

FRANCHISE DISCLOSURE DOCUMENT

Froyoworld Franchising, LLC

a Connecticut limited liability company

652 Center Street

Manchester, Connecticut 06040

(860) 777-4044

www.froyoworld.com

questions@froyoworld.com



The franchisee will sign a franchise agreement (“Franchise Agreement”) to operate a shop under the name “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself®” featuring frozen yogurt with a variety of toppings and other complementary products, smoothies and beverages. A Froyoworld shop operates using proprietary formulas, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a Froyoworld franchise \$305,120 to \$470,000. This includes \$25,000 that must be paid to the franchisor and/or its affiliate.

We may offer to qualified individuals and entities the opportunity to become a multi-unit operator (“Multi-Unit Operator”) to establish and operate multiple Shops at specific locations pursuant to individual franchise agreements. If you become a Multi-Unit Operator, you will pay a Multi-Unit Operator fee that is equal to 100% of the initial franchise fee for the first Shop to be developed, plus a deposit of 50% of the initial franchise fees for the additional Shops to be opened under a Multi-Unit Operator agreement. Your total initial investment will vary depending on the number of Shops you commit to open.

We also offer to qualified individuals and entities the opportunity to become our development agent (“Development Agent”) within a specific geographical area. A Development Agent will act as our agent in a specific area, solicit new franchisees, assist existing franchisees, and conduct inspections of Shops in the geographic area, among other things. A Development Agent must pay us a fee of between \$100,000 and \$250,000. We will pay a Development Agent a portion of royalty fees collected and a portion of initial franchise fees.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Dennis Bok at 652 Center Street, Manchester, Connecticut 06040 and (860) 777-4044.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 17, 2014

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit J for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT, THE MULTI-UNIT OPERATOR AGREEMENT AND THE DEVELOPMENT AGENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CONNECTICUT. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN CONNECTICUT THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT, THE MULTI-UNIT OPERATOR AGREEMENT AND THE DEVELOPMENT AGENT AGREEMENT STATE THAT CONNECTICUT LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$305,120 TO \$470,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2013, WHICH IS \$172,951.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

See the State Effective Dates page for the effective date.

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	N/A
Connecticut	Exempt
Florida	May 30, 2013
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Kentucky	N/A
Maine	Exempt
Maryland	Pending
Michigan	N/A
Minnesota	N/A
Nebraska	N/A
New York	Pending
North Carolina	Exempt
North Dakota	N/A
Rhode Island	May 23, 2013
South Carolina	Exempt
South Dakota	N/A
Texas	N/A
Utah	N/A
Virginia	January 6, 2014
Washington	N/A
Wisconsin	N/A

TABLE OF CONTENTS

ITEM 1 **1**
 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1

ITEM 2 **5**
 BUSINESS EXPERIENCE 5

ITEM 3 **5**
 LITIGATION 5

ITEM 4 **5**
 BANKRUPTCY 5

ITEM 5 **5**
 INITIAL FEES 5

ITEM 6 **6**
 OTHER FEES 6

ITEM 7 **11**
 ESTIMATED INITIAL INVESTMENT 11

ITEM 8 **14**
 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 14

ITEM 9 **17**
 FRANCHISEE’S OBLIGATIONS 17

ITEM 10 **19**
 FINANCING 19

ITEM 11 **19**
 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 19

ITEM 12 **27**
 TERRITORY 27

ITEM 13 **30**
 TRADEMARKS 30

ITEM 14 **32**
 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 32

ITEM 15 **33**
 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 33

ITEM 16 **34**
 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 34

ITEM 17 **35**
 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 35

ITEM 18 **43**

PUBLIC FIGURES	43
ITEM 19	44
FINANCIAL PERFORMANCE REPRESENTATIONS	44
ITEM 20	45
OUTLETS AND FRANCHISEE INFORMATION	45
ITEM 21	49
FINANCIAL STATEMENTS	49
ITEM 22	49
CONTRACTS.....	49
ITEM 23	49
RECEIPTS.....	49

EXHIBITS

- A – Financial Statements
- B – Franchise Agreement
- C – Multi-Unit Operator Agreement
- D – Development Agent Agreement
- E – Franchisees, Multi-Unit Operators and Development Agents
- F – Franchisees, Multi-Unit Operators and Development Agents Who Have Left the System
- G – Table of Contents of Operations Manual
- H – Multi-State Addendum
- I – Franchisee Disclosure Acknowledgment Statement
- J – List of State Administrators/Agents for Service of Process
- K – Form of General Release

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Froyoworld Franchising, LLC (referred to in this Disclosure Document as “Froyoworld,” “we,” “us,” or “our” and where the context requires also includes our parent and our affiliates) was formed as a Connecticut limited liability company on October 27, 2011. Our principal place of business is 652 Center Street, Manchester, Connecticut 06040 and we do business under our corporate name and the Marks as described below. In this Disclosure Document, we refer to the person or entity that will be signing the franchise agreement (“Franchise Agreement”) as “you,” “your,” or “Franchisee,” which includes all franchise owners and partners, if you are a corporation, partnership or other entity.

We do not own or operate any businesses of the type being franchised. Other than servicing and selling franchises for Froyoworld Shops, we are not involved in other business activities. We have not offered franchises in any other line of business. We began offering franchises in January 2012.

Our agents for service of process are listed in Exhibit J.

Our Parents, Predecessors and Affiliates

We have no parent or predecessors. We have the following affiliates:

- ◆ Froyo World LLC, a Connecticut limited liability company headquartered at 46 High Street, New Haven, Connecticut. Froyo World LLC has owns and operates one Shop of the type being franchised since March 24, 2010.
- ◆ Froyoworld Licensing, LLC, a Connecticut limited liability company headquartered at our address. Froyoworld Licensing, LLC owns the Marks which it has licensed to us so that we may sublicense them to our franchisees and development agents. Froyoworld Licensing, LLC does not own or operate a business of the type being franchised.
- ◆ Froyoworld Hamden, LLC, a Connecticut limited liability company headquartered at 2100 Dixwell Avenue, Suite 30, Hamden, Connecticut. Froyoworld Hamden, LLC has owns and operates one Shop of the type being franchised since May 6, 2012.
- ◆ Froyoworld UConn, LLC, a Connecticut limited liability company headquartered at 1 Dog Lane, Unit 103, Storrs, Connecticut. Froyoworld UConn, LLC has owns and operates one Shop of the type being franchised since September 14, 2012.
- ◆ Froyoworld International, LLC, a Connecticut limited liability company headquartered at our address (“Froyoworld International”). Beginning in September 2012, Froyoworld International began offering international franchises under the trade name “Froyoworld”. In September 2012, Froyoworld International sold master franchise rights in Puerto Rico, and as of December 31, 2013 there were five subfranchises in operation. Froyoworld International intends on offering master franchise opportunities outside of the continental United States.

Other than Froyoworld International, none of our affiliates has ever offered franchises in this or any other line of business.

Description of Franchise

We offer franchises for the right to establish and operate a retail shop operating under the name “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself” featuring frozen yogurt with a variety of toppings and other complementary products, smoothies and beverages (“Shop” or “Franchised Shop”). Froyoworld Shops offer dine-in and take-out service only.

The Shops operate under the trade name and mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself”, and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the “Marks” or “Proprietary Marks”.

Froyoworld Shops are operated under the Marks and the System in accordance with the terms of the Franchise Agreement. The Shops are generally located within shopping centers, multi use developments, lifestyle centers, mega centers, entertainment centers, and urban locations. Shops will typically be approximately 1,000 to 2,000 square feet in size.

The Shops are established and operated under a comprehensive and unique system (the “System”). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and our confidential operations manual (“Manual” or “Operations Manual”) which you should expect to evolve over time, and which are provided to you as a franchisee.

Franchise Agreement

We offer the right to establish and operate a Shop under the terms of a single unit Franchise Agreement. The Franchise Agreement is attached as Exhibit B to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee’s principals (referred to in this Disclosure Document as “your Principals”). The Franchise Agreement is signed by us, by you, and by those of your Principals whom we designate as controlling Principals (“Controlling Principals”). In most instances, we will designate your equity owners and executive officers, and certain affiliated entities, as Controlling Principals. By signing the Franchise Agreement, your Controlling Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements.

You must also designate a “General Manager” who will be the main individual responsible for operating your Shop. We recommend that you act as the General Manager.

Multi-Unit Operator Agreement

In certain circumstances, we will offer to you the right to sign a Multi-Unit Operator Agreement in the form attached as Exhibit C to this Disclosure Document (the “Multi-Unit Operator Agreement”) to open multiple franchised Shops over an agreed-up period of time to be located within a specifically

described geographic area (the “Trade Area”). We will determine the Trade Area before you sign the Multi-Unit Operator Agreement and it will be included in the Multi-Unit Operator Agreement. Under the Multi-Unit Operator Agreement, you must establish three Froyoworld Shops within the Trade Area according to a minimum performance schedule (“Minimum Performance Schedule”), and sign a separate Franchise Agreement for each Shop established under the Multi-Unit Operator Agreement. The Franchise Agreement for the first Shop developed under the Multi-Unit Operator Agreement will be in the form attached as Exhibit B to this Disclosure Document. For each additional Shop developed under the Multi-Unit Operator Agreement, you must sign the form of franchise agreement that we are then offering to new franchisees.

The person or entity signing the Multi-Unit Operator Agreement is referred to as the “Multi-Unit Operator.” The Multi-Unit Operator Agreement contains concepts similar to the Franchise Agreement involving the “Multi-Unit Operator’s Principals.”

Development Agent Agreement

We may also offer qualified applicants the right to become a Froyoworld Development Agent within a defined geographic area (the “Development Area”). If you qualify to serve as a Development Agent, you will sign our Development Agent Agreement (“Development Agent Agreement”), which is attached to this Disclosure Document as Exhibit D. The Development Agent will advertise for new franchisees on our behalf and develop and assist franchisees of ours who are operating within the Development Area, and will use our business systems, formats, methods, specifications, standards, operating procedures, operating assistance, and Proprietary Marks. The Development Agent does not have the authority to negotiate terms with a prospective franchisee. The new franchisee will sign our then current franchise agreement with us and not the Development Agent. The Development Agent will share in a portion of some of the fees paid to us. In addition, the Development Agent may, in our discretion, share in certain expenses we incur to enforce or defend Franchise Agreements or begin eviction proceedings against franchisees in the Development Area. As a Development Agent you must own and operate at least one Shop, for which you will pay the initial franchise fee and ongoing fees to us.

A Development Agent must comply with all federal and state franchise laws (described below). Your right to sell Froyoworld franchises for locations in your Development Area is non-exclusive. Therefore, we may recruit prospective franchisees and sell franchises for locations in your Development Area. You will still earn a portion of the initial franchise fee for franchises that we sell in your Development Area. Although we are under no obligation to do so, we intend to turn over to you all of the sales leads that we receive from prospects looking to acquire a Franchised Business for a location in your Development Area so that you can pre-qualify the candidate. Because we may not approve a franchisee’s location until after we sign the then current franchise agreement, it is possible that you could pre-qualify a franchisee who ultimately selects a site outside of your Development Area and in another Development Agent’s Development Area. In that case, you would earn a portion of the initial franchise fee for the sale of that franchise. The Development Agent in whose area the franchisee opens the Shop would receive a portion of the Royalty Fees and any transfer fees paid on account of that franchisee.

A Development Agent will (i) solicit, recruit, screen and interview prospective franchisees for us (“solicitation services”); (ii) help us identify and secure sites for Shops (“site services”); and (iii) provide additional operational, training and field support to franchisees both before and after they open their Shops (“support services”). We will pay you 50% of the initial franchise fee that we receive from a franchisee who buys a Franchised Business in your Development Area, subject to the following conditions: (i) you collect preliminary financial and background information, pre-qualify the franchisee using our criteria, and present us with the applicant; (ii) both we and the franchisee sign the then current franchise agreement and the franchisee pays us the entire initial franchise fee; (iii) the sale is for a new

Franchised Business and is not a resale of an existing Shop by another franchisee; (iv) there are no outstanding sale contingencies, such as the initial franchise fee being paid into an escrow account; and (v) you are in compliance with the Development Agent Agreement.

You will also earn 50% of the aggregate Royalty Fees that we receive from our franchisees in your Development Area for performing support services in compliance with the Development Agent Agreement. You will also receive 50% of any transfer fees related to a franchisee located within the Development Area. If you fail to perform support services for any franchisee in your Development Area, we may terminate your Development Agent Agreement.

While we rely on you to solicit, screen and interview franchisee candidates and to present us with those applicants whom you pre-qualify using our criteria, we make the final decision on whether we will sell a franchise to the candidates you present. If we approve the candidate, we and the candidate will sign a Franchise Agreement, and you are not a party to that contract. As our agent you will, however, provide a variety of site services and support services to the franchisees in your Development Area.

The sale of franchises is governed by rules enacted by the Federal Trade Commission (“FTC”), 16 C.F.R. §§ 436.1 et seq. (the “FTC Rule”). A Development Agent must comply with the disclosure requirements mandated by the FTC Rule. Further, in the states of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin we are required to register the Disclosure Document before the offer or sale of any franchise. The Disclosure Document must be registered with the various states before the offer or sale of any franchise in that particular state, and the state may require that you register as a franchise broker or sub-franchisor. We shall provide you with an electronic copy of our applicable Disclosure Document, which you will use to sell franchises for us.

Market and Competition

The market for frozen dessert shops in general is well developed and highly competitive. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain shops, some of which may be franchise systems. We may establish other Froyoworld Shops in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area. See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights. Our products are somewhat seasonal and sell better in warm weather.

Industry Regulations

Many of the laws, rules and regulations that apply to business generally have particular applicability to Froyoworld Shops. All Shops must comply with federal, state and local laws applicable to the operation and licensing of a food service business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. If applicable to your Shop, the Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You should consider these laws and regulations when evaluating your purchase of a franchise.

Among the licenses and permits you may need are: Zoning or Land Use Approvals, Sunday Sale Permits, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Health Permits, Frozen Dessert Permits, Alarm Permits, County Occupational Permits, Retail

Sales Licenses, and Wastewater Discharge Permits. There may be other laws, rules or regulations which affect your Shop, including minimum wage and labor laws along with ADA, OSHA and EPA considerations.

Each of your managers and other employees we designate must be ServSafe Certified Professional Food Managers or other similar requirements.

We recommend that you consult with an attorney to determine which laws will be applicable to you and your Shop and for an understanding of these laws.

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer, President and Managing Member – William Bok

Mr. Bok has been our Chief Executive Officer, President and Managing Member since our inception in October 2011, and he has also been President for each of our affiliates since their respective inceptions dating from March 2010. From March 2008 to September 2010, he was President of YoCup in San Francisco, California.

Vice President and Chief Brand Officer – Dennis Bok

Mr. Bok began his career as our Vice-President and Director of Franchise Development since our inception in October 2011, and for each of our affiliates since their respective inceptions dating from March 2010. Prior to March 2010, Mr. Bok attended the Massachusetts School of Law and graduated with Juris Doctorate.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 **INITIAL FEES**

Franchise Agreement: You must pay us an initial franchise fee of \$25,000 for the right to establish a single Shop under a Franchise Agreement. You must pay the initial franchise fee in full when you sign the Franchise Agreement and the initial franchise fee is the same for all single unit franchisees under this offering. The initial franchise fee is not refundable under any circumstances. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC.

Multi-Unit Operator Agreement: When you sign the Multi-Unit Operator Agreement to develop multiple Shops, you must pay us a Multi-Unit Operator fee equal to 100% of the initial franchise fee for the first Shop to be developed, plus a deposit equal to 50% of the initial franchise fee for each additional Shop to be developed under the Multi-Unit Operator Agreement. The Multi-Unit Operator fee

is imposed uniformly on all Multi-Unit Operators. If you commit to develop four Shops, your Multi-Unit Operator fee will be \$25,000 + (3 x \$12,500 = \$37,500) = \$52,500.

For your first Shop, we will apply a portion of the Multi-Unit Operator fee to pay the initial franchise fee in full. For each additional Shop you develop, we will apply a pro rata portion of the Multi-Unit Operator fee toward the initial franchise fee due under the Franchise Agreement, and the balance of the initial franchise fee due (\$12,500) is payable when you sign the Franchise Agreement for the Shop. The Multi-Unit Operator fee must be paid in a lump sum and is non-refundable. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC.

Development Agent Fee. The Development Agent must own at least one Shop within the agreed upon Development Area, for which the Development Agent will pay our then-current initial franchise fee and our standard ongoing fees.

If you qualify to become a Development Agent and sign a Development Agent Agreement, you will pay us a lump sum, non-refundable Development Agent fee of between \$100,000 and \$250,000 when you sign the Development Agent Agreement. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC. The amount of the Development Agent fee will be negotiated between us and will be determined based upon, in part, the size of the Development Area, the number of Shops that you commit to sell in the Development Area and the number of Shops you will provide services to on our behalf.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Shop opens.

**ITEM 6
OTHER FEES**

Fees ⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee ⁽²⁾	6% of Gross Sales	Payable not later than the 5 th day of each month for the previous calendar month	Royalty Fees are calculated based on Gross Sales for the previous calendar month. Amounts due will be withdrawn by EFT from your designated bank account.
Brand Development Fee	Not applicable		We do not expect to collect a Brand Development Fee
Local Advertising	1% of Gross Sales	Must be spent monthly	You will spend this money directly with your local advertising vendors. All advertising must be approved by us before you use it.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Development Agent Advertising	\$12,000 per year	Must be spent annually	You will spend this money directly with advertising vendors to promote franchise opportunities in your Development Area. All advertising must be approved by us before you use it.
Initial Training (For New or Replacement Employees)	Our then-current training fee per person, plus expenses Current training fee = \$1,500	Before Training	Training for the first two people is included in the initial franchise fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = \$300	When billed	If you request that we provide additional training at your Shop, you must pay our daily fee for each trainer we send to your Shop, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Interest	1.5% per month or the highest rate allowed by applicable law, whichever is less	On demand	Interest may be charged on all overdue amounts. Interest will accrue from the original due date until payment is received in full
Audit Fee	Cost of audit (estimated to be between \$1,000 and \$5,000)	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest.
Prohibited Product or Service Fine	\$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee – Franchise Agreement	\$5,000	With request for approval of the transfer	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Transfer Fee – Multi-Unit Operator Agreement	\$15,000	When the transfer is completed	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Transfer Fee – Development Agent Agreement	\$25,000	When the transfer is completed	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Renewal	50% of our then-current initial franchise fee	Upon renewal of the Franchise Agreement	
Product and/or Supplier evaluation	\$250	With request for approval	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use in your Shop. This fee will be refunded if we approve the product or supplier.
Liquidated Damages	See footnote 3		
Computer System Maintenance Fee	\$1,200 for the first year \$17,000 for the second year and each following year	Annually	Payable to the approved supplier for computer/POS system maintenance and support. A maintenance contract is required.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Management Fee	5% of Gross Sales, plus expenses	If incurred	We may step in and manage your Shop in certain circumstances, including your death, disability or prolonged absence. We will charge a management fee if we manage your Shop, and you must reimburse our expenses. The management fee is in addition to royalties and all other fees due.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Shop or for costs associated with defending claims that you used the trademarks in an unauthorized manner.
Repair, Maintenance, and Remodeling/Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Shop and its equipment. You must remodel and/or redecorate your Shop upon our request, which will not occur more frequently than every five years.
Insurance	Reimbursement of our costs	If incurred	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf.
ServSafe Certification	\$150 per person or then-current fee	As needed	Each of your managers and other employees we designate must be ServSafe (or similar) certified. This fee is payable to us or to the approved supplier.

Fees ⁽¹⁾	Amount	Due Date	Remarks
Gift and Loyalty Cards	As determined by supplier	As incurred	Payable to our approved supplier. See note 4.

