.

25.5 Severability. If any provision of this Agreement is determined to be invalid or unenforceable for any reason, that provision will be severed from the other provisions of this Agreement, and the other provisions will remain in full force and effect.

25.6 Time. Time is of the essence to this Agreement.

This Agreement is signed by you and us, effective on the date we include on page 1.

Attest:

Carvel Corporation,
a Delaware corporation

	By: _____ L.S.
Name: _____	Name: _____
Title: _____	Title: _____
	Date: _____

Witness: _____	«Z1 First Name»«Z1 Last Name», _____ a
	«Z1 State of Formation» «Z1 Entity Type»

_____	By: _____ L.S.
Name: _____	Name: _____
Title: _____	Title: _____
	Date: _____

Witness: _____	«Z2 First Name»«Z2 Last Name», _____ a
	«Z2 State of Formation» «Z2 Entity Type»

_____	By: _____ L.S.
Name: _____	Name: _____
Title: _____	Title: _____
	Date: _____

SCHEDULE A
SCHEDULE OF EVENTS

EVENT	COMPLETION DEADLINE
You must obtain our acceptance of the Accepted Location, submit to us a site plan and a complete set of final Architectural Plans and you must have your lease, sublease or other rental agreement for the Accepted Location and our Rider to Lease finalized and signed.	Within 120 days after the Effective Date
Construction at the Accepted Location must begin	Within 240 days after the Effective Date
The Opening Date must occur	Within 360 days after the Effective Date

If you are diligently pursuing the Opening Date and are still unable to meet the completion deadlines in this Schedule, you may request an extension before the expiration of the missed deadline. We are not obligated to extend the missed deadline; however, if we approve an extension, we will charge you an extension fee of \$2,500.00 per 6-month extension ("Milestone Deadline Extension Fee").

BRANDS, INC.

SCHEDULE B

STORE NO. «STORE_NUMBER»

RIDER TO LEASE

FRANCHISE STORES REALTY CORPORATION

This Rider to Lease is entered into on _____, 2003 between _____ with _____ principal offices at _____ (“Landlord”) and «Z1_First_Name»«Z1_Last_Name», a «Z1_State_of_Formation» «Z1_Entity_Type»«Z2_First_Name»«Z2_Last_Name»«Z3_First_Name»«Z3_Last_Name»«Z4_First_Name»«Z4_Last_Name»«Z5_First_Name»«Z5_Last_Name» (“Tenant”).

1. This Rider supplements and forms a part of the lease or sublease between Landlord (as lessor or sublessor) and Tenant (as primary tenant or subtenant), dated _____ (the “Lease”) for the lease premises located at «Store_Street_Address», «Store_City», «Store_State» «Store_Zip» (the “Premises”). If anywhere in the Lease there is language that contradicts the language of this Rider, the Rider will control.

2. This Rider is entered into in connection with the grant of a franchise to Tenant by the Carvel Corporation (“Carvel”) under a Carvel Franchise Agreement dated «Date_Signed» (the “Franchise Agreement”), granting Tenant the right to operate the Premises as a Carvel Store, as defined in the Franchise Agreement.

3. Landlord agrees that on the expiration or termination of the Franchise Agreement for any reason, if the Lease has not expired or been terminated, then Franchise Stores Realty Corporation (“FSRC”), an affiliate of Carvel, will have the right to cure any defaults within a reasonable time (not to exceed 15 days for monetary defaults and 30 days for non-monetary defaults), and FSRC will have the right, but not the obligation, at FSRC’s election and on notice to Landlord (given within 30 days after the expiration or termination of the Franchise Agreement), either (a) to assume the obligations of and replace Tenant as the lessee under the Lease; (b) to have another Carvel franchisee assume the obligations of and replace Tenant as the lessee under the Lease; or, (c) if FSRC has assumed the obligations of and replaced Tenant as the lessee under the Lease, pursuant to paragraph 3(a) above, to reassign the Lease to another Carvel franchisee. Landlord will have the right to approve the proposed Carvel franchisee, with landlord’s approval not to be unreasonably withheld, delayed or conditioned.