Notes:

1. Except as noted above, all fees described in this Item 6 are non-refundable and are currently uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC. Fees may be adjusted due to changes in market conditions, our cost of providing services and future changes in the System. We currently have no plans to increase payments over which we have control.

2. For the purposes of determining the fees to be paid under the Franchise Agreement, “Gross Sales” means the total selling price of all services and products and all income of every other kind and nature related to the Shop, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us. The royalty fee and advertising fee will be withdrawn from your designated bank account by electronic funds transfer (“EFT”) not later than the 5th day of each month based on Gross Sales for the preceding calendar month. If you do not report the Shop’s Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, once we have been able to determine the Shop’s true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month.

If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

You must provide us with the reports we require for your Shop in the format and including the information that we specify. Gross Sales reports must be provided to us monthly, and are in addition to our right to poll your computer system.

3. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid and/or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.

4. You must participate in our Gift and Loyalty Card program, which allows a Gift Card that is purchased at any Shop to be redeemed at any other Shop, and that Loyalty Cards are acceptable at all Shops in the System. A supplier will determine the fee for managing the Gift and Loyalty Card program.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$25,000	Lump Sum	On signing Franchise Agreement	Us
Rent – 3 Months ⁽²⁾	\$7,500 to \$22,500	As determined by Landlord	Before opening	Landlord
Security Deposits ⁽³⁾	\$3,000 to \$8,500	As arranged	As arranged	Landlord, Utility Companies
Leasehold Improvements ⁽⁴⁾	\$110,000 to \$200,000	As arranged	As arranged	Contractor
Equipment, Furniture and Signs ⁽⁵⁾	\$135,920 to \$169,000	As arranged	As arranged	Approved Suppliers
POS / Computer System ⁽⁶⁾	\$7,900 to \$10,000	As arranged	As arranged	Approved Suppliers
Video Surveillance System ⁽⁶⁾	\$3,000 to \$4,000	As arranged	As arranged	Approved Suppliers
Insurance – Annual Premium ⁽⁷⁾	\$1,000 to \$2,400	As arranged	As arranged	Insurance Companies
Permits and Licenses ⁽⁸⁾	\$300 to \$600	As arranged	As arranged	Government Agencies
Initial Inventory ⁽⁹⁾	\$5,000 to \$10,000	As arranged	As arranged	Approved Suppliers
Travel Expenses for Training ⁽¹⁰⁾	\$1,000 to \$3,000	As arranged	As incurred	Airlines, Hotels, Restaurants, Employees
Professional Fees ⁽¹¹⁾	\$500 to \$5,000	As arranged	As arranged	Attorney, Accountant
Additional Funds – 3 Months ⁽¹²⁾	\$5,000 to \$10,000	As arranged	As incurred	Various
Total ⁽¹³⁾	\$305,120 to \$470,000			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

Notes:

1. **Initial Franchise Fee.** The initial franchise fee is discussed in Item 5.

2. **Rent.** If you do not own adequate property, you must lease the property for your business. The typical size for a Froyoworld Shop is 1,000 to 2,000 square feet. The costs for a suitable location will vary widely and may be significantly higher than projected in this table depending on factors such as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property. You should investigate all of these costs in the area where you wish to establish a Shop.

Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges (“CAM Charges”) your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Shop, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Shop, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. **Security Deposits.** We expect that you will need to pay deposits for your local utilities, such as telephone, electricity and gas, and your landlord may require you to pay a security deposit. The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies. Our estimate assumes that you landlord will require one month’s rent as a security deposit, but you may have to pay two months’ rent for the security deposit.

4. **Leasehold Improvements.** The cost of leasehold improvements will vary depending on numerous factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost of materials and labor, which may vary based on geography and location. Our estimates are based on the assumption that your landlord will provide a shell space that includes a level concrete floor suitable for floor covering, air conditioning, electricity, gas, sewers, bathroom facilities, water and plumbing suitable for a retail business. Leasehold improvements needed may include proper wiring and plumbing, floor covering, wall covering, partitions, lighting and fixtures, storefront modifications, painting, cabinetry and the like. These figures are our best estimate based on remodeling/finish-out rates in the Manchester, Connecticut area. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord. Our estimate does not include any tenant improvement allowance that you may negotiate.

You must employ a qualified licensed general contractor to construct the improvements for your Shop. We must approve of the general contractor you select before leasehold improvements can begin. We must also approve of the build-out design for the layout of your Shop.

5. **Equipment, Furniture and Signs.** The equipment you will need for your Shop includes between six and eight frozen yogurt machines, toppings bar, refrigeration units and smallwares. You

must also purchase or lease tables and chairs for your Shop, as well as the interior and exterior signage that we require.

6. **POS / Computer System.** You must purchase or lease the computerized point of sale system and back office computer system that we specify (see Item 11). You must also purchase the video surveillance system we designate.

7. **Insurance.** You must have the insurance that we specify for your Shop at all times during the term of your Franchise Agreement.

8. **Permits and Licenses.** Our estimate includes the cost of obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of the Shop. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

9. **Initial Inventory.** Our estimate includes your initial inventory of Proprietary Product mixes, toppings, cups, spoons and cleaning supplies.

10. **Travel and Living Expenses While Training.** These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first two trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The lower end of our estimate assumes that the trainees live within driving distance of our training facility.

11. **Professional Fees.** We expect that you will retain an attorney and an accountant to assist you with evaluating this franchise offering, and with negotiating your lease or purchase agreement for the approved location.

12. **Additional Funds.** This estimates your initial start up expenses for an initial three-month period, not including uniform costs, payroll costs or royalty fee payments, and does not include any revenue that your Shop may earn in the first three months of operation. These figures are estimates only and we cannot guarantee that you will not have additional expenses starting your business. Your expenses will depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions (including the local market for our products or services), the prevailing wage rate, competition, the sales level reached during the initial period and the time of year your Shop opens to the public, if you are in a cooler climate. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

13. **Totals.** We relied on our affiliate's experience in developing and operating Froyoworld Shops since 2010 to prepare these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT OPERATOR AGREEMENT FOR 4 SHOPS				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Multi-Unit Operator Fee (1)	\$52,500	Lump Sum	When Multi-Unit Operator Agreement Signed	Us
Other Expenditures for First Shop (2)	\$280,120 to \$445,000	As Per Chart Above	As Per Chart Above	As Per Chart Above
Total	\$332,620 to \$497,500			

1. **Multi-Unit Operator Fee.** The multi-unit operator fee is described in Item 5. Our estimate assumes you are developing four Shops.

2. **Other Expenditures.** This estimate includes the other costs you will incur related to developing your first Shop, less the initial franchise fee for the first Shop (which is paid from the multi-unit operator fee).

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT AGENT AGREEMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Agent Fee (1)	\$100,000-\$250,000	Lump Sum	When Development Agent Agreement Signed	Us
Other Expenditures for First Shop (2)	\$280,120 to \$445,000	As Per Chart Above	As Per Chart Above	As Per Chart Above
Total	\$380,120 to \$695,000			

1. **Development Agent Fee.** The Development Agent fee is described in Item 5.

2. **Other Expenditures.** You must own and operate a Froyoworld Shop. We expect that you will use your Shop as the base of operations for your development agent franchised business.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment, décor items, signs and related items we require, all of which must conform to the standards and specifications in our Confidential Operations Manual (“Manual”) or otherwise in writing. You may not install or permit to be

installed on the Shop premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.

To make sure that the highest degree of quality and service is maintained, you must operate the Shop in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or other methods (such as by e-mail) of any changes in the standards and specifications.

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from your inventory or from the Shop free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then-current standards and specifications. In addition to any other remedies we may have, we may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications.

You must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including soft serve machinery, refrigeration units, toppings bar and point of sale system), and other products used or offered for sale at the Shop solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications. We do not make our supplier evaluation criteria available to you or any supplier.

Neither we nor any of our affiliates are an approved supplier of any product or service that you must purchase or lease, but we may be in the future. If we or our affiliates are an approved supplier, we/our affiliates reserve the right to earn a profit from the sale of the item to our franchisees. None of our officers has an ownership interest in any approved supplier.

If you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so, together with our then-current fee (currently \$250). If we approve the product or supplier, this fee will be refunded to you. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We may designate that certain required items may be purchased from any supplier.

We have and may continue to develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those

products. Therefore, you will use only our proprietary recipes and any proprietary products we designate, and you will purchase those items solely from the supplier we designate.

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Shops in our System. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System or the franchised network of Shops.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). During the fiscal year ended December 31, 2013, we had total revenue of \$835,049, of which \$204,250 (or 24%) was from the sale of supplies and yogurt products to franchisees. We contribute some of these rebates into marketing and advertising for the brand, but we are not required to do so.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 75% to 80% of your total purchases in establishing the Shop, and approximately 55% to 65% of your total purchases in the continuing operation of the Shop.

When determining whether to grant new or additional franchises we consider many factors, including compliance with the requirements described above.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Shop) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property.

You must obtain our approval of the site for the Shop before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Shop before you sign the contract or lease. At our request, you and your landlord must sign a Collateral Assignment of Lease with us (Attachment B to the Franchise Agreement) which permits that your lease can be assigned to us on expiration or termination of your Franchise Agreement.

Before you open your Shop, you must obtain the insurance coverages we require. Our current insurance requirements are included in the Manual. We may modify our insurance requirements during the term of your Franchise Agreement, and any modifications will be communicated to you in our Manual or otherwise in writing. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us. All insurance must be on an “occurrence” basis.

In addition to the coverages required in the Manual, related to any construction, renovation or remodeling of the Shop, you must maintain builders risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All of your insurance policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties.

In addition to the insurance a Development Agent must maintain under the individual Franchise Agreement for the Shop a Development Agent must operate, the Development Agent must also carry the following insurance related to its business as a Development Agent: (1) broad form comprehensive general liability coverage against claims for employment practices coverage, bodily and personal injury, death and property damage caused by or occurring in conjunction with the conduct of business by Development Agent and broad form contractual liability coverage, including errors and omissions coverage, under one or more policies of insurance containing minimum liability coverage periodically prescribed by us, but in no event in an amount less than \$2,000,000 aggregate; this insurance will not have a deductible or self-insured retention in excess of \$5,000; and (2) worker’s compensation and employer’s liability insurance in statutory amounts, unemployment insurance and state disability insurance as required by governing law for Development Agent’s employees.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

ITEM 9
FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement, MUOA means the Multi-Unit Operator Agreement and DAA means the Development Agent Agreement.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	FA – Section 2 MUOA – Section 3 DAA- Section 1	Items 8 and 11
b. Pre-opening purchases/leases	FA – Sections 6, 7 and 8	Items 5, 6, 7, 8 and 11

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	FA – Section 2 DAA – Section 1	Items 1, 8 and 11
d. Initial and ongoing training	FA – Section 6 DAA – Section 3	Items 5, 6 and 11
e. Opening	FA – Section 6	Items 5, 6 and 11
f. Fees	FA – Sections 3, 4, 5, 7, 8, 11, 14 and 18 MUOA – Sections 2 and 3 DAA – Sections 1, 4	Items 5 and 6
g. Compliance with standards and policies/Manuals	FA–Sections 2, 3, 6, 8, 9, 10, 11, 12 DAA – Section 5	Items 11 and 14
h. Trademarks and proprietary information	FA – Sections 9 and 10 and Attachment D MUOA – Section 7 DAA – Section 6	Items 11, 13 and 14
i. Restrictions on products/services offered	FA – Section 7 MUOA – Section 7	Items 8 and 16
j. Warranty and customer service requirements	FA – Section 7	Item 8
k. Territorial development and sales quotas	MUOA – Section 3 DAA – Sections 1, 5	Item 12
l. Ongoing product/service purchases	FA – Section 7	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Sections 2, 7 and 14 DAA – Section 5	Items 8 and 11
n. Insurance	FA – Section 12 DAA – Section 5	Items 7 and 8
o. Advertising	FA – Section 8	Items 6, 8 and 11
p. Indemnification	FA – Section 15 MUOA – Section 14 DAA – Section 7	Item 6
q. Owner’s participation/management/staffing	FA – Sections 6, 14, 15 and 19 MUOA – Section 7 DAA – Section 5	Items 1, 11 and 15
r. Records and Reports	FA – Sections 4, 7 and 11	Item 6
s. Inspections and audits	FA – Sections 2, 7 and 11 MUOA – Section 12 DAA – Section 5	Items 6, 8 and 11

Obligation	Section in Agreement	Disclosure Document Item
t. Transfer	FA – Section 14 MUOA – Section 11 DAA – Section 8	Items 6 and 17
u. Renewal	FA – Section 3 MUOA – Section 5 DAA – Section 2	Items 6 and 17
v. Post-termination obligations	FA – Section 18 MUOA – Section 10 DAA – Section 12	Items 6 and 17
w. Non-competition covenants	FA – Section 10 and Attachment D MUOA – Section 12 DAA – Section 10	Item 17
x. Dispute Resolution	FA – Section 19 MUOA – Section 19 DAA – Section 22	Items 6 and 17
y. Liquidated Damages	FA –Section 18	Item 6

ITEM 10
FINANCING

We do not offer, either directly or indirectly, any financing arrangements to you. We do not guarantee your notes, leases or other obligations.

ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Froyoworld Franchising, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Development Agent Agreement: Before you begin operating under the Development Agent Agreement, we will:

1. Grant you the right to solicit, service and coordinate a specific number of Shops at locations we approve within your Development Area, provided that you are in full compliance with the terms and conditions contained in the Development Agent Agreement, including the obligation to own your own Shop and to supervise a specific number of franchisees, and that you are in full compliance with all of your obligations under any Franchise Agreements for Shops owned by you in the Development Area. (Development Agent Agreement – Section 1.) (See Item 12.)

2. Train, or have our sales agent train, you and up to two additional people in how to solicit franchise sales and pre-qualify prospective franchisees, how to provide on-going operational assistance to the franchisees located with your Development Area, and other aspects of conducting your business

beyond that of how to operate a Froyoworld Shop. (Development Agent Agreement – Section 3.1) This training is separate from our initial training program for franchisees, described below.

3. Provide you, on loan, with our Manual before your first Shop opens. (Development Agent Agreement – Section 3.8)

Multi-Unit Operator Agreement: Under the Multi-Unit Operator Agreement we or our development agent (if there is one for your Trade Area) will provide you with the following assistance:

1. We will grant to you exclusive rights to a Trade Area within which you will assume the responsibility to establish and operate an agreed-upon number of Froyoworld Shops under separate Franchise Agreements (Multi-Unit Operator Agreement – Section 1.1).

2. We will review site survey information on sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Shop (Multi-Unit Operator Agreement – Section 8.1).

3. We will provide you with standard specifications and layouts for building and furnishing the Shop (Multi-Unit Operator Agreement – Section 8.2).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Operator Agreement – Section 8.3).

5. We may conduct on-site evaluations, as we deem advisable, as part of our evaluation of the site for a Shop (Multi-Unit Operator Agreement – Section 8.4).

6. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Operators (Multi-Unit Operator Agreement – Section 8.5).

Franchise Agreement: Before the opening of a Shop we or our development agent (if there is one for your Protected Territory) will provide the following assistance and services:

1. Our written site selection guidelines and the site selection assistance we deem advisable. (Franchise Agreement, Section 5.1.) We will also designate your Protected Territory (see Item 12).

2. On loan, one set of prototypical architectural and design plans and specifications for a Shop for adaptation by you, at your expense. (Franchise Agreement, Section 5.3.)

3. On loan, our Manual, which we may revise during the term of your Franchise Agreement. (Franchise Agreement, Sections 5.4 and 10.1.)

4. A list of our approved suppliers, which is subject to change during the term of your Franchise Agreement. (Franchise Agreement, Sections 5.9 and 7.4.)

5. An initial training program at our headquarters, as described below. (Franchise Agreement, Sections 5.10 and 6.4.)

Post-Opening Obligations

Development Agent Agreement: During your operation as our Development Agent, we will pay to you your share of initial franchise fees, royalty fees and transfer fees. (Development Agent Agreement – Article 4.)

Franchise Agreement: During the operation of a Shop we or our development agent (if there is one for your Protected Territory) will provide the following assistance and services:

1. As we reasonably determine necessary, visits to and evaluations of the Shop and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained. (Franchise Agreement, Sections 5.5 and 7.5.6.)

2. Advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Shop, including new developments and improvements in equipment, products, recipes, packaging and preparation. (Franchise Agreement, Section 5.7.)

3. Training programs and seminars and other related activities regarding the operation of the Shop as we may conduct for you or Shop personnel generally, which may be mandatory for you, your General Manager and other Shop personnel. (Franchise Agreement, Section 6.4.2.)

4. At your request, additional on-site training at your Shop. You must pay our per diem fee for each trainer providing the training as well as reimburse our trainer's expenses. (Franchise Agreement, Section 6.4.4.)

5. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and your Principals have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Section 9.4.)

6. Hold a franchisee convention (not more frequently than annually) and periodic refresher training, all of which may be designated as mandatory for you and/or your General Manager. You must pay our then-current fees related to any refresher training, as well as any expenses you and your attendees incur, such as travel, food and lodging. We reserve the right to include refresher training with the franchisee convention. (Franchise Agreement, Section 6.5.)

7. Designate the minimum and/or maximum prices that you may charge for products available at your Shop, as permitted by applicable law. (Franchise Agreement, Section 7.13.) We do not make any guarantees that by offering products at any price we require or designate you will earn any level of sales or profitability.

Grand Opening Advertising: We recommend, but do not require, that you conduct an advertising campaign announcing the grand opening of your Shop. If you choose to conduct grand opening advertising, we must approve of your advertising campaign before you begin it.

Brand Development Fund: We reserve the right to establish and administer a Brand Development Fund (the "Fund") to advertise the System and the products offered by Froyoworld Shops on a regional or national basis. When we do establish the Fund, you must contribute to the Fund 1% of the Gross Sales of the Shop, to be paid weekly in the same manner as the royalty payments. Since the Fund has not yet been established, no monies have been spent by the Fund.

The Fund will be maintained and administered by us or our designee as follows:

1. We direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. The Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Shops operating under the System. Any Shops operated by us or our affiliates will contribute to the Fund generally on the same basis as you. We reserve the right to include language such as “Franchises Available” and our contact information in advertising programs paid for with the Fund. In administering the Fund, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or to make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.

2. The Fund may be used to satisfy the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine, newspaper and internet-based advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; social media initiatives; employing advertising agencies; development and maintenance of our Website; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. All sums you pay to the Fund will be maintained in a separate account. We may reimburse ourselves out of the Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Fund and advertising programs for you and the System. The Fund and its earnings will not otherwise benefit us. The Fund is operated solely as a conduit for collecting and expending the advertising fees as outlined above. Any sums paid to the Fund that are not spent in the year they are collected will be carried over to the following year.

3. We will prepare an annual statement of the operations of the Fund that will be made available to you if you request it. We are not required to have the Fund statements audited.

4. Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Fund, we have the right to reinstate it at any time and you must again contribute to the Fund.

We currently advertise the Shops and the products offered by the Shops primarily using point of purchase advertising materials, direct mail, electronic and internet marketing, public relations and promotions, and print media. As the number of Shops in the System expands, we envision using other forms of media, including television, radio, internet, magazine and newspaper advertising campaigns; and direct mail and outdoor billboard advertising. The majority of our advertising is developed by members of our staff or third-party consultants. Once the franchise program has been established, we contemplate advertising on a national, regional and local basis through the use of the Fund and Local Advertising (described below).

Local Advertising: You must conduct Local Advertising in your Territory and you must spend not less than 1% of your Shop’s Gross Sales each month for Local Advertising. We must approve all advertising before you use it. You must not advertise or use our Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent. You must provide us with an advertising expenditure report within 30 days of our request to show that you have complied with the Local Advertising requirements

Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12 month period must be submitted to us for our approval before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We reserve the right to require you to include certain language in your local advertising, such as “Franchises Available” and our website address and telephone number.

The Fund will use any funds for advertising that is principally a solicitation for the sale of franchises for Shops.

Except as described above, we are not obligated to spend any amount on advertising in your Territory.

Website / Intranet: Websites (as defined below) are considered as “advertising” under the Franchise Agreement and Development Agent Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement and Development Agent Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to the Froyoworld Shop, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

In connection with any Website, the Franchise Agreement and Development Agent Agreement provide that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website.

We will have the right to establish a website or other electronic system providing private and secure communications (such as an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business’s operation, including prohibitions on your and the Franchised Business’s employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us (“social media” includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

Advisory Council: We have an advisory council that we work with to improve the System, the products offered by Froyoworld Shops, advertising and any other matters that we deem appropriate.

Members of the advisory council include our representatives and franchisee representatives. Franchisee representatives are chosen by us or elected to the council by other franchisees in the System. The advisory council acts solely in an advisory capacity and has no decision making authority. We have the right to change, merge or dissolve the advisory council. If you participate in the council, you will pay any costs related to your involvement, such as expenses you may incur to attend council meetings.

Training: No later than 30 days before the date the Shop begins operation, you (or one of your owners) and your General Manager (for a maximum of two people) must attend and complete, to our satisfaction, our mandatory initial training program. We will conduct this training at our affiliate’s Shop in Manchester, Connecticut, or at another location we designate. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Shops being opened and the timing of the scheduled openings of Shops. The initial training program takes approximate 2 weeks to complete and is mandatory for all franchisees and their general managers.

Instructors and training materials for the initial training of you and your General Manager is included in the initial franchise fee, but you must pay the expenses incurred by you and your General Manager while attending training. You may also have additional personnel trained by us for the Shop, at your expense. We will determine whether you and the General Manager have satisfactorily completed initial training. If you do not complete the initial training course to our satisfaction, you must re-take the training program at your expense, including payment of our then-current training fee. If you do not successfully complete the training program a second time, we reserve the right to terminate your Franchise Agreement.

If the General Manager does not satisfactorily complete the initial training program or if we determine that this person cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Shop. Any General Manager subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that manager to the headquarters training program, at your expense. We reserve the right to charge a fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training. You must also pay for all expenses you, your General Manager and/or other personnel incur for any training program, including costs of travel, lodging, meals and wages.

If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Shop, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as travel, lodging, and meals.

The instructional materials used in the initial training consist of our Manual, marketing and promotion materials, programs related to the operation of the point of sale system, and any other materials that we believe will be beneficial to our franchisees in the training process. The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Employment Handbook	1	0	Hamden

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Applications and Contracts	½	0	Hamden
Distributors and Vendors	1	0	Hamden
POS System	1	0	Hamden
Taylor Machines	0	9	Hamden
Products & Recipes	1	0	Hamden
Fruit Preparation and Toppings Handling	1	0	Hamden
Opening and Closing Procedures	1	0	Hamden
Cleanliness	1	0	Hamden
Front End and Cashier Duties	1	0	Hamden
Back End “Back person” Duties	1	0	Hamden
General Store Operations	0	7	Hamden
Equipment and Machine Operation/Cleaning	0	7	Hamden
Store Inventory Control	0	2	Hamden

The above “HOURS ON THE JOB TRAINING” entail a recommended minimum of five full days at the Hamden corporate Froyoworld unit during operating hours.

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual experience or needs of those persons being trained.

Our instructors include Lisa Bok, Gladys Longwa and Cecileno Amado. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from one to three years.

In addition to the initial training program and any additional on-site assistance or training you request, as described above, we may offer refresher training programs or an annual meeting of our franchisees. We may designate that attendance at any refresher training program or annual meeting is mandatory for you and/or your General Manager. We do not currently charge a fee for the franchisee convention and any refresher training, but you must pay for the expenses of your trainees/attendees, including travel, lodging, meals and wages.

Operations Manual: The Table of Contents for our Operations Manual is attached to this Disclosure Document as Exhibit G. Our Operations Manual contains approximately 69 pages.

Site Selection and Opening: You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Shop and for constructing and equipping the Shop at the accepted site. You will select the site for the Shop subject to our approval and using our site submittal forms and/or criteria. The Shop may not be relocated without first obtaining our written consent. Before you lease or purchase the site for the Shop, you must locate a site that satisfies our site selection guidelines. You must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site.

You must submit information and materials for the proposed site to us for approval no later than 90 days after you have signed the Franchise Agreement, unless we provide you an extension of this time period. We will have 30 days after we receive this information and materials from you to approve or disapprove the proposed site as the location for the Shop. If we do not provide our specific approval of a proposed site, the site is deemed not approved. We do not warrant or guarantee that your Shop will be successful at any site that we approve. Our approval only means that the site has met our requirements for a Shop.

We will provide you with our current written site selection guidelines and any other site selection counseling and assistance we think is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), aerial photography, size and other physical attributes of the location, proximity to residential neighborhoods and proximity to schools, shopping centers, entertainment facilities and other businesses that attract consumers and generate traffic. We may use these and other factors, including general location and neighborhood, traffic patterns (including foot traffic), availability of parking, and ease of access to the location, in our review of your proposed site.

We estimate that the time from when the Franchise Agreement is signed to the opening of the Shop will be approximately three to six months. This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Shop, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Shop, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Shop, including purchasing inventory and supplies. You must open the Shop and begin business within six months after the Franchise Agreement is signed, unless you obtain a written extension of this time period from us. Additionally, before opening the Franchised Business, and before any renovation to the Franchised Business, you must sign and deliver to us an ADA Certification (in the form that is attached as Exhibit K to the Franchise Agreement) certifying to us that the Franchised Business and any proposed renovations comply with the ADA.

Computer and Point of Sale Systems: You must purchase and use the point of sale system, including computer hardware and software components and peripheral equipment, that is specified in our Manual. The point of sale system is used to collect and monitor point of sale information and to create business reports, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, and credit/debit card processing.

The point of sale system is designed to enable us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection (such as T-1, fiber optic or cable modem) in accordance with our specifications to permit us to access the point of sale

system (or other computer hardware and software) at the Shop premises as described above. This will permit us to electronically inspect and monitor information concerning your Shop's Gross Sales and any other information that may be contained or stored in the equipment and software. You must make sure that we have access at the times and in the manner we specify, at your cost.

You must purchase the point of sale system from our approved supplier. We expect that the point of sale system will cost between \$7,900 and \$10,000. You must also purchase the video surveillance system we require, which may be integrated with the point of sale system. The estimated cost for the video surveillance system is \$3,000 to \$4,000. We require that you purchase a maintenance contract for your point of sale system, which we anticipate will cost approximately \$1,200 for the first year and \$1,700 per a year each following year paid to an approved vendor that supplies this service. We reserve the right to change the designated point of sale system in the future.

You must obtain any upgrades and/or updates to the software used with the point of sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale system or the cost of any update and/or upgrade. Neither we nor any of our affiliates has any responsibility to provide you with any maintenance, updates and/or upgrades for your point of sale system.

You must obtain and maintain high speed Internet access or other means of electronic communication, as specified by us. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access to your computer and point of sale system at all times and in the manner that we specify.

ITEM 12 **TERRITORY**

Franchise Agreement: Your Franchise Agreement will specify the site that will be the Approved Location for your Shop. Your Franchise Agreement may also specify a Protected Territory. The size and scope of the Protected Territory will be contained in the Franchise Agreement and will be a one mile radius around the Shop or it will include a population of at least 20,000 people, whichever is less.

If any non-traditional site (such as mall food courts, airports, hospitals, cafeterias, commissaries, schools, hotels, office buildings and stadiums, arenas, ballparks, festivals, fairs, military bases and other mass gathering locations or events) is located within the physical boundaries of your Protected Territory, then the premises of this non-traditional site will not be included in your Protected Territory and you will have no rights to this non-traditional site. If your Shop is located at a non-traditional site, you will not receive a Protected Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Shop in the Protected Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below. There are no circumstances under which the Protected Territory may be altered before your Franchise Agreement expires or is terminated. Your territorial protection does not depend on your achieving a certain sales volume or market penetration.

As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate your then-existing Protected Territory according to certain demographics, including population. Since your Protected Territory may include a certain minimum population, your Protected Territory under the renewal Franchise Agreement may be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Protected Territory similar to the target demographics of your original Protected Territory. A re-evaluation of your Protected Territory may result in your renewal Protected Territory being smaller or larger than your original Protected Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Protected Territory or that your results will be the same as or similar to your results from operating in the original Protected Territory.

If, during the term of the Franchise Agreement, you wish to relocate your Shop, or if the Shop is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for the Shop. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Froyoworld Shop and is located within your Protected Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement. We will use the same criteria for a relocated site as we use for a new site for a Froyoworld Shop.

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Shops, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Shops and any other goods through similar or dissimilar channels of distribution, both within and outside the Protected Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Shops located outside the Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to your Shops; (c) to operate and to grant others the right to operate Shops at Non-Traditional Sites within and outside the Protected Territory under any terms and conditions we deem appropriate; and (d) the right to acquire and operate a business operating one or more shops or food service businesses located or operating in your Protected Territory.

You may sell our products to retail customers and prospective retail customers who live anywhere but who choose to dine at or from your Shop. You may not engage in any promotional activities or sell the proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Protected Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Protected Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You are strictly prohibited from selling any products to any business or other customer at wholesale.

We and our affiliates may sell products under the Marks within and outside your Protected Territory through any method of distribution other than a Froyoworld Shop, including sales through channels of distribution such as the Internet, catalog sales, grocery stores, club stores, telemarketing or

other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Protected Territory and you will not receive any compensation for our sales through alternative distribution channels. Any orders placed through our Website for non-menu items (such as memorabilia) will be fulfilled by us and you will not receive any portion of our revenue from these sales, even if the order is delivered to a customer within your Protected Territory.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Shop which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Multi-Unit Operator Agreement: Under the Multi-Unit Operator Agreement we grant you the right to develop and operate the number of Froyoworld Shops in the Trade Area specified in the Multi-Unit Operator Agreement. The Trade Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality. The actual size of the Trade Area will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Trade Area is not an assurance or warranty that there are a sufficient number of suitable sites for Shops in the Trade Area for you to meet your Minimum Performance Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria so you can meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Operator Agreement, we and our affiliates will not operate or grant a franchise for the operation of Shops to be located within the Trade Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Operator Agreement and all of the Franchise Agreements signed under it. Your rights to the Trade Area may, in our discretion, include the right to develop Shops at any Non-Traditional Site.

Except as expressly limited by the Multi-Unit Operator Agreement, we and our affiliates retain all rights with respect to Froyoworld Shops, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant other the right to produce, offer and sell the products offered at Shops and any other goods through similar or dissimilar channels of distribution, both within and outside the Trade Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Shops located outside the Trade Area under any terms and conditions we deem appropriate and regardless of proximity to your Shops; (c) to operate and to grant others the right to operate Shops at Non-Traditional Sites within and outside the Trade Area under any terms and conditions we deem appropriate; and (d) the right to acquire and operate a business operating one or more Shops or food service businesses located or operating in your Trade Area.

When the last Shop to be developed under the Minimum Performance Schedule has opened, if we believe that it is desirable to establish additional Shops within the Trade Area, and if you have been in compliance with your Multi-Unit Operator Agreement (including developing all Shops according to your Minimum Performance Schedule), we will offer you the right to develop these additional Shops. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-

unit operator or to develop the Shops ourselves, and you will have no further rights to the Trade Area, except for Protected Territories granted to individual Shop franchises.

To maintain your rights under the Multi-Unit Operator Agreement you must have open and in operation the cumulative number of Froyoworld Shops stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for termination of the Multi-Unit Operator Agreement.

The Trade Area may not be altered unless we and you mutually agree to do so.

Development Agent Agreement: Under the Development Agent Agreement we grant you the right to solicit service and coordinate a number of Franchised Businesses in the Development Area that is specified in the Development Schedule in the Development Agent Agreement. The Development Area is typically described in terms of municipal or county boundaries. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, and population and market conditions. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Shops in the Development Area for you to meet your Development Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Development Schedule.

Except as described below, during the term of the Development Agent Agreement we will not operate or grant a franchise for the operation of a Franchised Shop to be located within the Development Area except the franchises granted to you and other franchisees and as provided below. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Development Agent Agreement and all of your Franchise Agreements.

To maintain your rights under the Development Agent Agreement there must be open and in operation the cumulative number of Shops stated on the Development Schedule by the dates agreed upon in the Development Schedule. You must own and maintain at least one Shop.

In addition, upon the expiration of the term of the Development Agent Agreement, after any opportunity for renewal that you elect, your exclusive rights under the Development Agent Agreement with respect to selling or developing franchises in the Development Area will terminate and we will have the right to operate and to grant to others development rights and franchises to develop and operate Shops within the Development Area. Your rights and obligations to service the franchisees within the Development Area will continue until the Development Agent Agreement is terminated or expires, according to the terms of the Development Agent Agreement. This right will be subject only to the territorial rights under the franchise agreements signed by you and other franchisees for Shops in the Development Area. The Development Area may not be altered unless we and you mutually agree to do so. You are not granted any other option, right of first refusal or similar right to acquire additional Shops in your Development Area under the Development Agent Agreement. There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your Development Area, except that you must meet your Development Schedule.

ITEM 13 **TRADEMARKS**

The Franchise Agreement and Development Agent Agreement grant you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us, including the Marks. These Marks may be used only in the manner we authorize and only for the

operation of your Franchised Shop. The Multi-Unit Operator Agreement does not give you the right to use the Marks or our System.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our or our affiliate's rights in and to the Marks.

Our affiliate, Froyoworld Licensing, LLC, has registered the following principal Marks with the U.S. Patent and Trademark Office ("USPTO") on the Principal Register.

Mark	Application Date	Serial Number	Registration Date	Registration Number
Froyoworld, Frozen Yogurt Lounge, Indulge Yourself	8/7/2010	85/102,513	8/30/2011	4,018,273

Our affiliate intends to file all affidavits and other required documents to maintain their interests in and to the Marks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above.

There are no agreements currently in effect which limit our right to use or to license others to use the Marks except for the trademark license agreement between us and Froyoworld Licensing, LLC dated May 5, 2011.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Controlling Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity (including any affiliate) having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Controlling Principals in the proceeding and use of the Marks is in full compliance with the terms of your Agreement with us.

Except as provided above, we are not obligated by the Franchise Agreement or Development Agent Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to

protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

The license to use the Marks granted in the Franchise Agreement or Development Agent Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to existing franchisees and development agents;
2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and
3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Patents and Copyrights: We do not have an ownership interest in any patents or registered copyrights that are material to the franchise.

Confidential Operations Manual: You must operate the Shop in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. We reserve the right to provide the Manual electronically, such as via CD-ROM or a password-protected Website.

You must treat the Manual and any other manuals we create or approve for use in your operation of the Shop, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Shop premises.

We may revise the contents of the Manual and you must comply with each new or changed standard. You must also make sure that the Manual is kept current at all times. If there is a dispute regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information: We claim proprietary rights in certain of the recipes and other information which are included in the Manual and which are our trade secrets. You and each of your Controlling Principals are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Shop that may be communicated to you or any of your Controlling Principals or that you may learn about, including these trade secrets. You and each of your Controlling Principals

may divulge this confidential information only to your employees who must have access to it to operate the Shop. Neither you nor your Controlling Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

If we ask, you must have your General Manager and any of your personnel who have received or will have access to confidential information sign confidentiality covenants similar to the ones described above. Your Principals also must sign these covenants.

If you, your Controlling Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Shop, you must promptly notify us and give us all necessary information, free of charge. You, your Controlling Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

When you sign your Franchise Agreement, you must designate and retain at all times an individual to serve as the “General Manager”. If you are an individual, we recommend that you be the General Manager. Although we do not require you to be involved in the daily operation of your Shop, we recommend that you do so and you still must make sure that your Shop is operated according to the terms of the Franchise Agreement, the Manual and our requirements and specifications. You must also retain other personnel as are needed to operate and manage the Shop. The General Manager must satisfy our educational and business criteria as provided to you in the Manual or other written instructions, must be individually acceptable to us and must have completed our training program to our satisfaction. In addition, the General Manager must be responsible for the supervision and management of the Shop, and must devote full time and best efforts to this activity. If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within 60 days after the General Manager stops serving or no longer meets the requirements. Your General Manager may, in your discretion, have an ownership interest in you.

If you employ any individual as General Manager or in a managerial position who is at the time employed in a managerial position by us or any of our affiliates, or by another of our franchisees, you must (a) have written consent from the previous employer to hire the individual and (b) pay the former employer for the reasonable costs and expenses the employer incurred for the training of the employee.

You must also obtain covenants not to compete, including covenants applicable on the termination of the person’s relationship with you, from your General Manager and any of your other personnel who have received or will have access to our training before employment, and any holder of a beneficial interest in you (except for any limited partners). You must have all of your management personnel sign covenants that they will maintain the confidentiality of information they receive or have access to based on their relationship with you. We reserve the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph.

As described in Item 1, we have identified certain persons under the Franchise Agreement that we refer to in this Disclosure Document as your Principals. Your Principals include your spouse, if you are a married individual, your Principals also include those of your business entity's officers and directors (including the officers and directors of your general partner, if applicable) whom we designate as your Principals and all holders of an ownership interest in you and in any entity that directly or indirectly controls you, and any other person or entity controlling, controlled by, or under common control with you.

If we designate certain of your Principals as Controlling Principals, they must sign the Agreement and agree to be individually bound by certain obligations under the Agreements, including confidentiality and non-competition covenants and they must personally guarantee your performance under the Agreements. We typically designate your principal equity owners and executive officers, as well as any other affiliated entities that operate Shops, as Controlling Principals.

Under the Development Agent Agreement, you must designate people acceptable to us to act as field representatives once there are the requisite number of Stores located within your Development Area. Until that time, you should personally perform all Development Agent functions. If your relationship with a field representative terminates, you must promptly designate a replacement acceptable to us who will, at your expense and subject to our then-current charges, satisfactorily complete training. You must hire and maintain the number and level of management personnel needed for the conduct of business under the Development Agent Agreement and adequate management and supervisory personnel for all Froyoworld Shops developed under the Development Agent Agreement. You must make sure that personnel are properly trained to perform their duties. As described in Item 14, we may require you to obtain confidentiality and/or non-competition agreements from certain of your employees.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, and other products and services we require, in the manner and style we require. You must sell and offer for sale only the menu items and other products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Shop at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items with our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

We may determine the minimum and/or maximum prices for your menu items, as permitted by applicable law, but we make no guarantees or warranties that offering the products or merchandise at the designated price will enhance your sales or profits.

We do not impose any other restrictions in the Franchise Agreement or otherwise as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	3.1	Term continues for 10years from the date of the Franchise Agreement unless terminated earlier.
b. Renewal or extension of the term	3.2	Agreement may be renewed at your option for one additional term of five years.
c. Requirements for franchisee to renew or extend	3.2	<p>You must provide notice that you wish to renew your Franchise Agreement; you must be current in all payments and not in default of your Franchise Agreement; if we require, you must renovate and/or upgrade your Shop (including equipment); you must sign release, sign renewal Franchise Agreement and pay renewal fee. We reserve the right to modify the boundaries of your Protected Territory on renewal</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, except the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.</p>
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with “cause”	17.1.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	17.1.3 and 17.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within five days after notice (or longer period required), fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within five days after a request, fail to procure and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice.
h. "Cause" defined – non-curable defaults	17.1.2 and 17.1.3	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within time required, fail to remodel when required, fail to open Shop when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Shop premises, are convicted of a felony or other crime that may have an adverse affect on the System or Marks, transfer any interest without our consent, maintain false books or records; repeated defaults (whether or not cured). In addition, a default under one agreement with us may result in a termination of all of your other agreements with us, at our discretion. This is known as a cross-default provision.