4. Landlord agrees that if the Lease contains term renewal or extension rights Landlord will give FSRC the right to exercise Tenant’s renewal or extension rights on the same terms as in the Lease. If FSRC elects to exercise these rights, it will so notify Landlord in writing, whereupon Landlord will sign an agreement with FSRC or another franchisee (as applicable) whereby at FSRC’s election (a) FSRC assumes the obligations of and replaces Tenant as the lessee under the renewed or extended Lease, (b) another Franchisee assumes the obligations of and replaces Tenant as Lessee under the renewed or extended Lease. If FSRC has assumed the obligations of and replaced Tenant as the lessee under the renewal or extended Lease, FSRC will have the right later to reassign the Lease to another Carvel franchisee.

Landlord will have the right to approve the proposed Carvel franchisee, with landlord's approval not to be unreasonably withheld, delayed or conditioned.

5. If at any time during the term or any renewal term of the Lease Landlord alleges Tenant's default under the Lease, Landlord agrees to copy FSRC with the written notice to the Tenant, specifying the default and the method of curing the default, and allow FSRC the same cure period as afforded to the Tenant under the Lease. FSRC will have the further right, but not the obligation, at its option and on notice to Landlord, either to (a) assume the obligations of and replace Tenant as the lessee under the Lease, or (b) have another franchisee assume the obligations of and replace Tenant as the lessee under the Lease. If FSRC has assumed the obligations of and replaced Tenant as the lessee, FSRC will have the right to reassign the Lease to another Carvel franchisee. Landlord will have the right to approve the proposed Carvel franchisee, with landlord's approval not to be unreasonably withheld, delayed or conditioned.

6. Landlord agrees that Tenant alone is responsible for all obligations under the Lease unless and until FSRC or another Carvel franchisee assumes these obligations as provided above and takes actual possession of the Premises.

7. Tenant agrees that the Lease may not be modified or amended without FSRC's prior written consent, which FSRC will not unreasonably withhold. Tenant agrees to promptly provide FSRC with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

8. Landlord agrees that if FSRC has assumed the obligations of and replaced Tenant as the lessee under a Lease and/or signed a New Lease, and FSRC later reassigns the Lease to another Carvel franchisee, FSRC will not be liable for any obligations to Landlord under the Lease after the effective date of the reassignment.

9. All notices under this Rider will be delivered by certified mail. All notices to FSRC must be sent to FSRC at 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342, and all notices to Landlord and Tenant must be given to the addresses described above. Landlord, Tenant and FSRC may in writing inform the others of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

THE PARTIES HAVE SIGNED THIS RIDER AS OF THE DATE WRITTEN ON PAGE 1.

Attest:

Landlord

Name:

Title:

By:

Name:

Title:

L.S.

Witness:

«Z1_First_Name»«Z1_Last_Name», a
«Z1_State_of_Formation» «Z1_Entity_Type»

Name:
Title:

By: _____ L.S.
Name:
Title:

Date: _____

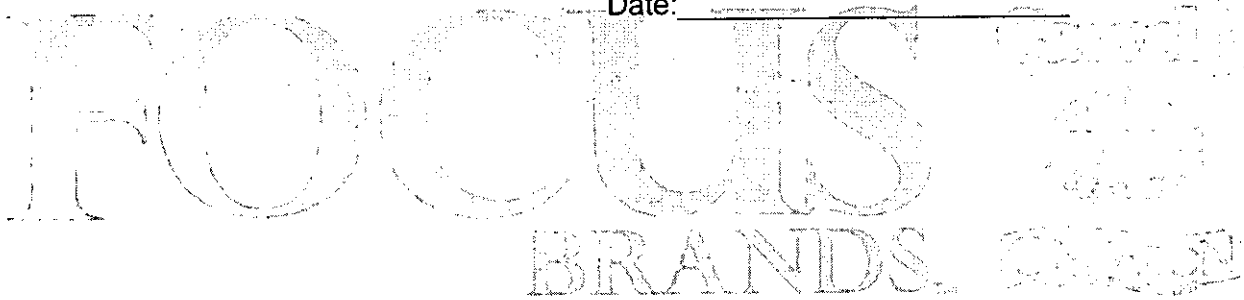
Witness:

«Z2_First_Name»«Z2_Last_Name», a
«Z2_State_of_Formation» «Z2_Entity_Type»

Name:
Title:

By: _____ L.S.
Name:
Title:

Date: _____



SCHEDULE C

PERSONAL COVENANTS

*All Persons Having a 10% or Greater Equity Interest in Franchisee;
and All of Franchisee's Directors and Officers Must Sign*

Each undersigned ("you") agrees that:

1. All capitalized terms used but not defined in these Personal Covenants will have the meaning stated in the Carvel® Franchise Agreement between Carvel Corporation ("we," "us," or "our") and «Z1_First_Name»«Z1_Last_Name», a «Z1_State_of_Formation» «Z1_Entity_Type»«Z2_First_Name»«Z2_Last_Name»«Z3_First_Name»«Z3_Last_Name»«Z4_First_Name»«Z4_Last_Name»«Z5_First_Name»«Z5_Last_Name» ("Franchisee") dated as of «Date_Signed» (the "Franchise Agreement").

2. You are the owner of a 10% or greater equity interest in the Franchisee, or if you own less than 10% of the equity in the Franchisee you are nonetheless one of its six largest equityholders, or you are a director or officer, and as such you expect to or will gain a direct personal benefit from the Franchise Agreement.

3. As an inducement to us to enter into the Franchise Agreement, and in consideration of the direct and personal benefits you will derive from the Franchise Agreement, you agree that: (i) you have read and understand all the provisions of Section 18 (Confidential Information; Restrictive Covenants) of the Franchise Agreement; (ii) you will be personally bound by all of the obligations and covenants of the Franchisee in Section 18 as if the obligations and covenants were made and given personally by you directly to us; and (iii) the obligations and covenants are fair and reasonable and will not deprive you of your livelihood.

4. If any term in these Personal Covenants or in Section 18 of the Franchise Agreement must be interpreted by a court or an arbitrator of competent jurisdiction, you agree that: (i) these Personal Covenants are made freely and voluntarily by you and us, as 2 experienced businesspeople, in an arms-length commercial transaction; (ii) these Personal Covenants or Section 18 should not be construed in the same manner or under the same body of law as analogous terms in a contract of employment; (iii) if a court or arbitrator finds that any term in these Personal Covenants or Section 18 is invalid or unenforceable for any reason, that term will automatically be modified to the minimum extent necessary to make it valid and enforceable, and the modification will be deemed to have been a part of these Personal Covenants or Section 18 of the Franchise Agreement as of the date you sign these Personal Covenants or the Effective Date of the Franchise Agreement, whichever is later; (iv) the court or arbitrator should strictly construe these terms in favor of enforcement; and (v) if any term could be construed two ways, one of which would render the term valid and the other of which would render the term invalid, the court or arbitrator will construe the term in the manner that renders it valid.

5. These Personal Covenants will be governed by the internal laws of the State of Georgia.

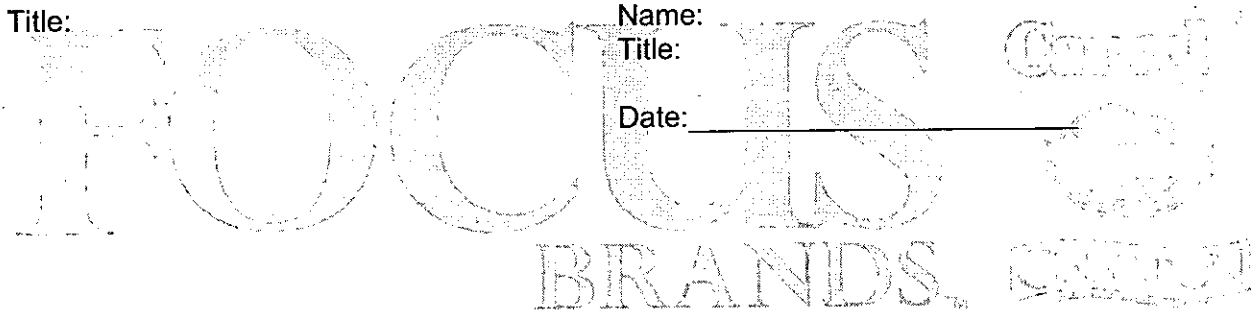
The undersigned sign and deliver this instrument as of the date stated below their signatures:

Witness: **«Z1_First_Name»«Z1_Last_Name»,** a
«Z1_State_of_Formation» «Z1_Entity_Type»

Name: By: _____ L.S.
Title: Name:
Title: _____
Date: _____

Witness: **«Z2_First_Name»«Z2_Last_Name»,** a
«Z2_State_of_Formation» «Z2_Entity_Type»

Name: By: _____ L.S.
Title: Name:
Title: _____
Date: _____



SCHEDULE D

GUARANTY OF PAYMENT AND PERFORMANCE

THIS GUARANTY (the "Guaranty") is made by the undersigned individuals (whether one or more, jointly and severally, the "Guarantor"), in favor of Carvel Corporation, a Delaware corporation ("Carvel").

A. Carvel and «Z1_First_Name»«Z1_Last_Name», a «Z1_State_of_Formation» «Z1_Entity_Type»«Z2_First_Name»«Z2_Last_Name»«Z3_First_Name»«Z3_Last_Name»«Z4_First_Name»«Z4_Last_Name»«Z5_First_Name»«Z5_Last_Name» ("Franchisee") are parties to a Carvel® Franchise Agreement (the "Franchise Agreement").

B. Guarantor is a principal owner of Franchisee, and anticipates benefit from the transactions evidenced by the Franchise Agreement and is therefore willing to sign this Guaranty.

C. Carvel would not have agreed to enter into the Franchise Agreement without this Guaranty.

Guarantor and Carvel agree as follows:

1. Guaranty. Guarantor guarantees to Carvel and its successors and assigns the following obligations (collectively, the "Obligations"): (i) the full and prompt payment and performance of all Franchisee's obligations to Carvel under the Franchise Agreement; and (ii) the full and prompt payment or reimbursement of all amounts, costs, expenses, claims, liabilities, or obligations Carvel incurs under the Franchise Agreement. Guarantor agrees that if Franchisee does not make payments under the Franchise Agreement when due or perform any obligations required of it in accordance with the Franchise Agreement or satisfy any Obligations Carvel incurs related to any of them, Guarantor will make the payments and reimbursements and cause the obligations to be performed within 5 days of Carvel's notice to Guarantor. If there is more than one Guarantor, all the terms in this Guaranty are joint and several.

2. Payment. If Franchisee defaults under the Franchise Agreement, Carvel may proceed directly against any or each Guarantor without first proceeding against or notifying Franchisee and without proceeding against any other Guarantor.

3. Waivers by Guarantor. Guarantor waives presentment, notice, notice of protest, demand, and notice of dishonor or default, with respect to any Obligations. No renewal, indulgence, modification, change of terms, or extension of the obligations under the Franchise Agreement, and no subordination, release, surrender of any security for the Obligations, or release of any person primarily or secondarily liable under them, will affect Guarantor's liability under this Guaranty. Guarantor waives notice of acceptance of this Guaranty, settlement or compromise of differences, and notice of any arrangement or settlement made with Guarantor in or out of court on receivership, liquidation, bankruptcy, reorganization, arrangement, or assignment for the benefit of creditors. Guarantor waives any rights that may be conferred by Official Code of Georgia Annotated Sections 10-7-23 and 10-7-24 or any similar provisions of the applicable law of any other state.

4. No Waiver By Carvel. Carvel's delay or failure to exercise of any right or remedy will not operate as a waiver thereof, and no single or partial exercise by Carvel of any right or remedy will preclude any further exercise thereof or the exercise of any other right or remedy.

5. Consent to Jurisdiction. Guarantor: (i) submits to personal jurisdiction in Georgia for the enforcement of this Guaranty; and (ii) waives all personal rights under the laws of Georgia or of any state to object to jurisdiction within Georgia for litigation related to this Guaranty, regardless of any present or future domicile of Guarantor, Franchisee, or Carvel.

6. Governing Law. This Guaranty is to be construed under and governed by the law of the State of Georgia without regard to Georgia, or any other, choice of law or conflicts of law principles. If any provision of this Guaranty would not be enforceable under the laws of Georgia, and if the business franchised under the Franchise Agreement is located outside of Georgia and the provision would be enforceable under the laws of the state in which the franchised business is located, then that provision, and only that provision, will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary, or other doctrine of law of Georgia or any other state.