Provision	Section in Franchise Agreement	Summary
i. Franchisee’s obligations on termination/non-renewal	18	Obligations include: You must stop operating the Shop and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages (if applicable), and at our option, sell or assign to us your rights in all or a portion of the Shop premises and the equipment and fixtures used in the business.
j. Assignment of contract by franchisor	14.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be granted except to an assignee who, in our good faith judgment, is willing and able to assume our obligations.
k. “Transfer” by franchisee – defined	14.2.1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Shop or you (if you are not a natural person).
l. Franchisor approval of transfer by franchisee	14.2.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	14.2.2	Conditions include: You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, complete training program, sign current Franchise Agreement, and we may require the transferee to remodel the Shop.
n. Franchisor’s right of first refusal to acquire franchisee’s business	14.4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions offered to you.
o. Franchisor’s option to purchase franchisee’s business	18.11	We have the right to repurchase all or a portion of the assets of your Shop on termination or non-renewal of your Franchise Agreement.
p. Death or disability of franchisee	14.5	If you or a Controlling Principal are a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transfer to someone approved by us within 12 months after death or notice of permanent disability.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	10.3.1	You are prohibited from operating or having an interest in a similar business.
r. Non-competition covenants after the franchise is terminated or expires	10.3.2	You and your Controlling Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 20 miles of any Shop in the System.
s. Modification of the agreement	10.1.5 and 19.2	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with our Manual, as it may be amended.
t. Integration/merger clause	19.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding.
u. Dispute resolution by arbitration or mediation	19.7, 19.8, 19.9, 19.10 and 19.11	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in Hartford County, Connecticut (subject to state law).
v. Choice of forum	19.8	The venue for all proceedings related to or arising out of the Franchise Agreement is Hartford County, Connecticut, unless otherwise brought by us (subject to state law).
w. Choice of Law	19.8	The Franchise Agreement is to be interpreted, governed and construed under Connecticut law (subject to state law).

THE MULTI-UNIT OPERATOR RELATIONSHIP

Provision	Section in Multi-Unit Operator Agreement	Summary
a. Length of the agreement term	6	Length of the Minimum Performance Schedule.
b. Renewal or extension of the term	5	After all Shops have been developed in accordance with the Minimum Performance Schedule, we will negotiate in good faith another Multi-Unit Operator Agreement.

Provision	Section in Multi-Unit Operator Agreement	Summary
c. Requirements for multi-unit operator to renew or extend	Not applicable	
d. Termination by multi-unit operator	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law.
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations.
g. “Cause” defined – curable defaults	9	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Shop before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Shop before a Franchise Agreement for that Shop has been signed.
h. “Cause” defined – non-curable defaults	9	Failure to meet your Minimum Performance Schedule; failure to comply with applicable laws; if all of your Shops stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision).
i. Multi-unit operator’s obligations on termination/non-renewal	10	You must stop selecting sites for Shops, and you may not open any more Shops
j. Assignment of contract by franchisor	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Operator Agreement.
k. “Transfer” by multi-unit operator – defined	11	Includes transfer of any interest in the Multi-Unit Operator Agreement.
l. Franchisor approval of transfer by multi-unit operator	11	We have the right to approve all transfers, our consent not to be unreasonably withheld.

Provision	Section in Multi-Unit Operator Agreement	Summary
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, all debts are paid, at least 25% of the Shops to be developed have either opened or are under construction, the buyer meets our current criteria for new Multi-Unit Operators, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations.
n. Franchisor's right of first refusal to acquire multi-unit operator's business	11	We have the right to match the offer to purchase your Franchised Business.
o. Franchisor's option to purchase multi-unit operator's business	Not applicable	
p. Death or disability of multi-unit operator	11	Interest must be transferred to an approved party within 12 months.
q. Non-competition covenants during the term of the franchise	12	Can't divert business or operate a competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	12	No competing business for two years and within 20 miles of any Shop in the System.
s. Modification of the agreement	18	No modifications except by mutual agreement of the parties.
t. Integration/merger clause	18	Only the terms of the Multi-Unit Operator Agreement are binding (subject to state law).
u. Dispute resolution by arbitration or mediation	19	Except for certain claims, all disputes must be arbitrated in Hartford County, Connecticut (subject to state law).
v. Choice of forum	19	Hartford County, Connecticut (subject to state law).
w. Choice of law	18	Connecticut applies (subject to state law).

THE DEVELOPMENT AGENT RELATIONSHIP

Provision	Section in Development Agent Agreement	Summary
a. Length of term	2	20 years.

Provision	Section in Development Agent Agreement	Summary
b. Renewal or extension of the term	2	Renew for additional consecutive 10 year terms.
c. Requirements for development agent to renew or extend	2	Provide at least 6 months prior notice; may not be in default of any provision of Development Agent Agreement; has complied with all terms and conditions of Development Agent Agreement;; sign then-current Development Agent Agreement;; sign a general release; comply with then-current qualification and training requirements and must pay your expenses such as costs of travel, room, board, and wages for employees to attend training.
d. Termination by development agent	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	11	We can terminate if you commit any one of several listed violations
g. "Cause" defined – curable defaults	11	Any default that is deemed to be curable, and not included as a non-curable default
h. "Cause" defined – non-curable defaults	11	Unauthorized transfer of Development Agent Agreement, become insolvent or make a general assignment for the benefit of creditors, bankruptcy or bankruptcy petition; filing and consenting of bill in equity or other proceeding or for appointment of receiver of Development Agent or other custodian for Development Agent's business or assets; if Development Agent is dissolved; if execution is levied against Development Agent's business or property, if suit to foreclose any lien or mortgage against Development Agent's business premises or equipment, or if Development Agent's real or personal property is sold after levy by any sheriff, marshal or constable; if Development Agent is convicted of a felony, crime involving moral turpitude or other crime or offense which has an adverse effect on Development Agent's business, the System, Proprietary Marks, or the goodwill associated with the Proprietary Marks; uncured defaults; repeated defaults.

Provision	Section in Development Agent Agreement	Summary
i. Development agent's obligations on termination/non-renewal	12	Stop operating the licensed business; stop providing services or assistance to System franchisees; stop using the Proprietary Marks, any confidential methods, procedures and techniques, signs, equipment, advertising materials, stationery, forms, and other articles which display the Proprietary Marks; cancel any assumed name or registration which contain the Mark and provide evidence within 30 days after termination; may not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks in the future; may not falsely suggest or represent association or connection with us; pay all damages, costs, and expenses incurred by us as a result of default or in obtaining injunctive or other relief; turn over all materials including manuals, records, files, instructions, correspondence, etc. and materials relating to operating the business, and will not retain any copy or records.
j. Assignment of contract by franchisor	8	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Development Agent Agreement;.
k. "Transfer" by development agent – defined	8	You have the right, with our consent to transfer subject to certain conditions.
l. Franchisor approval of transfer by development agent	8	We have the right to approve all transfers, our consent will not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	8	You have the right, with our consent to transfer subject to the following conditions: no sale during the first year of the agreement; transferee/assignee must meet our then-current financial and educational requirements; transferee/assignee must attend and complete our training class; all accounts of both transferee/assignee must be paid in full before assignment; Development Agent must train transferee/assignee for two months before transfer and for two months after transfer (in addition to completing training); Development Agent pays transfer fee.

Provision	Section in Development Agent Agreement	Summary
n. Franchisor's right of first refusal to acquire development agent's business	8	We have a right of first refusal to acquire your business on the same terms being offered by a third party
o. Franchisor's option to purchase development agent's business	Not applicable	
p. Death or disability of development agent	8	Interest must be transferred to an approved party within 12 months
q. Non-competition covenants during the term of the franchise	10	Can't divert business or operate a competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	10	No competing business for two years and within 20 miles of any Shop in the System.
s. Modification of the agreement	23	No modifications except by mutual agreement of the parties. Revisions to the Development Agent Agreement; will not unreasonably affect your obligations, including economic requirements under the Development Agent Agreement;.
t. Integration/merger clause	20	Only the terms of the Development Agent Agreement are binding (subject to Federal and/or state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	22	Arbitration in Hartford County, Connecticut (subject to state law)
v. Choice of forum	22	Hartford County, Connecticut (subject to state law)
w. Choice of law	21	Connecticut (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Franchised Business, except as stated below. Actual results will vary and we cannot estimate the results of any particular franchisee. As of December 31, 2013, there were 33 United States based Shops in the System, three owned by our affiliates and thirty franchised. Only fourteen of these Shops (three owned by our affiliates and eleven franchised) were open for more than 12 months as of December 31, 2013. The following represents the average sales achieved by these fourteen Shops in 2013. You should not expect your Shop to achieve these results in your first year of operation, or at any time during the term of your Franchise Agreement. Your revenues and costs may vary significantly depending on a number of factors, including the location of your Shop and how you operate your Franchised Business.

<i>Franchise Locations</i>	<i>2013 Gross Sales</i>
<i>Franklin, MA</i>	<i>\$712,092.24</i>
<i>Amherst, MA</i>	<i>\$318,095.06</i>
<i>Westport, CT</i>	<i>\$195,942.80</i>
<i>North Haven, CT</i>	<i>\$650,710.71</i>
<i>Cheshire, CT</i>	<i>\$410,991.35</i>
<i>Middletown, CT</i>	<i>\$495,574.61</i>
<i>Allston, CT</i>	<i>\$319,719.89</i>
<i>Storrs, CT</i>	<i>\$418,245.60</i>
<i>Southbury, CT</i>	<i>\$302,302.25</i>
<i>Mystic, CT</i>	<i>\$254,803.54</i>
<i>Seekonk, MA</i>	<i>\$460,216.53</i>
<i>Durham, NH</i>	<i>\$274,796.17</i>
<i>New Britain, CT</i>	<i>\$357,964.96</i>
<i>Affiliate Locations</i>	<i>2013 Gross Sales</i>
<i>New Haven, CT</i>	<i>\$589,214.89</i>
<i>Hamden, CT</i>	<i>\$581,573.33</i>
<i>Providence, RI</i>	<i>\$895,227.42</i>

All of these Shops reported Gross Sales amounts to us based on a uniform reporting system. The Gross Sales amounts in this financial performance representation have not been audited. These Shops offer the same products and services to the public as your Shop will.

The figures used in this Item 19 are Gross Sales only. Net income will vary from Shop to Shop, depending upon factors such as rental or real estate costs, costs of goods sold, labor costs and other costs relating to the operation of the Franchised Shop.

The success of your Shop will depend largely upon your individual abilities and your marketplace, and the financial results of your Shop are likely to differ, possibly significantly, from the results of the above Shops. These sales are of specific Shops owned and operated by our affiliates and one franchisee, and should not be considered as the actual or probable sales that will be realized by any franchise owner. We do not represent that any franchise owner can expect to achieve these sales. Your results will vary and the variances may be substantially different from the sales shown here. We do not represent that you will generate sales equal to or even similar to those stated above.

You should use the above information only as a reference in conducting your own analysis. We strongly urge you to consult with your financial advisor or accountant concerning the financial analysis that you should make in determining whether to purchase a Froyoworld franchise. We specifically instruct our sales personnel, agents, employees and officers that they may not make any claims or statements as to earnings, sales or profits, or prospects or chances of success of a Froyoworld franchise other than what is stated in this Item 19. They are not authorized to represent or estimate dollar figures as to a franchise's operation other than what is shown above. You must acknowledge that you have not relied on any financial representation in purchasing your Franchised Shop.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dennis Bok, 652 Center Street, Manchester, Connecticut, 06040, (860) 777-4044, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2011, 2012, 2013

\Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	0	1	+1
	2012	1	11	+10
	2013	11	30	+19
Company-Owned*	2011	1	1	0
	2012	1	3	+2
	2013	3	3	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2011	1	1	+1
	2012	2	14	+12
	2013	14	33	+19

* The Company-Owned Outlets in the above chart include Stores that are owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2011, 2012, 2013

State	Year	Number of Transfers
None	2111	0
	2012	0
	2013	0
Total	2111	0
	2012	0
	2013	0

Table No. 3A
Status of Franchised Outlets
For years 2011, 2012, 2013

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
CT	2011	0	0	0	0	0	0	0
	2012	0	6	0	0	0	0	6
	2013	6	14	0	0	0	0	20
MA	2011	0	0	0	0	0	0	0
	2012	0	4	0	0	0	0	4
	2013	4	2	0	0	0	1	5
NH	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	1	0	0	0	0	2
NY	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
RI	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	2	0	0	0	0	2
Total	2011	0	0	0	0	0	0	0
	2012	0	11	0	0	0	0	11
	2013	11	20	0	0	0	1	30

**Table No. 3B
Status of Multi-Unit Operators
For years 2011, 2012, 2013**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
None	2111	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Total	2111	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

**Table No. 3C
Status of Development Agents
For years 2011, 2012, 2013**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
None	2111	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Total	2111	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

**Table
No. 4
Status of Company-Owned Outlets
For years 2011, 2012, 2013**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CT	2011	1	0	0	0	0	1
	2012	1	2	0	0	0	3
	2013	3	0	0	0	0	3
Total	2011	1	0	0	0	0	1
	2012	1	2	0	0	0	3
	2013	3	0	0	0	0	3

The outlets in the above chart are owned and operated by our affiliates, as described in Item 1.

**Table No. 5
Projected Openings as of December 31, 2013**

States	Franchise Agreements Signed But Shop Not Open	Projected Franchised Shop Openings	Projected Company-Owned Shop Openings
Connecticut	0	1	0
Total	0	1	0

A list of the names of all franchisees, multi-unit operators, development agents and the addresses and telephone numbers of their franchises will be provided in Exhibit E to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit operator who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Froyoworld System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Froyoworld System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2012 and December 31, 2013.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|-------------------------------|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Multi-Unit Operator Agreement | Exhibit C |
| 3. | Development Agent Agreement | Exhibit D |
| 3. | Form of General Release | Exhibit K |

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

Froyoworld Franchising, LLC.

**Financial Statements
for the Year Ended December 31, 2013
and
Independent Auditors' Report**

Froyoworld Franchising, LLC.

INDEX

	<u>Page(s)</u>
Independent Auditors' Report	3
Financial Statements:	
Balance Sheet, December 31, 2013	4
Statement of Operation for the Year Ended December 31, 2013	5
Notes to Financial Statements Ended December 31, 2013	6

Myung-Ouk Park, CPA
Certified Public Accountant
2160 N Central Rd., Suite 307
Fort Lee, NJ 07024

Tel) 201-592-7277
Fax) 201-701-0389
E-mail) cpapark@hotmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of Directors of Froyoworld Franchising, LLC:

We have audited the accompanying balance sheet of Froyoworld Franchising, LLC. as of December 31, 2012, and the related statements of income for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Froyoworld Franchising, LLC. as of December 31, 2013 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Myung-Ouk Park, CPA

February 27, 2014
Fort Lee, New Jersey

Froyoworld Franchising, LLC
BALANCE SHEET, December 31, 2013

ASSETS:	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 159,135
Fixed assets:	
Buildings and other depreciable assets, at cost	34,540
Less, Accumulated depreciation	(20,724)
	<u>13,816</u>
Land	0
	<u>0</u>
Total fixed assets	0
	<u>\$ 172,951</u>

LIABILITIES and PARTNER'S CAPITAL ACCOUNT:

Current liabilities	
Mortgages, notes, bonds payable in less than 1 year	\$ 0
Other current liabilities	
Payroll tax payable	<u>873</u>
Total current liabilities	<u>0</u>
Long-term liabilities	
Mortgages, notes, bonds payable in 1 year or more	0
Other liabilities	<u>0</u>
Total liabilities	<u>0</u>
Partner's capital account:	172,078
	<u>172,078</u>
	<u>\$ 172,951</u>

See notes to financial statements

Froyoworld Franchising, LLC
STATEMENT of OPERATIONS
for the Year Ended December 31, 2013

Sales, net (Note 2)		\$ 835,049
Operating expenses		
Advertising	\$ 6,850	
Bank charge	107	
Design expenses	23,289	
Donations	675	
Depreciation	20,724	
Franchise registration fees	22,193	
Legal and professional fees	34,105	
Meal and entertainment	19,244	
Miscellaneous	329	
Raw materials	68,118	
Rebate to franchisee	6,146	
Rent (Note 3)	72,000	
Repairs and maintenance	23,934	
Supplies	231,615	
Salaries and wages	9,230	
Taxes	1,227	
Travel	24,744	
Utilities	1,164	<u>565,694</u>
Net Income		\$ <u>269,355</u>

See notes to financial statements

Froyoworld Franchising, LLC

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended December 31, 2013**

1. ORGANIZATION

FROYOWORLD FRANCHISING, LLC (“the Company”) was formed in the state of Connecticut on October 27, 2011. The Company is engaged principally in franchising yogurt ice cream business in the United States

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, and short-term and highly liquid investments with original maturities of three months or less at the date of purchase.

Furniture, fixtures and equipment

Property and equipment are recorded at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Depreciation is provided over the following asset lives:

Equipment	5 years
Furniture and fixtures	7 years
Computer and software	3 years

Revenue recognition

Revenue is recognized, with an appropriate provision for bad debts, when the Company has substantially performed all material services or conditions. Only when revenue is collected over an extended period of time and collectability cannot be predicted in

advance would the use of the cost recovery or installment methods of revenue recognition be appropriate.

3. COMMITMENTS

The Company leases office space under an operating lease, which expires on August 31, 2017. At December 31, 2013, future minimum lease payments under non-cancelable operating leases are as follows:

2014	\$ 72,000
2015	72,000
2016	72,000
2017	<u>48,000</u>
	<u>\$ 264,000</u>

Froyoworld Franchising, LLC.

**Financial Statements
for the Year Ended December 31, 2012
and
Independent Auditors' Report**

Froyoworld Franchising, LLC.

INDEX

	<u>Page(s)</u>
Independent Auditors' Report	3
Financial Statements:	
Balance Sheet, December 31, 2012	4
Statement of Operation for the Year Ended December 31, 2012	5
Statement of Cash Flows for the Year Ended December 31, 2012	6
Notes to Financial Statements Ended December 31, 2012	7

Myung-Ouk Park, CPA
Certified Public Accountant
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Fort Lee, NJ 07024

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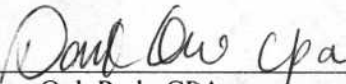
INDEPENDENT AUDITORS' REPORT

To the Members of Directors of Froyoworld Franchising, LLC:

We have audited the accompanying balance sheet of Froyoworld Franchising, LLC. as of December 31, 2012, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Froyoworld Franchising, LLC. as of December 31, 2012 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Myung-Ouk Park, CPA

April 02, 2013
Fort Lee, New Jersey

Froyoworld Franchising, LLC
BALANCE SHEET, December 31, 2012

ASSETS:	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 235,559
Fixed assets:	
Buildings and other depreciable assets, at cost	0
Less, Accumulated depreciation	0
	<u>0</u>
Land	0
	<u>0</u>
Total fixed assets	0
	<u>\$ 235,559</u>

LIABILITIES and PARTNER'S CAPITAL ACCOUNT:

Current liabilities	
Mortgages, notes, bonds payable in less than 1 year	\$ 0
Other current liabilities	0
	<u>0</u>
Total current liabilities	<u>0</u>
Long-term liabilities	
Mortgages, notes, bonds payable in 1 year or more	0
Other liabilities	0
	<u>0</u>
Total liabilities	<u>0</u>
Partner's capital account:	235,559
	<u>\$ 235,559</u>

See notes to financial statements

Froyoworld Franchising, LLC
STATEMENT of OPERATIONS
for the Year Ended December 31, 2012

Sales, net (Note 2)		\$ 314,260
Operating expenses		
Rent (Note 3)	\$ 39,300	
Supplies	20,347	
Design expenses	5,270	
Donations	7,550	
Meal and entertainment	2,870	
Travel	1,710	
Professional fees	476	
Taxes	250	
License and permit	447	
Repair and maintenance	400	
Bank charge	81	<u>78,701</u>
Net Income		\$ <u>235,559</u>

See notes to financial statements

Froyoworld Franchising, LLC
STATEMENT of CASH FLOWS
for the Year Ended December 31, 2012

Cash flows from operating activities		
Net income	\$	235,559
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation		0
Cash flows from investing activities		
Increase in fixed assets		0
Cash flows from financing activities		
Loan from member		0
Decrease in other liabilities		0
Loan payment		0
Net increase in cash and cash equivalents		0
Cash and cash equivalents, beginning of year		<u>0</u>
Cash and cash equivalents, end of year	\$	<u>235,559</u>

Supplemental disclosure of cash flow information

See notes to financial statements

Froyoworld Franchising, LLC

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended December 31, 2012**

1. ORGANIZATION

FROYOWORLD FRANCHISING, LLC (“the Company”) was formed in the state of Connecticut on October 27, 2011. The Company is engaged principally in franchising yogurt ice cream business in the United States

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Depreciation is provided over the following asset lives:

Equipment	5 years
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Revenue is recognized, with an appropriate provision for bad debts, when the Company has substantially performed all material services or conditions. Only when revenue is collected over an extended period of time and collectability cannot be predicted in

advance would the use of the cost recovery or installment methods of revenue recognition be appropriate.