7. Arbitration.

A. All disputes between Carvel and Guarantor, including without limitation any disputes related to this Guaranty or the making of it, will be resolved by binding arbitration. One arbitrator will conduct the arbitration. **NEITHER PARTY WILL BE ENTITLED TO RECOVER SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES.** Neither party may join any arbitration proceeding with any arbitration proceeding or other action brought by any other person or entity. Any arbitration under this Section will be conducted under the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") and any arbitration proceeding will be held at the offices of our franchise headquarters at the time of institution.

B. The following disputes will not be resolved through arbitration unless Carvel consents to arbitration: (i) disputes that arise under or are related to the Lanham Act, as now or later amended; (ii) disputes that otherwise relate to the ownership or validity of any of Carvel's Marks; (iii) disputes that involve enforcement of Carvel's intellectual property rights; or (iv) disputes related to the payment of sums Guarantor owes Carvel or any affiliate of Carvel's. Any litigation under this subsection will be filed exclusively in the United States District Court for the district in which Carvel has its principal place of business at the time of filing, and Guarantor irrevocably consents to this court's jurisdiction over Guarantor.

8. Notices. Any notice under to this Agreement must be in writing and is deemed delivered: (i) 1 business day after being sent by commercial courier service for next business day delivery; or (ii) 5 days after being deposited in the United States mail for certified or registered delivery, return receipt requested, postage prepaid. Notice to us will be addressed to: Vice President, Legal, Carvel Corporation, 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342. Notice to Guarantor will be addressed the address stated below his or her signature at the end of this Guaranty. The addresses for notices may be changed at any time by either party by written notice given to the other party as provided in this Section.

9. Successors and Assigns. The provisions of this Guaranty will bind Guarantor and Guarantor's respective heirs and personal representatives and will benefit Carvel and its

respective successors and assigns. Guarantor will not assign this Guaranty without Carvel's prior written consent. Guarantor's death will not terminate this Guaranty and the same will be enforceable against Guarantor's estate.

10. Severability. To the extent that any provision of this Guaranty would violate any applicable usury statute or any other applicable law, the Obligations will be reduced to the limit legally permitted, but the Obligation will be fulfilled to the limit of its legal validity. The provisions of this Section will control every other provision of this Guaranty.

11. No Release. The cessation of or release from liability of any Guarantor will not relieve any other Guarantor from liability under this Guaranty or the Franchise Agreement, except to the extent that the default has been remedied or monies owed have been paid.

12. Termination of Franchise Agreement. Guarantor agrees that the Obligations survive the termination of the Franchise Agreement.

13. Costs and Attorneys' Fees. If Carvel is engaged in any litigation, arbitration, or other proceeding related to this Guaranty, or if any Guarantor is in default of its obligations under this Guaranty, Guarantor will pay Carvel, on demand, Carvel's costs for the litigation, arbitration, other proceeding, or default, including Carvel's reasonable attorneys' fees, so that Carvel receives payment within 5 days after demand.

IN WITNESS WHEREOF, Guarantor has signed and delivered this Guaranty as of the date stated below Guarantor's signature.

Signature

Signature

Print Name

Print Name

Social Security No.: _____

Social Security No.: _____

Date: _____, 200__

Date: _____, 200__

Address:

Address:

SCHEDULE E
STATE LAW ADDENDUM

(If Required)

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Franchise Agreement, for franchises in the State of California, is amended to include the following:

1. Section 19.3.G. of the Franchise Agreement is amended by adding the following punctuation and language at the end of such sections, before the period: "; provided, however, this release will not apply to claims as you may have under the California Franchise Investment Law and the California Franchise Relations Act."
2. If any of the provisions of the Franchise Agreement concerning termination are inconsistent with either the California Franchise Relations Act or the Federal Bankruptcy Code (concerning termination of the Agreement on certain bankruptcy-related events), then the Federal Bankruptcy Code applies.
3. The Franchise Agreement is governed by Georgia law. This requirement may be unenforceable under California law.
4. The Franchise Agreement requires binding arbitration. The arbitration will occur at the offices of our franchise headquarters at the time of institution (currently Atlanta, Georgia), with the prevailing party's costs and expenses to be borne by the other party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California. This provision may not be enforceable under California law.
5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The Franchise Agreement contains a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.
7. You must sign a general release if you renew or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). California Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).
8. The Franchise Agreement requires that any litigation be conducted in Georgia. This provision may not be enforceable under California law.

[Copy Signature Block From Franchise Agreement]

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.*, the Franchise Agreement, for the sale of Franchises in the State of Hawaii, is amended to include the following:

1. Section 19.3.G. of the Franchise Agreement is amended by adding the following punctuation and language at the end of the section, before the period: "; provided, however, this release will not apply to claims as you may have under the Hawaii Franchise Investment Law. "
2. Section 23 of the Franchise Agreement, under the heading "Miscellaneous," is supplemented by the addition of the following Section, which is considered an integral part of the Agreement:

23.6 The general release language in this Agreement will not relieve us or any other person, directly or indirectly, from liability imposed by the Hawaii Franchise Investment Law.
3. The Hawaii Franchise Investment Law provides rights to you on nonrenewal, termination and transfer of the Agreement. If any of the provisions of the Franchise Agreement on termination are inconsistent with the Hawaii Franchise Investment Law, then this will apply.

[Copy Signature Block From Franchise Agreement]

**ILLINOIS ADDENDUM
TO FRANCHISE AGREEMENT**

1. The provisions of the Franchise Agreement on governing law, jurisdiction, and choice of law will not be a waiver of any right conferred on you by the Illinois Franchise Disclosure Act. The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees. Consistent with the foregoing, any provision in the Franchise Agreement that designates jurisdiction and venue in a forum outside of Illinois is void with respect to any cause of action that is otherwise enforceable in Illinois.
2. 815 ILCS § 705/41 (Illinois Franchise Disclosure Act) states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void."
3. Section 24 is deleted from all Illinois Franchise Agreements.
4. The second sentence of § 25.2 of the Franchise Agreement is amended by the addition of the following:

; provided, however, that nothing in this sentence is intended to disclaim the representations we made in the Uniform Franchise Offering Circular that we provided to you.

Attest:

Carvel Corporation,
a Delaware corporation

Name: Gianna Haney
Title: Franchise Administrator

By: _____ L.S.
Name: Kathryn Rookes
Title: Vice President, Legal

Witness:

_____, a _____

Name:
Title:

By: _____ L.S.
Name:
Title:

Date: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary stated the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, or Georgia law if these provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than Georgia law as stated in § 25.5 of the Franchise Agreement.
2. Venue for litigation will not be limited to Georgia, as specified in § 22.1 of the Franchise Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as "a material breach of the franchise agreement," will supersede the provisions of § 20 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with this prohibition.
4. No release language stated in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws on franchising of the State of Indiana.
5. Section 18.4.B. of the Franchise Agreement is revised to limit the geographical extent of the post-term covenant not to compete to an area of reasonable size for all franchises sold in the State of Indiana.
6. Section 18.5 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
7. Notwithstanding the terms of § 5 of the Franchise Agreement, we will not compete unfairly with you within a reasonable area.

[Copy Signature Block From Franchise Agreement]

**INDIANA ADDENDUM
TO PERSONAL COVENANTS AGREEMENT**

Notwithstanding anything to the contrary stated in the Personal Covenants Agreement, the following provisions will supersede and apply:

1. The Personal Covenants Agreement is revised to limit the geographical extent of the covenant not to compete to an area of reasonable size for all franchisees sold in the State of Indiana.

[Copy Signature Block From Franchise Agreement]

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

1. No release language required by § 3.2.B(2) of the Franchise Agreement (concerning conditions precedent to renewal), or § 19.3.G. of the Franchise Agreement (concerning conditions precedent to transfer), will relieve us or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. Attached to this Addendum as Appendix A is a copy of our current form of release.
2. Any provision in the Franchise Agreement that designates jurisdiction or venue, or requires you to agree to jurisdiction or venue, in a forum outside of Maryland, is deleted from Franchise Agreement issued in the State of Maryland.
3. No provision of the Franchise Agreement will be construed as your release, estoppel or waiver of any liability we incur under the Maryland Franchise Registration and Disclosure Law. Sections 3.2.B(2) and 19.3.G. of the Franchise Agreement, are amended to add the following language:

The release requirement of this Section is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the franchise.