3. COMMITMENTS

The Company leases office space under an operating lease, which expires on August 31, 2017. At December 31, 2012, future minimum lease payments under non-cancelable operating leases are as follows:

2013	\$ 72,000
2014	72,000
2015	72,000
2016	72,000
2017	<u>48,000</u>
	\$ 336,000
	<u><u>=====</u></u>

Rent expense for the year ended December 31, 2012 was \$ 6,000.

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

FROYOWORLD FRANCHISING, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE

TABLE OF CONTENTS

ARTICLE 1 2

GRANT 2

 1.1 *Grant of Franchise* 2

 1.2 *Accepted Location* 2

 1.3 *Relocation* 2

 1.4 *Protected Territory* 2

 1.5 *Our Reserved Rights* 3

ARTICLE 2 3

SITE SELECTION, PLANS AND CONSTRUCTION 3

 2.1 *Your Responsibility to Locate a Site* 3

 2.2 *Site Selection* 3

 2.3 *Zoning Clearances, Permits and Licenses* 4

 2.4 *Design of Shop* 4

 2.5 *Build-Out of Shop* 5

 2.6 *Opening Date; Time is of the Essence* 5

ARTICLE 3 5

TERM AND RENEWAL 5

 3.1 *Term* 5

 3.2 *Renewal* 6

 3.3 *Refusal to Renew Franchise Agreement* 7

 3.4 *Renewal Under Law* 7

 3.5 *Your Election Not to Renew* 7

ARTICLE 4 7

FEES 7

 4.1 *Initial Franchise Fee* 7

 4.2 *Royalty Fees* 7

 4.3 *Brand Development Fee* 8

 4.4 *Payments to Us* 8

 4.5 *Interest on Overdue Amounts* 8

 4.6 *Definition of Gross Sales* 9

 4.7 *Payment of Additional Fees* 9

ARTICLE 5 9

OUR OBLIGATIONS 9

 5.1 *Site Selection Assistance* 9

 5.2 *Location Assistance; On-Site Evaluation* 9

 5.3 *Prototype Design Plans* 9

 5.4 *Confidential Operations Manual* 9

 5.5 *Visits and Evaluations* 9

 5.6 *Advertising and Promotional Materials* 9

 5.7 *Management and Operations Advice* 10

 5.8 *Products for Resale* 10

 5.9 *Approved Suppliers* 10

 5.10 *Initial Training Program* 10

 5.11 *Opening Assistance* 10

5.12	<i>Brand Development Fund; Advertising Cooperatives</i>	10
ARTICLE 6		10
YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS.....		10
6.1	<i>Use Commercially Reasonable Efforts</i>	10
6.2	<i>Representations of Corporate Entity</i>	10
6.3	<i>General Manager</i>	12
6.4	<i>Training</i>	12
6.5	<i>Franchisee Meetings</i>	13
6.6	<i>Hiring Practices</i>	13
6.7	<i>Compliance with Laws</i>	14
6.8	<i>Compliance with All Other Obligations</i>	14
ARTICLE 7		15
FRANCHISE OPERATIONS.....		15
7.1	<i>Compliance with Standards</i>	15
7.2	<i>Maintenance of Shop</i>	15
7.3	<i>Remodeling and Redecorating</i>	15
7.4	<i>Approved Suppliers</i>	15
7.5	<i>Operation of Shop in Compliance with Our Standards</i>	16
7.6	<i>Proprietary Products</i>	17
7.7	<i>Advertising and Promotional Materials</i>	18
7.8	<i>Complaints</i>	18
7.9	<i>Power of Attorney for Telephone Listings, etc.</i>	18
7.10	<i>Power of Attorney for Taxes</i>	18
7.11	<i>Unapproved Products and Services</i>	18
7.12	<i>Customer Surveys</i>	18
7.13	<i>Pricing</i>	19
ARTICLE 8		19
ADVERTISING AND RELATED FEES		19
8.1	<i>Participation in Advertising</i>	19
8.2	<i>Local Advertising</i>	19
8.3	<i>Brand Development Fund</i>	19
8.4	<i>Conduct of Advertising; Our Approval</i>	20
8.5	<i>Grand Opening Advertising</i>	20
8.6	<i>Websites</i>	21
8.7	<i>Advisory Councils</i>	21
ARTICLE 9		22
MARKS		22
9.1	<i>Use of Marks</i>	22
9.2	<i>Ownership of Marks; Limited License</i>	22
9.3	<i>Limitation on Use of Marks</i>	23
9.4	<i>Notification of Infringement or Claim</i>	23
9.5	<i>Retention of Rights by Us</i>	23
ARTICLE 10		24
CONFIDENTIALITY AND NON-COMPETITION COVENANTS.....		24
10.1	<i>Confidential Operations Manuals</i>	24
10.2	<i>Confidential Information</i>	24

10.3	<i>Non-Competition</i>	25
10.4	<i>Failure to Comply</i>	27
ARTICLE 11	.....	27
	BOOKS AND RECORDS	27
11.1	<i>Books and Records</i>	27
11.2	<i>Reports</i>	27
11.3	<i>Inspections; Audits</i>	28
11.4	<i>Correction of Errors</i>	28
11.5	<i>Authorization of Us</i>	28
11.6	<i>We are Attorney-in-Fact</i>	28
ARTICLE 12	.....	29
	INSURANCE.....	29
ARTICLE 13	.....	30
	DEBTS AND TAXES.....	30
13.1	<i>Taxes</i>	30
13.2	<i>Payments to Us</i>	30
13.3	<i>Tax Disputes</i>	30
13.4	<i>Compliance with Laws</i>	30
13.5	<i>Notification of Action or Proceeding</i>	31
ARTICLE 14	.....	31
	TRANSFER OF INTEREST.....	31
14.1	<i>Transfer by Us</i>	31
14.2	<i>Transfer by You</i>	31
14.3	<i>Transfer to a Corporation or Limited Liability Company</i>	33
14.4	<i>Our Right to Purchase Business</i>	33
14.5	<i>Death or Disability</i>	35
14.6	<i>No Waiver of Claims</i>	35
14.7	<i>Transfer Among Owners</i>	36
ARTICLE 15	.....	36
	INDEMNIFICATION.....	36
15.1	<i>Indemnification by You</i>	36
15.2	<i>Notification of Action or Claim</i>	37
15.3	<i>We May Settle</i>	37
15.4	<i>Losses and Expenses</i>	37
15.5	<i>Indemnitees Do Not Assume Liability</i>	37
15.6	<i>Recovery from Third Parties</i>	38
15.7	<i>Survival of Terms</i>	38
ARTICLE 16	.....	38
	RELATIONSHIP OF THE PARTIES.....	38
16.1	<i>No Relationship</i>	38
16.2	<i>Independent Contractor</i>	38
16.3	<i>You are Not Authorized</i>	38
ARTICLE 17	.....	38
	TERMINATION.....	38

17.1	<i>Automatic Termination – No Right to Cure</i>	38
17.2	<i>Notice of Termination – 30 Days to Cure</i>	41
17.3	<i>Cross-Defaults, Non-Exclusive Remedies, etc.</i>	41
17.4	<i>Our Right to Discontinue Services to You</i>	42
17.5	<i>Amendment Pursuant to Applicable Law</i>	42
ARTICLE 18		42
POST-TERMINATION		42
18.1	<i>Cease Operations</i>	42
18.2	<i>Stop Using the System</i>	42
18.3	<i>Cancellation of Assumed Names</i>	42
18.4	<i>No Use of Similar Marks</i>	43
18.5	<i>Payment of Sums Owed</i>	43
18.6	<i>Payment of Damages, Costs and Expenses</i>	43
18.7	<i>Delivery of Manuals and Materials</i>	43
18.8	<i>Confidential Information</i>	43
18.9	<i>Advertising and Promotional Materials</i>	43
18.10	<i>Assignment to Us</i>	44
18.11	<i>Assignment of Lease</i>	44
18.12	<i>Our Right to Purchase</i>	44
18.13	<i>Assignment of Options by Us</i>	45
18.14	<i>Telephone Numbers, Yellow Pages Listings, etc.</i>	45
18.15	<i>Liquidated Damages</i>	45
ARTICLE 19		46
MISCELLANEOUS		46
19.1	<i>Notices</i>	46
19.2	<i>Entire Agreement</i>	46
19.3	<i>No Waiver</i>	47
19.4	<i>Our Prior Approval</i>	47
19.5	<i>No Warranty or Guaranty</i>	47
19.6	<i>Continued Obligation to Pay Sums</i>	47
19.7	<i>Arbitration</i>	47
19.8	<i>Governing Law; Injunctive Relief</i>	48
19.9	<i>Agreement Regarding Governing Law and Choice of Forum</i>	48
19.10	<i>Waiver of Punitive Damages</i>	49
19.11	<i>Execution in Multiple Counterparts</i>	49
19.12	<i>Captions</i>	49
19.13	<i>Survival of Terms</i>	49
19.14	<i>Severability of Provisions</i>	49
19.15	<i>Joint and Several Obligations</i>	49
19.16	<i>Rights and Remedies Cumulative</i>	50
19.17	<i>Terminology</i>	50
19.18	<i>References</i>	50
19.19	<i>No Rights or Remedies Except to the Parties</i>	50
19.20	<i>Effectiveness of Agreement</i>	51
19.21	<i>Modification of the System</i>	51
19.22	<i>Operation in the Event of Absence or Disability</i>	51
19.23	<i>Step-In Rights</i>	51
19.24	<i>Costs and Legal Fees</i>	52

ARTICLE 20	52
TECHNOLOGY	52
20.1 <i>Computer Systems and Software</i>	52
20.2 <i>Data</i>	53
20.3 <i>Privacy</i>	53
20.4 <i>Telecommunications</i>	53
20.5 <i>Intranet</i>	53
20.6 <i>On-line Use of Proprietary Marks</i>	54
20.7 <i>No Outsourcing Without Prior Written Consent</i>	54
20.8 <i>Changes to Technology</i>	54
ARTICLE 21	54
SECURITY INTERESTS	54
21.1 <i>Collateral</i>	54
21.2 <i>Indebtedness Secured</i>	54
21.3 <i>Additional Documents</i>	55
21.4 <i>Possession of Collateral</i>	55
21.5 <i>Our Remedies in Event of Default</i>	55
21.6 <i>Special Filing as Financing Statement</i>	55
ARTICLE 22	55
YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS	55
22.1 <i>Your Representations</i>	55
22.2 <i>Your Acknowledgments</i>	56

ATTACHMENTS

- A - Accepted Location and Protected Territory
- B - Collateral Assignment of Lease
- C - Statement of Ownership Interests and Franchisee’s Principals
- D - Confidentiality and Non-Competition Agreement
- E - Electronic Transfer Authorization
- F - Internet Websites and Listings Agreement; Telephone Listing Agreement
- G - Power of Attorney (Tax)
- H - Multi-State Addendum
- I - Transfer of a Franchise to a Corporation or Limited Liability Company
- J - Franchisee Disclosure Acknowledgment Statement
- K - ADA Certification

FROYOWORLD FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into by and between Froyoworld Franchising, LLC, a Connecticut limited liability company having its principal address at 660 Center Street, Manchester, Connecticut 06040 (“we”, “us” or “our”) and _____, a _____, having its principal address at _____ (“you” or “your”) on the date this Agreement is executed by us below (the “Effective Date”).

W I T N E S S E T H:

WHEREAS, we and our affiliate, as the result of the expenditure of time, skill, effort and money, have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of shops featuring frozen yogurt with a variety of toppings and other complementary products, smoothies and beverages;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself®” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as the “Marks”);

WHEREAS, we continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications; and

WHEREAS, you desire to use the System in connection with the operation of a shop at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1

GRANT

1.1 Grant of Franchise

In reliance on the representations and warranties of you and your Controlling Principals (as defined in Section 19.17) hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate a Froyoworld Shop under the Marks and the System in accordance with this Agreement (“Shop” or “Franchised Business”). You and the Controlling Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Shop hereunder and not for the purpose of reselling the rights to develop the Shop hereunder. You and the Controlling Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and the Controlling Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Shop is open for business to the public in accordance with Section 2.6, and then only in accordance with Article 16 hereof.

1.2 Accepted Location

The specific street address of the Shop location accepted by us shall be set forth in Attachment A (“Location” or “Accepted Location”). You shall not relocate the Shop without our express prior written consent, which consent shall not be unreasonably withheld. This Agreement does not grant to you the right or license to operate the Shop or to offer or sell any products or services described under this Agreement at or from any other location, nor are you permitted to sell any products at wholesale.

1.3 Relocation

If you are unable to continue the operation of the Shop at the Accepted Location because of the occurrence of a force majeure event (as described in Section 17.1.3(e)), then you may request our approval to relocate the Shop to another location in the Protected Territory, as that term is defined below, which approval shall not be unreasonably withheld. Any other relocation outside the Protected Territory or a relocation of the Shop not caused by force majeure shall also be subject to our prior approval. If we elect to grant you the right to relocate the Shop, then you shall comply with the site selection and construction procedures set forth in Article 2.

1.4 Protected Territory

Upon the execution of this Agreement, you will be assigned an exclusive territory (the “Protected Territory”) that will also be described in Attachment A. If any non-traditional site (as described below) is located within your Protected Territory, then the premises of this non-traditional site will not be included in your Protected Territory and you will have no rights to such non-traditional site. Except as provided in this Agreement, and subject to your and the Controlling Principals’ material compliance with this Agreement, any other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and us, we shall not establish or authorize any other person or entity, other than you, to establish a Shop in the Protected Territory during the term of this Agreement and any extensions hereof. You acknowledge and understand that the rights granted hereunder pertain only to the establishment of a Shop. You acknowledge and agree that our affiliates currently operate, or may in the future operate, shops under different marks and with operating systems that are the same as or similar to the System, and that any such shops might compete with your Shop. You further agree and acknowledge that the license granted hereby is only for the operation of one (1) Shop and only at a location approved by us.

1.5 Our Reserved Rights

Except as expressly limited by Section 1.4, we and our affiliates retain all rights with respect to Shops, the Marks and the sale of any products and services outside of your Protected Territory, including, without limitation, the right:

1.5.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Shops and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Protected Territory, and under any terms and conditions we deem appropriate. “Alternative distribution channels” include, but are not limited to, the grocery stores, club stores, institutions, banquet facilities, or other direct marketing sales;

1.5.2 to operate and to grant others the right to operate Shops located outside the Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to your Shop;

1.5.3 to operate and to grant others the right to operate Shops at non-traditional sites (“Non-Traditional Sites”) within and outside the Protected Territory under any terms and conditions we deem appropriate; and

1.5.4 the right to acquire and operate a business operating one or more food service businesses located or operating in the Protected Territory.

As used in this Agreement, Non-Traditional Sites shall include, without limitation, military bases, shopping malls, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, cafeterias, snack bars, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

ARTICLE 2 SITE SELECTION, PLANS AND CONSTRUCTION

2.1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Shop within the Protected Territory, and for constructing and equipping the Shop at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Shop unless the site is accepted by us as set forth below. You acknowledge that the location, selection, procurement and development of a site for the Shop is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing; and that our review of your lease, our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Shop operated at that site will be profitable or otherwise successful.

2.2 Site Selection

2.2.1 If you do not already have possession of a location that we have approved, then prior to acquiring by lease or purchase a site for the Shop, but within ninety (90) days of the date this Agreement is executed, you shall locate a site for the Shop that satisfies the site selection guidelines provided to you by us pursuant to Section 5.1 and shall submit to us in the form specified by us a

description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of this information and materials to approve or disapprove, in our sole discretion, the proposed site as the location for the Shop. No site may be used for the location of the Shop unless it is first accepted in writing by us. You acknowledge and agree that our approval of a location for the Shop is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Shop will be profitable. Our approval of a location for the Shop only signifies that the location has met our then-current minimum criteria for a Froyoworld Shop.

2.2.2 If you elect to purchase the premises for the Shop, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within ten (10) days after execution. If you will occupy the premises of the Shop under a lease or sublease, you shall submit a copy of the lease or sublease to us for written approval prior to its execution and shall furnish to us a copy of the executed lease or sublease within ten (10) days after execution. No lease or sublease for the Shop premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment B, is attached to the lease and incorporated therein. We shall have ten (10) days after receipt of the lease, sublease or the proposed contract of sale to either approve or disapprove such documentation prior to its execution.

2.2.3 After a location for the Shop is accepted by us and acquired by you pursuant to this Agreement, the location and your Protected Territory shall be described in Attachment A.

2.2.4 If you fail to locate a suitable site for the Shop within the ninety (90) day period described herein, we shall have the right to terminate this Agreement unless we have provided you with an extension of this timeframe.

2.3 Zoning Clearances, Permits and Licenses

You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Shop premises. Prior to beginning the construction of the Shop, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Shop, and (ii) certify in writing to us that the insurance coverage specified in Article 12 is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. Upon written request, you shall provide to us additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications. Prior to opening the Franchised Business, and before any renovation to the Franchised Business, Franchisee shall execute an ADA Certification in the form attached to this Agreement as Attachment K that certifies in writing to Franchisor that the Franchised Business and any proposed renovations comply with the ADA.

2.4 Design of Shop

You must obtain any architectural, engineering and design services necessary for the construction of the Shop at your own expense from an architectural design firm approved by us, which approval shall not be unreasonably withheld. You shall adapt the prototypical architectural and design plans and specifications for construction of the Shop provided to you by us in accordance with Section 5.3 as necessary for the construction of the Shop and shall submit such adapted plans to us for our review. If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the

System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within ten (10) days of receiving such plans. If we fail to notify you of an objection to the plans within this time period, you may use such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We shall, upon a re-submission of the plans with such changes, notify you within ten (10) days of receiving the resubmitted plans whether the plans are acceptable. If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans. You acknowledge that our review of such plans relates only to compliance with the System and presentation of the Marks, and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their design or structural application.

2.5 Build-Out of Shop

You shall commence and diligently pursue construction or remodeling (as applicable) of the Shop. Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Shop. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Shop. You acknowledge and agree that you will not open the Shop for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement.

2.6 Opening Date; Time is of the Essence

You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open the Shop and commence business within six (6) months after you execute this Agreement, unless you obtain an extension of such time period from us in writing. The date the Shop actually opens for business to the public is herein called the "Opening Date". Prior to opening, you shall complete all exterior and interior preparations for the Shop, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Sections 6.2 through 6.7, to our reasonable satisfaction. If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure act as described in Section 17.1.3(e), we shall have the right to prohibit you from commencing business. Your failure to open the Shop and commence business in accordance with the foregoing shall be deemed an event of material default under this Agreement.