[Copy Signature Block From Franchise Agreement]

**APPENDIX A
GENERAL RELEASE – ASSIGNMENT/RENEWAL**

To all to whom these Presents shall come or may Concern, Know «Seller1_Name» and «Seller2_Name» «Seller3_Name», an individual(s) domiciled in the State of «Store_State» as RELEASOR, in consideration of the consent of CARVEL CORPORATION to the Assignment or Renewal of the Carvel Franchise Agreement between RELEASOR and CARVEL CORPORATION (the "Franchise Agreement") to «Combined_All_Franchise_Names», and other good and valuable consideration, hereby releases and discharges CARVEL CORPORATION as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve CARVEL CORPORATION or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. This General Release shall survive the assignment or renewal of the Carvel Franchise Agreement or any other documents entered into by and between CARVEL CORPORATION and any of the undersigned.

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) *has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on* _____

RELEASOR

[SEAL]

By _____
«Seller1_Name»

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____,

personally came «Seller1_Name» «Seller2_Name» «Seller3_Name», to me known, who, by me
duly sworn, did depose and say that deponent(s) reside(s) at «Seller1_Address»
«Seller2_Address» «Seller3_Address» , and known to me to be the same person whose
name(s) is signed to the foregoing RELEASE, and acknowledged the execution thereof for the
uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Franchise Agreement agree as follows:

1. Section 11 of the Franchise Agreement is amended by adding the following language:

16.5. The Minnesota Department of Commerce requires that we indemnify you against liability to third parties resulting from claims by third parties that your use of our trademark infringes trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of the Agreement, and, as a condition to indemnification, you must provide notice to us of any claim within 10 days and tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Any general release language contained in the Franchise Agreement will not relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchises Law.

3. Section 19.3.G. of the Franchise Agreement is amended by adding the following punctuation and language at the end of this section, before the period: "; provided, however, this release will not apply to claims as you may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce."

4. Section 15 of the Franchise Agreement will be supplemented by adding of the following as § 19.6 of the Franchise Agreement, which will be considered an integral part of the Franchise Agreement:

Minnesota law provides you with certain transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 5) currently requires, except in certain specified cases, that consent to the transfer of the Franchise not be unreasonably withheld.

5. Section 20 of the Franchise Agreement will be supplemented by adding the following as § 20.4 of the Franchise Agreement, which will be considered an integral part of the Franchise Agreement:

Minnesota law provides you with certain termination rights. In sum, Minn. Stat. § 80C.14 (subds. 3 and 5) currently requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days notice of nonrenewal of this Agreement, and that consent to the transfer of the Franchise not be unreasonably withheld.

6. Section 23 of the Franchise Agreement, under the heading "Miscellaneous," will be supplemented by the addition of the following Sections, which will be considered an integral part of the Agreement:

23.6 The general release language contained in this Agreement will not relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchise Investment Law.

23.7 Minn. Stat. Sec 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. Nothing in the UFOC or this Agreement can abrogate or reduce any of your rights provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

[Copy Signature Block From Franchise Agreement]

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of New York:

1. The last sentence of Subsection 10.2 of the Franchise Agreement is revised to read as follows:

The Manuals, and any additions, deletions or revisions thereto, will not alter your rights and obligations hereunder nor unreasonably increase your obligations or place an excessive economic burden on your operations.

2. Sections 3.2.B(2), 19.3.G. and 23.3 of the Franchise Agreement, are amended to add the following language immediately following the requirement that you sign a General Release:

Provided, however, that all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied.

3. The second sentence of § 18.5 of the Franchise Agreement is amended to read as follows:

Accordingly, you consent to our seeking of an injunction prohibiting your conduct in violation of the terms of the covenants not to compete stated in this Agreement.

4. § 22.2 of the Franchise Agreement is amended to read as follows:

In addition to any other relief available at law or equity, we will have the right to seek to obtain restraining orders or temporary or permanent injunctions to: (i) enforce, among other matters, the provisions of this Agreement related to the System; (ii) enforce your obligations on termination or expiration of this Agreement; and (iii) prohibit any act or omission by you or your employees that is a violation of applicable Law or that threatens the Marks.