ARTICLE 3

TERM AND RENEWAL

3.1 Term

Unless sooner terminated as provided in Article 17 hereof, the term of this Agreement shall continue from the date stated on the first page hereof, for a period of ten (10) years.

3.2 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to us less than nine (9) months, but more than six (6) months, prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for one (1) additional period of five (5) years, if the following conditions are met:

3.2.1 you have been, throughout the initial term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this Agreement, the lease and all other agreements between you and us or companies associated or affiliated with us;

3.2.2 you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of franchises (which then-current Franchise Agreement may materially differ from this Agreement, including a higher rate of fees, different methods of calculating fees due, and different payment methods, which shall be the same as those set out in the franchise agreements being executed at the time of renewal);

3.2.3 you are able to maintain possession of the Accepted Location for the Shop (or at a relocated Accepted Location pursuant to Section 1.3 hereof) pursuant to a lease reasonably acceptable to us;

3.2.4 you refurbish, upgrade, and/or renovate your Shop as we require in order that your Shop will meet our then-current standards and image for Froyoworld Shops;

3.2.5 the landlord of the Accepted Location consents to a renewal or extension of the lease;

3.2.6 at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

3.2.7 you execute a general release running in favor of us, our affiliates and our respective officers, directors and shareholders releasing all claims against us, our officers, directors and shareholders;

3.2.8 you pay to us a renewal fee equal to fifty percent (50%) of our then-current initial franchise fee; and

3.2.9 As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate your then-existing Protected Territory according to certain demographics, including population. Since your Protected Territory may include a certain minimum population, your Protected Territory under the renewal Franchise Agreement may be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Protected Territory similar to the target demographics of your original Protected Territory. A re-evaluation of your Protected Territory may result in your renewal Protected Territory being smaller or larger than your original Protected Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Protected Territory or that your results will be the same as or similar to your results from operating in the original Protected Territory.

3.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Shop Premises is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

3.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

3.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us for a renewal franchise.

ARTICLE 4

FEES

4.1 Initial Franchise Fee

You shall pay to us an initial franchise fee of Twenty-Five Thousand Dollars (\$25,000), less any amount credited toward the initial franchise fee pursuant to a multi-unit operator agreement between you and us, which amount shall be paid upon the execution of this Agreement. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party, and the initial franchise fee shall be non-refundable. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC.

4.2 Royalty Fees

4.2.1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing monthly royalty fee ("Royalty Fee") of six percent (6%) of Gross Sales. Such Royalty Fee shall be due and payable not later than the fifth (5th) day of each month based on the Gross Sales for the preceding calendar month. For Puerto Rico only, this fee will be paid to our affiliate, Froyoworld International, LLC.

4.2.2 Each such Royalty Fee shall be preceded by a royalty report itemizing the Gross Sales for the preceding calendar month ("Royalty Report") and any other reports required hereunder. Notwithstanding the foregoing, you shall provide us with such Gross Sales information not later than the third (3rd) day of each month by modem or, if not reasonably available, by facsimile transmission or such

other method of delivery as we may reasonably direct. You understand and acknowledge that the requirement for you to provide the Royalty Report is in addition to, and not in place of, our right to poll your computer system directly.

4.2.3 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.3 Brand Development Fee

In addition to the royalty fee described in Section 4.2 above, you agree to pay to us a brand development fee (“Brand Development Fee”) in an amount equal to one (1%) of the Shop’s Gross Sales. Such Brand Development Fee shall be contributed to a Brand Development Fund maintained by us, as described in Section 8.3 below. If the Brand Development Fund has not yet been established when this Agreement is executed by you and us, then you shall begin paying this Brand Development Fee upon thirty (30) days’ advance notice from us that the Brand Development Fund has been established. The Brand Development Fee is payable to us at the same time and in the same manner as the Royalty Fee. ¶

4.4 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account by electronic funds transfer (“EFT”) in the amount of the Royalty Fee, Brand Development Fee and any other payments due to us and/or our affiliates. If you do not report the Shop’s Gross Sales, we may debit your account for one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe to us, once we have been able to determine the Shop’s true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following month. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, interest may be charged by us in accordance with Section 4.5 below. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion. For Puerto Rico only, all fees will be paid to our affiliate Froyoworld International, LLC.

4.5 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) one and one half percent (1.5%) per month; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein, or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Controlling Principals shall be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.

4.6 Definition of Gross Sales

“Gross Sales” shall mean the total selling price of all services and products and all income of every other kind and nature related to the Shop (including, without limitation, any sales or orders of food products or food preparation services provided from or related to the Shop), whether for cash or credit and regardless of collection in the case of credit. In the event of a cash shortage, the amount of Gross Sales shall be determined based on the records of the point of sale system and any cash shortage shall not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

4.7 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement.

ARTICLE 5 **OUR OBLIGATIONS**

We agree to provide the services described below with regard to the Shop:

5.1 Site Selection Assistance

Our written site selection guidelines and such site selection assistance as we may deem advisable.

5.2 Location Assistance; On-Site Evaluation

If you request that we conduct an on-site evaluation of your proposed site, you shall pay our reasonable fee for performing such evaluation, as well as the reasonable expenses incurred by us (or our designee) in connection with such evaluation, including, without limitation, the costs of travel, lodging and meals. For any on-site evaluation requested by you, we shall not be required to conduct such evaluation until we receive of all required information and materials concerning such site prepared pursuant to Article 2.

5.3 Prototype Design Plans

On loan, one (1) set of prototypical architectural and design plans and specifications for a Shop. You shall independently, and at your expense, have such architectural and design plans and specifications adapted for construction of the Shop in accordance with Article 2.

5.4 Confidential Operations Manual

On loan, one (1) set of confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the “Manuals”), as more fully described in Section 10.1. The Manuals may, in our discretion, be provided electronically or via an intranet website for all Froyoworld Shops in the System.

5.5 Visits and Evaluations

Visits to the Shop and evaluations of the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Section 7.5.6.

5.6 Advertising and Promotional Materials

We shall have the right to review and approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Article 8.

5.7 Management and Operations Advice

Advice and written materials concerning techniques of managing and operating the Shop from time to time developed by us, including new developments and improvements in Shop equipment, food products and the packaging and preparation thereof and menu items.

5.8 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and memorabilia, in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

5.9 Approved Suppliers

A list of approved suppliers as described in Section 7.4 from time to time as we deem appropriate.

5.10 Initial Training Program

An initial training program for you (or one of your Principals) and your General Manager, as well as other training programs in accordance with the provisions of Sections 6.4.1, 6.4.2 and 6.4.4.

5.11 Opening Assistance

On-site opening assistance at the Shop in accordance with the provisions of Section 6.4.2.

5.12 Brand Development Fund; Advertising Cooperatives

Establishment and administration of a brand development fund and/or advertising cooperatives in accordance with Article 8.

ARTICLE 6

YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Use Commercially Reasonable Efforts

Each of you and the Controlling Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Shop so as to achieve optimum sales.

6.2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Controlling Principals represent, warrant and covenant that:

6.2.1 You are duly organized and validly existing under the state law of your formation;

6.2.2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

6.2.3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Shop, unless otherwise consented to in writing by us;

6.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;

6.2.5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;

6.2.6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment C. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity. You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request;

6.2.7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section shall not apply to the transfer of equity securities of a publicly held corporation (as defined in Section 19.17). If you are a partnership or limited liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement;

6.2.8 You must have provided us with your most recent financial statements. Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements.

6.2.9 If, after the execution of this Agreement, any person ceases to qualify as one of your Principals (defined in Section 19.17) or if any individual succeeds to or otherwise comes to occupy a position which would, upon designation by us, qualify him as one of your Principals, you shall notify us within ten (10) days after any such change and, upon designation of such person by us as one of your Principals or as a Controlling Principal, as the case may be, such person shall execute such documents

and instruments (including, as applicable, this Agreement) as may be required by us to be executed by others in such positions;

6.2.10 Your Principals shall each execute and bind themselves to the confidentiality and non-competition covenants set forth in the Confidentiality and Non-Competition Agreement which forms Attachment D to this Agreement (see Sections 10.2.2 and 10.3.4). The Controlling Principals shall, jointly and severally, guarantee your performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained herein, and shall otherwise bind themselves to the terms of this Agreement as stated herein; and

6.2.11 You and the Controlling Principals acknowledge and agree that the representations, warranties and covenants set forth above in Sections 6.2.1 through 6.2.10 are continuing obligations of you and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You and the Controlling Principals will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants.

6.3 General Manager

You shall designate and retain at all times a general manager (“General Manager”) to direct the operation and management of the Shop. The General Manager shall be responsible for the daily operation of the Shop and may be one of the Controlling Principals. The General Manager shall, during the entire period he serves as General Manager, meet the following qualifications:

6.3.1 The General Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

6.3.2 The General Manager shall devote full time and best efforts to the supervision and management of the Shop;

6.3.3 The General Manager shall be an individual acceptable to us; and

6.3.4 The General Manager shall satisfy the training requirements set forth in Section 6.4. If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly notify us and designate a replacement within sixty (60) days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Shop until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Section 6.3 shall be deemed a material event of default under Section 17.1.3(o) hereof.

You understand and acknowledge that you are responsible for the daily operation and management of your Shop, compliance with the terms of this Agreement and the Manuals, and compliance with our requirements and specifications, irrespective of whether you hire a General Manager.

6.4 Training

You agree that it is necessary to the continued operation of the System and the Shop that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

6.4.1 Not later than thirty (30) days prior to the Opening Date, you (or one of your Principals) and your General Manager (for a maximum of two (2) trainees) shall attend and complete, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Shop at such location(s) as may be designated by us. If you wish to send additional employees to our initial training program, whether before the Shop opens or while the Shop is operating, you shall pay to us our then-current training fee for each additional trainee.

We shall determine, in our reasonable discretion, whether the General Manager has satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the General Manager, or (c) if we in our reasonable business judgment, based upon the performance of the General Manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any General Manager subsequently designated by you shall also receive and complete such initial training. We reserve the right to charge a reasonable fee for any initial training provided by us to any initial General Manager or any other Shop personnel for any initial training provided to a replacement or successor General Manager.

In addition, if you fail to complete the initial training program to our satisfaction, you must re-take the initial training program at your own expense, including payment of our then-current training fee. If you fail to complete the initial training program to our satisfaction a second time, we have the right to terminate this Agreement. You shall be responsible for any and all expenses incurred by you, your General Manager and other Shop personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and wages.

6.4.2 Upon your reasonable request or as we shall deem appropriate, we shall, during the term hereof, subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site training and assistance to your Shop personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

6.4.3 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Shop. Such training programs and seminars may be offered to you, the General Manager or other Shop personnel generally, and we may designate that such training programs and seminars are mandatory for you, your General Manager and other Shop personnel. You must pay for your trainees' expenses while attending such training program, including travel, lodging, meals and applicable wages.

6.5 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Froyoworld Shop operators, which meetings shall not occur more frequently than annually. We shall not be required to hold such meetings until we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you and/or your General Manager. You shall pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

6.6 Hiring Practices

You and the Controlling Principals understand that compliance by all franchisees, multi-unit operators and development agents operating under the System with our training, development and operational requirements is an essential and material element of the System and that we and franchisees

and multi-unit operators operating under the System consequently expend substantial time, effort and expense in training management personnel for the development and operation of their respective Shops. Accordingly, you and the Controlling Principals agree that if you or any Controlling Principal shall, during the term of this Agreement, designate as General Manager or employ in a managerial position any individual who is at the time or was within the preceding ninety (90) days employed in a managerial or supervisory position by us, including, but not limited to, individuals employed to work in Shops operated by us or by any other franchisee, then such former employer of such individual shall be entitled to be compensated for the reasonable costs and expenses, of whatever nature or kind, incurred by such employer in connection with the training of such employee, and you shall obtain the former employer's written consent to employ the individual. The parties hereto agree that such expenditures may be uncertain and difficult to ascertain and therefore agree that the compensation specified herein reasonably represents such expenditures and is not a penalty. An amount equal to the compensation of such employee for the six (6) month period (or such shorter time, if applicable) immediately prior to the termination of his employment with such former employer shall be paid by you to the former employer prior to such individual assuming the position of General Manager or other managerial position unless otherwise agreed with the former employer. In seeking any individual to serve as General Manager or in such other managerial position, you and the Controlling Principals shall not discriminate in any manner whatsoever to whom the provisions of this Section apply, on the basis of the compensation required to be paid hereunder, if you or any Controlling Principal designate or employ such individual. The parties hereto expressly acknowledge and agree that no current or former employee of us, you, or of any other entity operating under the System shall be a third party beneficiary of this Agreement or any provision hereof. Notwithstanding the above, solely for purposes of bringing an action to collect payments due under this Section, such former employer shall be a third party beneficiary of this Section 6.6. We hereby expressly disclaim any representations and warranties regarding the performance of any employee or former employee of ours, or any franchisee or multi-unit operator under the System who is designated as your General Manager or employed by you or any of the Controlling Principals in any capacity, and we shall not be liable for any losses, of whatever nature or kind, incurred by you or any Controlling Principal in connection therewith.

6.7 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

6.8 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder.

ARTICLE 7
FRANCHISE OPERATIONS

7.1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Shops and the importance of complying with all of our standards and specifications relating to the operation of the Shop.

7.2 Maintenance of Shop

You shall maintain the Shop in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, point of sale or computer hardware and software systems), and décor as we may reasonably direct in order to maintain system-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Shop or to provide the Shop services by alternative means, such as through catering or delivery arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Shop or its premises without our prior written approval, which shall not be unreasonably withheld.

7.3 Remodeling and Redecorating

To assure the continued success of the Shop, you shall, upon our request, remodel and/or redecorate the Shop premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Shop to our then-current system-wide standards and specifications. We shall not require you to perform such remodeling and/or redecorating more frequently than every eight (8) years, except that if the Shop franchise is transferred pursuant to Article 14, we may request that the transferee remodel and/or redecorate the Shop premises as described herein.

7.4 Approved Suppliers

You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including electronic cash register and computer hardware and software systems) and other products used or offered for sale at the Shop. Except as provided in Sections 7.6 and 7.7 with respect to certain materials bearing the Marks and proprietary products (including proprietary mixes), you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Shops and who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us prior to any purchases by you from any such supplier; and who have not thereafter been disapproved by us.

If you desire to purchase, lease or use any products or other items from an unapproved supplier, you shall submit to us a written request for such approval, or shall request the supplier itself to do so. We reserve the right to require you to pay to us our then-current fee for evaluation and testing. You shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by us. We shall have the right to require that our representatives be permitted to inspect the proposed supplier's

facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing. We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. Nothing herein shall be construed to require us to approve any particular supplier.

7.5 Operation of Shop in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Shop in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, you also agree:

7.5.1 To sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us, including, but not limited to, dine-in and take-out, only as expressly authorized by us in writing in the Manuals or otherwise in writing.

7.5.2 To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time.

7.5.3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies and paper goods that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

7.5.4 To permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Shop, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications.

7.5.5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), décor items, signs, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Shop premises, without our prior written consent, any fixtures, furnishings, equipment, delivery vehicles, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution. Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment.

7.5.6 To grant us and our agents the right to enter upon the Shop premises, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in

such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee plus our expenses in so acting, payable by you immediately upon demand.

7.5.7 To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time.

7.5.8 To install and maintain equipment and a telecommunications line or high speed internet access in accordance with our specifications to permit us to access and retrieve electronically any information stored on a point of sale system (or other computer hardware and software) you are required to utilize at the Shop premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Shop, Gross Sales and such other information as may be contained or stored in such equipment and software. It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify.

7.5.9 To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices.

7.5.10 To sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Froyoworld Shop. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Froyoworld Shops and for making timely payment to us, other operators of Froyoworld Shops, or a third-party service provider for Gift Cards issued from the Shop that are honored by us or other Froyoworld Shop operators.

7.6 Proprietary Products

You acknowledge and agree that we have developed, and may continue to develop, for use in the System certain products which are prepared from confidential proprietary recipes and which are our trade secrets, and other proprietary products bearing the Marks. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such products. Accordingly, you agree that if such products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such products solely from us or from a source designated by us. You further agree to purchase from us or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

7.7 Advertising and Promotional Materials

You shall require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Shop), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks.

7.8 Complaints

You shall process and handle all consumer complaints connected with or relating to the Shop, and shall promptly notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding Five Hundred Dollars (\$500.00), and (iv) any other material claims against or losses suffered by you. You shall maintain for our inspection any governmental or trade association inspection reports affecting the Shop or equipment located in the Shop during the term of this Agreement and for thirty (30) days after the expiration or earlier termination hereof.

7.9 Power of Attorney for Telephone Listings, etc.

Upon the execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 17.15: (i) all rights to the telephone numbers of the Shop and any related and other business listings; and (ii) Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the Internet or World Wide Web without our express written consent, which consent may be denied without reason.

7.10 Power of Attorney for Taxes

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Franchised Business.

7.11 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars (\$250) per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

7.12 Customer Surveys

You shall participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Shop. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

7.13 Pricing

We may advise you in writing, from time to time and where permitted by applicable law, concerning the minimum and/or maximum prices which you should charge your customers for approved products and services provided or sold under the System. Any such advice, if given at all, will be binding on you and you agree to comply with our pricing guidelines. Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate or optimize profits. You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices.

ARTICLE 8 **ADVERTISING AND RELATED FEES**

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

8.1 Participation in Advertising

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Shops operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you. For Puerto Rico only, fees and contributions payable to us will be paid to our affiliate, Froyoworld International, LLC.

8.2 Local Advertising

In addition to the ongoing advertising contributions set forth herein you shall spend, throughout the term of this Agreement, not less than one percent (1%) of Gross Sales each month on advertising for the Shop in your Protected Territory ("Local Advertising"). You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your Local Advertising expenditures, including verification copies of all advertising and any other information that we require.

8.3 Brand Development Fund

We reserve the right to establish and administer a brand development fund for the purpose of advertising the System on a regional or national basis (the "Fund"). You agree to contribute to the Fund as described in Section 4.3 above. You agree that the Fund shall be maintained and administered by us or our designee as follows:

8.3.1 We shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Shops operating under the System. We shall, with respect to Shops operated by us, contribute to the Fund generally on the same basis as you. In administering the Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We shall be entitled to reimbursement from the Fund for our reasonable expenses in managing the Fund.

8.3.2 You agree that the Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine, newspaper and internet-based advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; social media initiatives; employing advertising agencies to assist therein; development and maintenance of our website; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Fund shall be maintained in a separate account by us and may be used to defray our expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees and the System. The Fund and its earnings shall not otherwise inure to our benefit. The Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above.

8.3.3 A statement of the operations of the Fund shall be prepared annually by us and shall be made available to you upon request. This statement of operations may be unaudited.

8.3.4 Any monies remaining in the Fund at the end of any year will carry over to the next year. Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising or promotional purposes or returned to contributing Franchised Businesses or those operated by us, without interest, on the basis of their respective contributions.

8.3.5 If we elect to terminate the Fund, we may, in our sole discretion, reinstate the Fund at any time. If we so choose to reinstate the Fund, said reinstated Fund shall be operated as described herein.

8.4 Conduct of Advertising; Our Approval

All advertising and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the twelve (12) months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have fifteen (15) days to notify you of our approval or disapproval of such materials. If we do not provide our specific approval of the proposed materials within this fifteen (15) day period, the proposed materials are deemed to be not approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent.

We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by a Cooperative, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

8.5 Grand Opening Advertising

We recommend, but do not require, that you conduct an advertising campaign announcing the grand opening of your Shop. If you choose to conduct grand opening advertising, we must approve of your advertising campaign before you begin it.

8.6 Websites

As used in this Agreement, the term “Website” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

8.6.1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, Froyoworld Shops and any or all of the products offered at Shops, the franchising of Froyoworld Shops, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

8.6.2 We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

8.6.3 You shall not establish a separate Website related to the Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed “advertising” under this Agreement, and will be subject to (among other things) our approval under this Article 8.

8.6.4 You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business’s operation, including prohibitions on your and the Franchised Business’s employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us (“social media” includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

8.7 Advisory Councils

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Froyoworld Shops, advertising conducted by the Fund, and any other matters that we deem appropriate. Members of the advisory council will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be elected to the council by other franchisees in the System. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. If you participate in the council, you will pay any costs related to your involvement, such as expenses you may incur to attend council meetings.

ARTICLE 9
MARKS

9.1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.

9.2 Ownership of Marks; Limited License

You expressly understand and acknowledge that:

9.2.1 We are the owner or the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. This Agreement grants you a limited license to use the Marks.

9.2.2 Neither you nor any Controlling Principal shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks. Nothing in this Agreement shall give the you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Shop and only at or from its accepted location or in approved advertising related to the Shop.

9.2.3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks.

9.2.4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks.

9.2.5 You shall not contest the validity of or our interest in the Marks or assist others to contest the validity of or our interest in the Marks.

9.2.6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our rights in the Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks.

9.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance. You waive any other claim arising from or relating to any Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

9.3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:

9.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Shop only under the name “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself”, or any part thereof, without prefix or suffix. You shall not use the Marks as part of your corporate or other legal name, and shall obtain our approval of such corporate or other legal name prior to filing it with the applicable state authority.

9.3.2 During the term of this Agreement and any renewal hereof, you shall identify yourself as the independent owner of the Shop in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Shop as we may designate in writing.

9.3.3 You shall not use the Marks to incur any obligation or indebtedness on our behalf;

9.3.4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

9.4 Notification of Infringement or Claim

You shall notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and the Controlling Principals shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim. We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks. We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that the conduct of you and the Controlling Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article 1:

9.5.1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

9.5.2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you; and

9.5.3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

ARTICLE 10

CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10.1 Confidential Operations Manuals

10.1.1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business.

10.1.2 You and the Controlling Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as trade secret and confidential in accordance with this Article 10. You and the Controlling Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Shop. You and the Controlling Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

10.1.3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Shop premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement.

10.1.4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement.

10.1.5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business. You shall remove and return to us all pages of the Manual that have been replaced or updated by us, if we provide the Manual to you in hard copy format. You expressly agree to comply with each new or changed standard.

10.1.6 You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control.

10.2 Confidential Information

10.2.1 Neither you nor any Controlling Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to them or of which

they may be apprised in connection with the operation of the Shop under the terms of this Agreement. You and the Controlling Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Shop. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement shall be deemed confidential for purposes of this Agreement. Neither you nor the Controlling Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Controlling Principals.

10.2.2 You shall require and obtain the execution of covenants similar to those set forth in Section 10.2.1 from your General Manager and all other of your personnel who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment D. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants.

10.2.3 If you, the Controlling Principals, the General Manager or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Shop, you are required to promptly notify us and provide us with all necessary related information, without compensation. You and the Controlling Principals acknowledge that any such concept, process, product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate.

10.3 Non-Competition

10.3.1 You and the Controlling Principals specifically acknowledge that, pursuant to this Agreement, you and the Controlling Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees. You and the Controlling Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Shop, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees), you and the Controlling Principals covenant that with respect to you, during the term of this Agreement (or with respect to each of the Controlling Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Controlling Principals" as described in Section 19.17 of this Agreement), except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Controlling Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Shop, including a food service business which offers and sells the same or substantially similar food products (a “Competitive Business”).

10.3.2 With respect to you, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your interest in, this Agreement (or, with respect to each of the Controlling Principals, commencing upon the earlier of: (i) the expiration, termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Controlling Principals” as described in Section 19.17 of this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Controlling Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by us, or by any other franchisee or multi-unit operator of ours, or otherwise directly or indirectly induce such person to leave that person’s employment, except as may be permitted under any existing multi-unit operator agreement or franchise agreement between us and you.

(c) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Business, which business is, or is intended to be, located within a twenty (20) mile radius of the location of any Shop in the System.

10.3.3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Controlling Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

(a) You and the Controlling Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 10.3, or any portion thereof, without their consent, effective immediately upon notice to you; and you and the Controlling Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 19.2 hereof.

(b) You and the Controlling Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section.

(c) Sections 10.3.1(b) and 10.3.2(c) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

10.3.4 You shall require and obtain execution of covenants similar to those set forth in this Section 10.3 (including covenants applicable upon the termination of a person's employment with you) from your General Manager and all other of your personnel who have received or will have access to training from us. Such covenants shall be substantially in the form set forth in Attachment D. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the non-competition covenant set forth in Attachment D or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Section 10.3.4.

10.4 Failure to Comply

You and the Controlling Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material event of default under Article 17 hereof. You and the Controlling Principals acknowledge that a violation of the terms of this Section would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Controlling Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Controlling Principals in violation of the terms of this Section. You and the Controlling Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

ARTICLE 11 **BOOKS AND RECORDS**

11.1 Books and Records

You shall maintain during the term of this Agreement, and shall preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing.

11.2 Reports

In addition to the Royalty Report required by Section 4.2 hereof, you shall comply with the following reporting obligations:

11.2.1 You shall, at your expense, submit to us, in the form prescribed by us, a profit and loss statement for each calendar quarter (which may be unaudited) for you within fifteen (15) days after the end of each calendar quarter during the term hereof. Each such statement shall be signed by your treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct;

11.2.2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) for you prepared by an independent certified public accountant, within ninety (90) days after the end of each fiscal year during the term hereof, showing the results of operations of you during such fiscal year; we reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of two percent (2%) or more in any report, pursuant to Section 11.3; and

11.2.3 You shall also submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Shop, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing.

11.3 Inspections; Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Shop. You shall make such books and records available to us or our designees immediately upon request. If any required Royalty Fee, Brand Development Fee or other payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4.5. If an inspection discloses an understatement in any report of two percent (2%) or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

11.4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or Royalty Fees paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

11.5 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Shop. You authorize us to disclose data from your reports if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

11.6 We are Attorney-in-Fact

Notwithstanding any forms and documents which may have been executed by you under Section 7.10, you hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE 12 **INSURANCE**

12.1 You shall procure and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Shop.

12.2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, the required insurance coverages described in our Manuals.

12.3 You may, with our prior written consent, which consent may be withheld or denied, elect to have reasonable deductibles in connection with the coverages we require. Such policies shall also include a waiver of subrogation in favor of us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees.

12.4 In connection with any construction, renovation, refurbishment or remodeling of the Shop, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

12.5 Your obligation to obtain and maintain the required insurance policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article 15 of this Agreement.

12.6 All general liability and property damage policies shall contain a provision that we, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents or employees by reason of the negligence of you or your servants, agents or employees.

12.7 Not later than thirty (30) days before the Shop initially opens for business, and thereafter thirty (30) days prior to the expiration of any such policy, you shall deliver to us Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by us, you shall deliver to us a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder, with the exception of workers' compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions. Further, all insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies.

12.8 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and

to charge same to you, which charges shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

12.9 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against the your insurance policies.

12.10 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Shop, and you agree to comply with any such changes, at your expense.

ARTICLE 13 **DEBTS AND TAXES**

13.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this Agreement. Without limiting the provisions of Article 15, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority. You shall execute our form of Power of Attorney attached to this Agreement as Attachment G.

The term "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, or the exercise of rights granted pursuant to this Agreement.

13.2 Payments to Us

Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes.

13.3 Tax Disputes

In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

13.5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

ARTICLE 14 **TRANSFER OF INTEREST**

14.1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of Froyoworld Franchising, LLC as Franchisor. Nothing contained in this Agreement shall require us to remain in the frozen dessert business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

14.2 Transfer by You

14.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Controlling Principals. Accordingly, neither you nor any Controlling Principal, nor any successor or assignee of you or any Controlling Principal, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Shop and/or any of the Shop's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), in you or in any Controlling Principal that is an entity, in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

14.2.2 If you wish to transfer all or part of your interest in the Shop, any of the Shop's material assets (except as provided in Section 14.2.1 above) or this Agreement, or if you or a Controlling Principal wishes to transfer or permit a transfer of any ownership interest in you or in a Controlling Principal that is an entity, then in each such case (any or all of which are referred to in this Article 14 as a "Restricted Transfer"), transferor and the proposed transferee shall apply to us for our consent. We shall not unreasonably withhold our consent to a Restricted Transfer. We may, in our sole discretion, require any or all of the following as conditions of our approval:

(a) All of the accrued monetary obligations of you or any of your affiliates and all other outstanding obligations to us arising under this Agreement or any other agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction;

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a franchise, including, but not limited to, our educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business; and the geographic proximity and number of other Shops owned or operated by transferee;

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation or a partnership, transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and other ancillary agreements as we may require for the Shop, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then-current System-wide percentage Royalty Fee, Brand Development Fee and/or advertising expenditure requirement; provided, however, that the transferee shall not be required to pay any initial franchise fee;

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Shop and, if applicable, any delivery vehicles to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

(h) The transferor shall remain liable for all of the obligations to us in connection with the Shop incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(i) At the transferee's expense, the transferee, the transferee's general manager and/or any other applicable Shop personnel shall complete any training programs then in effect for franchisees of Shops upon such terms and conditions as we may reasonably require;

(j) You shall pay to us a transfer fee equal to Five Thousand Dollars (\$5,000) to reimburse us for reviewing the application to transfer, including, without limitation, training expenses, legal and accounting fees;

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article 6 as we request. Transferee shall provide to us evidence satisfactory to us that the terms of such Section have been satisfied and are true and correct on the date of transfer.

14.2.3 You shall not grant a security interest in the Shop or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

14.2.4 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

14.3 Transfer to a Corporation or Limited Liability Company

In the event the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Section 14.2.2, except that the requirements set forth at Sections 14.2.2(c), 14.2.2(d), 14.2.2(f), 14.2.2(g), 14.2.2(i), 14.2.2(j) and 14.2.2(k) shall not apply. With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than one (1) individual, each individual shall have the same proportionate ownership interest in the corporation as he had in you prior to the transfer. A transfer under this Section 14.3 may occur one (1) time only.

14.4 Our Right to Purchase Business

14.4.1 If you wish to transfer all or part of your interest in the Shop or this Agreement or if you or a Controlling Principal wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14, with respect to a proposed transfer.

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and

option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the “Offer Terms”). In the event that we elect to purchase the seller’s interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14 with respect to a proposed transfer.

(b) Notwithstanding the provisions of Section 14.4.1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior twenty-four (24) month period) results in a “Change of Control”, we may elect, in our sole discretion, to treat the notice given pursuant to such Section 14.4.1(a) as an offer to assign to us all of your rights under this Agreement and to the Shop (including lease and contract rights and other assets of you and your affiliates used in connection with the Shop, excluding the assets of your benefit plans) (collectively, the “Shop Interests”). As used in this Section 14.4.1(b), Change of Control means any circumstance resulting in one or more of your Controlling Principals ceasing to be a Principal and/or the addition of any new Principal. In such case, we shall notify you of the special election provided for in this Section 14.4.1(b) at the time we exercise our option as provided in Section 14.4.1(a). The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Section 14.4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Shop Interests, determined in a manner consistent with Section 18.11.1. As used herein, “Implied Market Price” shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Section 18.11.1) of any assets included in the Restricted Transfer that are not related to the Shop. If you have more than one (1) Shop, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Shops equally.

(c) We may assign our rights under this Section 14.4 to any other person or entity, subject to Section 14.1 above.

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article 14 to perform all of the obligations imposed on such persons under this Article 14.

14.4.2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us.

14.4.3 Failure to comply with the provisions of this Section prior to the transfer of any interest in you, the Shop or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death or Disability

14.5.1 Upon your death (if you are a natural person) or upon the death of any Controlling Principal who is a natural person and who has an interest in this Agreement, the Shop or you (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within twelve (12) months after the death of the Deceased.

14.5.2 Upon your permanent disability (if you are a natural person) or upon the permanent disability of any Controlling Principal who is a natural person and who has an interest in this Agreement, the Shop or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 14 within twelve (12) months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 14.5. The costs of any examination required by this Section shall be paid by us.

14.5.3 Upon the death or claim of permanent disability of you or any Controlling Principal, you or a representative of yours must notify us of such death or claim of permanent disability within ten (10) days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Section for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement.

14.5.4 In order to prevent any interruption of the Shop operations which would cause harm to the Shop, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Shop to our required standards, operate the Shop for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Shop during such period of operation by us shall be kept in a separate account, and the expenses of the Shop, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Shop franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

14.6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

14.7 Transfer Among Owners

If any person holding an interest in you, this Agreement or the Shop (other than you or a Controlling Principal, which parties shall be subject to the provisions set forth above) transfers such interest, then you shall promptly notify us of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer. Such transferee may not be a competitor of ours. Such transferee will be your Principal and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by us, which form shall be in substantially the same form attached hereto as Attachment D (see Sections 10.2.2 and 10.3.4). We also reserve the right to designate the transferee as one of the Controlling Principals. Notwithstanding the provisions contained in Section 14.2 to the contrary, the Controlling Principals may freely transfer their ownership interests in you among themselves and to their family members (or to trusts for the benefit of such family members), and our right of first refusal shall be inapplicable with respect to such transfers, provided you provide us with thirty (30) days prior written notice of such transfer, which notice shall include the names and percentages transferred.

ARTICLE 15 INDEMNIFICATION

15.1 Indemnification by You

You and each of the Controlling Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them (“Indemnitees”), from all “losses and expenses” (as defined in Section 15.4.2 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

15.1.1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Controlling Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted hereunder pursuant to Article 10);

15.1.2 The violation, breach or asserted violation or breach by you or any of the Controlling Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

15.1.3 Libel, slander or any other form of defamation of us, the System or any multi-unit operator or franchisee operating under the System, by you or by any of the Controlling Principals;

15.1.4 The violation or breach by you or by any of the Controlling Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees; and

15.1.5 Acts, errors, or omissions of you, any of your affiliates and any of the Controlling Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Shop, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or

any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility.

15.2 Notification of Action or Claim

You and each of the Controlling Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of you and each of the Controlling Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Controlling Principals to indemnify the Indemnitees and to hold them harmless.

15.3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that:

15.3.1 any of the acts or circumstances enumerated in Section 15.1.1 through 15.1.4 above have occurred; or

15.3.2 any act, error, or omission as described in Section 15.1.5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

15.4 Losses and Expenses

All losses and expenses incurred under this Article 15 shall be chargeable to and paid by you or any of the Controlling Principals pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

As used in this Article 15, the phrase “losses and expenses” shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

15.5 Indemnitees Do Not Assume Liability

The Indemnitees do not hereby assume any liability whatsoever for acts, errors, or omissions of any third party with whom you, any of the Controlling Principals, your affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you or your affiliates may contract, regardless of the purpose. You and each of the Controlling Principals shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of you, the Controlling Principals, your affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the

negligence of us or any other party or parties arising in connection therewith and whether such negligence be sole, joint or concurrent, or active or passive.

15.6 Recovery from Third Parties

Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of the Controlling Principals. You and each of the Controlling Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of the Controlling Principals by the Indemnitees.

15.7 Survival of Terms

You and the Controlling Principals expressly agree that the terms of this Article 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE 16 **RELATIONSHIP OF THE PARTIES**

16.1 No Relationship

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose.

16.2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Shop operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Shop premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Manuals. We reserve the right to specify in writing the content and form of such notice.

16.3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom.

ARTICLE 17 **TERMINATION**

17.1 Automatic Termination – No Right to Cure

17.1.1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

17.1.2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.1.3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events:

(a) If you operate the Shop or sell any products or services authorized by us for sale at the Shop at a location which has not been approved by us;

(b) If you fail to acquire an accepted location for the Shop within the time and in the manner specified in Article 2;

(c) If you fail to construct or remodel the Shop in accordance with the plans and specifications provided to you under Section 5.3 as such plans may be adapted with our approval in accordance with Section 2.5;

(d) If you fail to open the Shop for business within the period specified in Section 2.6 hereof;

(e) If you at any time cease to operate or otherwise abandon the Shop, or lose the right to possession of the premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the Shop is located; provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within thirty (30) days after such event for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation; such approval may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Shop is not in operation;

(f) If you or any of the Controlling Principals are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Shop;

(h) If you or any of the Controlling Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Shop to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article 14 of this Agreement;

(i) If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply);

(j) If you or any of the Controlling Principals fail to comply with the in-term covenants in Section 10.3 hereof or you fail to obtain execution of the covenants and related agreements required under Section 10.3.4 hereof within thirty (30) days following notice from us;

(k) If, contrary to the terms of Section 10.2.1 hereof, you or any of the Controlling Principals disclose or divulge any confidential information provided to you or the Controlling Principals by us, or fail to obtain execution of covenants and related agreements required under Section 10.2.2 hereof within thirty (30) days following notice from us;

(l) If a transfer upon death or permanent disability is not transferred in accordance with Article 14 and within the time periods therein;

(m) If you knowingly maintain false books or records, or submit any false reports to us;

(n) If you breach in any material respect any of the covenants in any material respect set forth in Article 6 or have falsely made any of the representations or warranties set forth in Article 6;

(o) If you fail to propose a qualified replacement or successor General Manager within the time required under Section 6.3.4 following ten (10) days prior written notice;

(p) If you fail to procure and maintain the insurance policies required by Article 12 and you fail to cure such default within ten (10) days following notice from us;

(q) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have twenty-four (24) hours to cure such default;

(r) If you or any of the Controlling Principals commit three (3) material events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(s) If your General Manager is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement General Manager, or if you fail to complete our initial training program a second time;

(t) If you fail to comply with all applicable laws and ordinances relating to the Shop, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(u) If you attempt to substitute any product for one of the products that we have approved and that you must offer at or from your Shop, or if you fail to use the ingredients we require and follow the recipes required by us, or if you do not purchase your entire supply of proprietary product mixes from us or from the supplier we designate, as described in Section 7.6.

17.2 Notice of Termination – 30 Days to Cure

Except as provided in Sections 17.1.2 and 17.1.3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination. However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the thirty (30) day period and by promptly providing proof thereof to us. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

17.2.1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us, or fail to carry out the terms of this Agreement in good faith.

17.2.2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing.

17.2.3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement.

17.3 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and

our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach.

17.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

ARTICLE 18 POST-TERMINATION

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and:

18.1 Cease Operations

You shall immediately cease to operate the Shop under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours.

18.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the mark "Froyoworld, Frozen Yogurt Lounge, Indulge Yourself", or any part thereof; and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items.

18.3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Froyoworld, Frozen Yogurt Lounge, Indulge Yourself", or any part thereof, or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

18.4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

18.5 Payment of Sums Owed

You and your Controlling Principals shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default.

18.6 Payment of Damages, Costs and Expenses

You and the Controlling Principals shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article 18.

18.7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us, records, files, instructions, correspondence, all materials related to operating the Shop, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Shop in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

18.8 Confidential Information

You and the Controlling Principals shall comply with the restrictions on confidential information contained in Article 10 of this Agreement and shall also comply with the non-competition covenants contained in Article 10. Any other person required to execute similar covenants pursuant to Article 10 shall also comply with such covenants.

18.9 Advertising and Promotional Materials

You shall also immediately furnish us with an itemized list of all advertising and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location. We shall have the right to inspect these materials. We shall have the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials. Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us.

18.10 Assignment to Us

Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Shop are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein.

18.11 Assignment of Lease

If you operate the Shop under a lease for the Shop premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our option, assign to us any interest which we have in any lease or sublease for the premises of the Shop or any equipment related thereto. We may exercise such option at or within thirty (30) days after either termination or (subject to any existing right to renew) expiration of this Agreement. In the event we do not elect to exercise our option to acquire the lease or sublease for the Shop premises or do not have such option, you shall make such modifications or alterations to the Shop premises as are necessary to distinguish the appearance of the Shop from that of other Shops operating under the System and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Section 18.11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Section 18.11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Shop premises from and after the date of the assignment of lease.