[Copy Signature Block From Franchise Agreement]

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 511901 through 511917, and the policies of the office of the State of North Dakota Securities Commission, the parties to the Franchise Agreement agree as follows:

1. Any general release language contained in the Franchise Agreement will not relieve us or any other person, directly or indirectly, from any liability imposed by the North Dakota Franchise Investment Law.
2. Section 18. of the Franchise Agreement is amended by adding the following: "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."
3. Section 19.3.G. of the Franchise Agreement is amended by adding the following punctuation and language at the end of this section, before the period: "; provided, however, this release will not apply to claims as you may have under the North Dakota Franchise Investment Law."
4. Section 21.2 of the Franchise Agreement is deleted.
5. The third sentence of Section 22.1.A. is deleted.
6. The provisions of the Franchise Agreement on governing law, jurisdiction, and choice of law will not be a waiver of any right conferred on you by the North Dakota Franchise Investment Law.

[Copy Signature Block From Franchise Agreement]

**RHODE ISLAND ADDENDUM
TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

[Copy Signature Block From Franchise Agreement]

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the South Dakota Franchises for Brand-Name Goods and Services Law, S.D. Codified Laws §§ 37-5A-1 to 37-5A-87, the parties to the Franchise Agreement agree as follows:

1. Section 21.1.B. of the Franchise Agreement is amended to delete any references to the site of litigation in Georgia.
2. Section 23 of the Franchise Agreement will be supplemented by the addition of the following Sections, which will be considered an integral part of this Agreement:
 - 23.6 Notwithstanding anything to the contrary contained in § 22.1 of this Agreement, this provision will be void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.
 - 23.7 Notwithstanding anything to the contrary in this Agreement, all issues related to franchise registration, employment law, coverants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but as to contractual and all other matters, the Agreement and all provisions of the Agreement will be and remain subject to the application, construction, enforcement and interpretation under the governing laws of Georgia.
 - 23.8 Notwithstanding anything to the contrary herein, nothing in this Agreement will be deemed to constitute a waiver of compliance with any provision of the South Dakota Franchises for Brand-Name Goods and Services Act.
3. Regardless of the terms of the Franchise Agreement concerning termination, if you fail to meet performance and quality standards or fail to make any payments under such Franchise Agreement, you will be afforded thirty (30) days' written notice with an opportunity to cure the default before termination.
4. Pursuant to S.D.C.L. 375A86, any acknowledgment, provision, disclaimer, or integration clause, or a provision having a similar effect, in the Franchise Agreement, does not negate or act to remove from judicial review any statement, misrepresentation, or action that would violate the South Dakota Franchise Law (S.D.C.L. 375A) or any administrative regulations promulgated thereunder.
5. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special, or consequential damages may not be enforceable under South Dakota law.

[Copy Signature Block From Franchise Agreement]

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Washington:

1. If any of the provisions in the franchise offering circular or the Franchise Agreement, are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions with regard to any franchise sold in Washington.
2. In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in Washington or in a place as mutually agreed on at the time of the arbitration, or as determined by the arbitrator.
3. A release or waiver of rights you sign will not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.
5. On a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
6. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

[Copy Signature Block From Franchise Agreement]

**WISCONSIN ADDENDUM
TO FRANCHISE AGREEMENT**

1. Notwithstanding § 25.4 of the Franchise Agreement, to the extent any of the provisions regarding notice of termination or change in dealership are in conflict with § 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law will be controlling.
2. The Wisconsin Fair Dealership Law supersedes any provision of the Franchise Agreement that is inconsistent with that law.

[Copy Signature Block From Franchise Agreement]

If you sign a Carvel Express Franchise Agreement, the terms of the previous contract will be amended as follows:

1. Section 4.1 will read as follows:

Initial Franchise Fee. When you sign this Agreement, you will pay us an initial franchise fee of \$15,000 (the "Initial Franchise Fee"). When we sign this Agreement, the Initial Franchise Fee is fully earned and nonrefundable.

2. Section 19.3.I. will read as follows:

You pay us a transfer fee of \$5,000.00.

EXHIBIT C
OTHER AGREEMENTS