18.12 Our Right to Purchase

18.12.1 Except as provided in Sections 18.9, 18.10 and 18.13, we shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Shop, at fair market value. We shall be purchasing your assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash.

18.12.2 In addition to the options described above and if you own the Shop premises, then we shall have the option, to be exercised at or within thirty (30) days after termination or expiration of this Agreement, to purchase the Shop premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. We shall purchase assets only and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If you do not own the land on which the Shop is operated and we exercise our option for an assignment of the lease, we may exercise this option for the purpose of purchasing the building if owned by you and related assets as

described above. If the parties cannot agree on fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above.

18.12.3 With respect to the options described in Sections 18.11, 18.12.1 and 18.12.2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.12.4 The time for closing of the purchase and sale of the properties described in Sections 18.12.1 and 18.12.2 shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. The time for closing on the assignment of the lease described in Section 18.11 shall be a date no later than ten (10) days after our exercise of the option thereunder unless we are exercising our options under either Section 18.12.1 or 18.12.2, in which case the date of the closing shall be on the same closing date prescribed for such option. Closing shall take place at our corporate offices or at such other location as the parties may agree.

18.13 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Section to any other party, without your consent.

18.14 Telephone Numbers, Yellow Pages Listings, etc.

You, at our option, shall assign to us all rights to the telephone numbers of the Shop and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further, you shall assign to us all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents which may have been executed under Section 7.9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

18.15 Liquidated Damages

If we terminate this Agreement with cause, you must pay us liquidated damages equal to the average value of the Royalty Fees you paid and/or owed (per month) to us during the twelve (12) months before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years, or (ii) the number of months remaining during the term of this Agreement, whichever is higher.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's

remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 19
MISCELLANEOUS

19.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by overnight delivery service or facsimile to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Froyoworld Franchising, LLC
660 Center Street
Manchester, Connecticut 06040
Attention: President
Facsimile: (800) 783-4619

With a copy to: Harold L. Kestenbaum, Esq.
Gordon & Rees LLP
90 Merrick Avenue, Suite 601
East Meadow, New York 11554
Facsimile: (516) 745-0293

Notices to Franchisee and
the Controlling Principals: _____

Attention: _____
Facsimile: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.

19.2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Controlling Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Controlling Principals; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us.

Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.3 No Waiver

No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or the Controlling Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Controlling Principals, or as to a subsequent breach or default by you or the Controlling Principals. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Controlling Principals of any terms, provisions, covenants or conditions of this Agreement.

19.4 Our Prior Approval

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing.

19.5 No Warranty or Guaranty

We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

19.6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Section 17.1.3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article 15. Except as provided in Section 17.1.3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

19.7 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Connecticut under the authority of Connecticut Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Connecticut Statutes. The

proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Connecticut Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.8 Governing Law; Injunctive Relief

With respect to any claims, controversies or disputes which are not finally resolved through mediation or arbitration, or as otherwise provided above, you and the Controlling Principals hereby irrevocably submit themselves to the jurisdiction of the state courts of Hartford County, Connecticut and the Federal District Court nearest to our headquarters. You and the Controlling Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Controlling Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Connecticut or federal law. You and the Controlling Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be Hartford County, Connecticut; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Connecticut law.

Notwithstanding anything to the contrary contained in Section 19.7 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit its dispute for arbitration on the merits as provided herein.

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision.

19.9 Agreement Regarding Governing Law and Choice of Forum

You, the Controlling Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.8 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, the Controlling Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.10 Waiver of Punitive Damages

You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.11 Execution in Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

19.12 Captions

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

19.13 Survival of Terms

Any obligation of you or the Controlling Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Controlling Principals therein, shall be deemed to survive such termination, expiration or transfer.

19.14 Severability of Provisions

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

19.15 Joint and Several Obligations

All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

19.16 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article 17 of this Agreement shall not discharge or release you or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

19.17 Terminology

The term “your Principals” shall include, collectively and individually, (1) your spouse, if you are an individual, (2) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of you and (3) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of any Controlling Principal that itself is an entity, in each case whom we designate as your Principals and all holders of an ownership interest in you and of any entity directly or indirectly controlling you, and any other person or entity controlling, controlled by or under common control with you. As used in this Section 19.17, the terms “control” and “controlling” shall mean the power to influence the management decisions of the specified person and shall in any case be deemed to exist where the second person holds ten percent (10%) or more of the total ownership interest in the specified person, serves on any board of directors or comparable body of such specified person or acts as an officer, general partner or manager thereof (or holds a comparable position in a non-corporate entity). The initial Principals shall be listed on Attachment C. The term “Controlling Principals” shall include, collectively and individually, any Principal who has been designated by us as a Controlling Principal hereunder. For purposes of this Agreement, a publicly held corporation is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

19.18 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

19.19 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article 14), any rights or remedies under or as a result of this Agreement.

19.20 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours.

19.21 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

19.22 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.23 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as

we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

19.24 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

ARTICLE 20 **TECHNOLOGY**

20.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

20.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Froyoworld Shops, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Froyoworld Shops, between or among Shops, and between and among the Shop and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "Computer System").

20.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("Required Software"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

20.1.3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing ("Point of Sale Systems"), which shall be deemed part of your Computer System.

20.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, “Computer Upgrades”).

20.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

20.2 Data

We may, from time to time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Shop, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Shop, and all data created or collected by you in connection with the System, or in connection with your operation of the Shop (including without limitation data pertaining to or otherwise concerning the Shop’s customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

20.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“Privacy”), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

20.4 Telecommunications

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Intranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

20.5 Intranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an “Intranet”). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet, and utilizing the Intranet in connection with the operation of the Shop. The Intranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

20.6 On-line Use of Proprietary Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

20.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

20.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article 20 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

ARTICLE 21

SECURITY INTERESTS

21.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Shop, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Shop. All items in which a security interest is granted are referred to as the "Collateral".

21.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

21.2.1 All amounts due under this Agreement or otherwise by you;

21.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

21.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

21.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

21.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Shop, including, but not limited to, a real property mortgage and equipment leases.

21.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

21.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

21.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Connecticut (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

21.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 22

YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

22.1.1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and

qualified to do business in each state and political/governmental subdivision having jurisdiction over the Shop.

22.1.2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

22.1.3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

22.1.4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

22.1.5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

22.1.6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Your Acknowledgments

You acknowledge, warrant and represent to us and we rely on such acknowledgments, warranties and representations that:

22.2.1 No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Shop, or any other Froyoworld Shop, whether owned by us, our affiliates or our franchisees. We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance.

Initials: _____

22.2.2 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the Froyoworld System, or the viability of the business opportunity being offered under this Agreement.

Initials: _____

22.2.3 Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees.

Initials: _____

22.2.4 You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisers (if you so elect) of your choosing. You have been advised to consult with your advisers with respect to the legal, financial and other aspects of this Agreement, the Shop, and the prospects for the Shop. You have either consulted with these advisers or have deliberately declined to do so.

Initials: _____

22.2.5 You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

Initials: _____

22.2.6 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the operation of the Shop.

Initials: _____

22.2.7 You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

Initials: _____

22.2.8 Attached hereto as Attachment J is a Franchisee Disclosure Acknowledgment Statement. You shall have received and answer the questions thereon, relating to representations that have or have not been made to you. You have executed the Statement voluntarily and attached it hereto.

Initials: _____

22.2.9 You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement. Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you. Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Initials: _____

22.2.10 Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of the Franchised Shop, you retain the right and sole responsibility for the day-to-day management and operation of the Shop and the implementation and maintenance of System standards at the Shop.

Initials: _____

22.2.11 You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

Initials: _____

22.2.12 You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

Initials: _____

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISOR:
FROYOWORLD FRANCHISING, LLC
a Connecticut limited liability company

ATTEST:

Witness

By: _____
Name: _____
Title: _____
Accepted On: _____
(the "Effective Date")

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____
Date: _____

CONTROLLING PRINCIPALS

Each of the undersigned acknowledges and agrees as follows:

1. Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this guaranty and the undertakings of the Controlling Principals in the Franchise Agreement are in partial consideration for, and a condition to, the granting of this license, and that Franchisor would not have granted this license without the execution of this guaranty and such undertakings by each of the undersigned;

2. Each is included in the term “Controlling Principals” as described in Section 19.17 of the Franchise Agreement;

3. Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of the Controlling Principals set forth in the Franchise Agreement and is obligated to perform thereunder; and

4. Each individually, jointly and severally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Franchisee’s obligations under the Franchise Agreement will be punctually paid and performed. Upon default by Franchisee or upon notice from Franchisor, each will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement. Without affecting the obligations of any of the Controlling Principals under this guaranty, Franchisor may, without notice to the Controlling Principals, waive, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee or settle, adjust or compromise any claims that Franchisor may have against Franchisee. Each of the Controlling Principals waives all demand and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by Franchisee, any default by Franchisee or any guarantor and any release of any guarantor or other security for this guaranty or the obligations of Franchisee. Franchisor may pursue its rights against any of the Controlling Principals, jointly or severally, without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy. Upon receipt by Franchisor of notice of the death of any of the Controlling Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in such event, the obligations of the remaining Controlling Principals shall continue in full force and effect.

[Signatures appear on the next page]

ATTEST:

CONTROLLING PRINCIPALS:

Witness

Name: _____

Witness

Name: _____

Witness

Name: _____

Witness

Name: _____

ATTACHMENT A TO THE FRANCHISE AGREEMENT

ACCEPTED LOCATION AND TERRITORY

1. ACCEPTED LOCATION

Pursuant to Section 1.2 of the Franchise Agreement, the Shop shall be located at the following Accepted Location:

2. TERRITORY:

Pursuant to Section 1.4 of the Franchise Agreement, the Protected Territory shall be:

FRANCHISOR:

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT B TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to Froyoworld Franchising, LLC, a Connecticut limited liability company (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Shop between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNOR:

By: _____
Name: _____
Title: _____
Date: _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Shop.

Dated: _____

_____, Lessor

ATTACHMENT C TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

- A. The following is a list of all shareholders, partners or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership/Nature of Interest</u>
-------------	---

- B. In addition to the persons listed in paragraph A., the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 19.17 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality and Non-Competition Agreement substantially in the form set forth in Attachment D (see Sections 10.2.2 and 10.3.4 of the Franchise Agreement):

ATTACHMENT D TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
**(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)**

In consideration of my being a _____ of _____ (“Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), Franchisee has acquired the right and franchise from Froyoworld Franchising, LLC (the “Company”) to establish and operate a Froyoworld Shop (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and Accepted Location: _____ (the “Accepted Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses offering frozen dessert products. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any food service business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Protected Territory, as defined in the Franchise Agreement ("Franchisee's Protected Territory");

7.2 Twenty (20) miles of Franchisee's Protected Territory; or

7.3 Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Connecticut. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

**ATTACHMENT E TO THE FRANCHISE AGREEMENT
ELECTRONIC TRANSFER AUTHORIZATION**

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO FROYOWORLD FRANCHISING, LLC (“COMPANY”)**

Depositor hereby authorizes and requests _____ (the “Depository”) to initiate debit and credit entries to Depositor’s checking or savings account (select one) indicated below drawn by and payable to the order of Froyoworld Franchising, LLC, by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository’s rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

ATTACHMENT F TO THE FRANCHISE AGREEMENT

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between Froyoworld Franchising, LLC, a Connecticut limited liability company (the "Franchisor"), and _____, a _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a "Froyoworld" Shop (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Shop or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them

for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Connecticut, without regard to the application of Connecticut conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

FROYOWORLD FRANCHISING, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between Froyoworld Franchising, LLC, a Connecticut limited liability company (hereinafter the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for the operation of a “Froyoworld” Shop (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Shop or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the

Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Connecticut without regard to the application of Connecticut conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

FROYOWORLD FRANCHISING, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT G TO THE FRANCHISE AGREEMENT
POWER OF ATTORNEY (TAX)

IRREVOCABLE POWER OF ATTORNEY

STATE OF _____)
)
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____, a _____ (“Franchisee”), does hereby irrevocably constitute and appoint Froyoworld Franchising, LLC, a Connecticut limited liability company (“Franchisor”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of _____, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20__ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of _____ and the laws of the State of _____ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

ATTACHMENT H TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement, Multi-Unit Operator Agreement or Development Agent Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement require binding arbitration. The arbitration will occur in Hartford County, Connecticut with the costs being borne by the franchisee and franchisor. 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, Multi-Unit Operator Agreement or Development Agent Agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement require application of the laws of Connecticut. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

10. 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.
11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
12. OUR WEBSITE, www.froyoworld.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement.

2. Illinois law governs the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended accordingly.

5. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee/Multi-Unit Operator/Development Agent, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you

may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Item 17(g) of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Froyoworld Franchising, LLC's Franchise Disclosure Document and for its Franchise, Multi-Unit Operator and Development Agent Agreements. The amendments to the Franchise, Multi-Unit Operator and Development Agent Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator/development agent may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement, Development Agent Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document, Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement as follows:

1. Item 13 of the Disclosure Document, Article 9 of the Franchise Agreement and Article 6 of the Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended to comply with Minn. Stat. §80C.17, Subd. 5 regarding Limitations of Claims.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

3. LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
- (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.
- (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 3 and 14 of the Franchise Agreement, Section 11 of the Multi-Unit Operator Agreement, and Sections 2 and 8 of the Development Agent Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 10 of the Franchise Agreement, Section 12 of the Multi-Unit Operator Agreement and Section 10 of the Development Agent Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 22 of the Development Agent Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require jurisdiction of courts in Hartford County, Connecticut are deleted.

6. Item 17(w) of the Disclosure Document, Article 19 of the Franchise Agreement, Section 18 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Froyoworld Franchising, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute “reasonable cause,” as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FROYOWORLD FRANCHISING, LLC

Witness

By: _____
Name: _____
Title: _____

Witness

FRANCHISEE:

ATTACHMENT I TO THE FRANCHISE AGREEMENT

TRANSFER OF A FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Franchise Agreement between _____ (“Franchisee”), and Froyoworld Franchising, LLC (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Franchisee of the Shop under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Article 14 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 10 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Froyoworld Franchising, LLC.”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Froyoworld Franchising, LLC.”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Shop.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Shop: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)
Title: _____

In consideration of the execution of the above Agreement, Froyoworld Franchising, LLC hereby consents to the above referred to assignment on this ____ day of _____, 20__.

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____

ATTACHMENT J TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Froyoworld Franchising, LLC (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Froyoworld Shop (the “Franchised Business”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20__.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20____.

Sign here if you are taking the franchise as an
INDIVIDUAL

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name of Legal Entity

Print Name _____

By: _____
Signature

Signature

Print Name _____

Print Name _____

Title _____

Signature

Print Name _____

Signature

Print Name _____

ATTACHMENT J TO THE FRANCHISE AGREEMENT

ADA CERTIFICATION

FROYOWORLD FRANCHISING, LLC (“**Franchisor**”) and _____
 (“**Franchisee**”) are parties to a franchise agreement dated _____ for the operation of a
Froyoworld Shop at _____ (the “**Franchised Business**”). In accordance
with Section 2.3 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of
Franchisee’s knowledge, the Franchised Business and its adjacent areas comply with all applicable
federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but
not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent
contractor and the requirement of this certification by Franchisee does not constitute ownership, control,
leasing or operation of the Franchised Business. Franchisee acknowledges that Franchisee has relied on
the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under
this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of
Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and
damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee’s
compliance with the Americans with Disabilities Act, as well as the costs, including attorneys’ fees,
related to the same.

FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT
MULTI-UNIT OPERATOR AGREEMENT

FROYOWORLD FRANCHISING, LLC

MULTI-UNIT OPERATOR AGREEMENT

MULTI-UNIT OPERATOR

DATE OF AGREEMENT

TABLE OF CONTENTS

SECTION 1..... 1
 GRANT 1

SECTION 2..... 2
 MULTI-UNIT OPERATOR FEE 2

SECTION 3..... 2
 SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS 2

SECTION 4..... 3
 DEVELOPMENT RIGHTS AND OBLIGATIONS 3

SECTION 5..... 4
 RENEWAL 4

SECTION 6..... 4
 TERM AND RIGHT OF FIRST REFUSAL 4

SECTION 7..... 5
 YOUR OBLIGATIONS 5

SECTION 8..... 5
 OUR SERVICES 5

SECTION 9..... 6
 DEFAULT AND TERMINATION 6

SECTION 10..... 8
 OBLIGATIONS FOLLOWING TERMINATION 8

SECTION 11..... 8
 TRANSFER OF INTEREST 8

SECTION 12..... 11
 COVENANTS 11

SECTION 13..... 13
 NOTICES 13

SECTION 14..... 13
 INDEPENDENT CONTRACTOR AND INDEMNIFICATION 13

SECTION 15..... 14
 APPROVALS 14

SECTION 16..... 14
 NON-WAIVER 14

SECTION 17.....	14
SEVERABILITY AND CONSTRUCTION	14
SECTION 18.....	15
ENTIRE AGREEMENT; APPLICABLE LAW	15
SECTION 19.....	15
DISPUTE RESOLUTION.....	15
SECTION 20.....	16
TIMELY PERFORMANCE.....	16
SECTION 21.....	17
ACKNOWLEDGMENTS.....	17
SECTION 22.....	17
EFFECTIVE DATE	17

ATTACHMENTS:

- A Certification by Multi-Unit Operator
- B Guaranty
- C Transfer of a Franchise to a Corporation or Limited Liability Company
- D Minimum Performance Schedule
- E Trade Area

FROYOWORLD FRANCHISING, LLC

MULTI-UNIT OPERATOR AGREEMENT

THIS MULTI-UNIT OPERATOR AGREEMENT (“Agreement”) is made and entered into the _____ day of _____, 20____, between Froyoworld Franchising, LLC, a Connecticut limited liability company having its principal address at 652 Center Street, Manchester, Connecticut 06040 (“we”, “us” or “our”), and _____, whose principal address is _____ (hereinafter “you” or “your”).

WITNESSETH:

WHEREAS, we and our affiliate, as the result of the expenditure of time, skill, effort and money, have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of shops featuring frozen yogurt with a variety of toppings and other complementary products, smoothies and beverages;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself®” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks”);

WHEREAS, we continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, you wish to obtain certain development rights to open and operate Shops operating under the Marks under the System within the Trade Area described in this Multi-Unit Operator Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Multi-Unit Operator Agreement, certain development rights (“Development Rights”) to establish and operate _____ (____) franchised Shops, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to

the schedule established in Attachment D of this Agreement (hereinafter “Minimum Performance Schedule”). Each Shop developed hereunder shall be located in the area described in Attachment E of this Agreement (hereinafter “Trade Area”). The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Shop to be developed hereunder.

1.2 Each Shop for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Shop in the Trade Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2

MULTI-UNIT OPERATOR FEE

In consideration of the development rights granted herein, you shall pay to us a Multi-Unit Operator Fee in the amount of _____ Dollars (\$_____), which is equal to one hundred percent (100%) of the initial franchise fee for the first Shop to be developed hereunder, plus a deposit equal to fifty percent (50%) of the initial franchise fee for each additional Shop to be developed hereunder, payable in a lump sum upon execution of this Agreement (“Multi-Unit Operator Fee”).

The Multi-Unit Operator Fee shall be fully earned by us upon execution of this Agreement, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted you herein.

SECTION 3

SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Shops and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have fifteen (15) days after receipt of such information and materials from you to approve or disapprove the site in our sole discretion. If the site is approved, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9 hereof. Under no circumstances,

however, may you open a Shop for business unless and until there is a fully executed Franchise Agreement in place for such Shop.

3.3 You shall exercise each Development Right granted herein only by executing (or having a controlled affiliate approved by us execute) a Franchise Agreement for each Shop at a site approved by us in the Trade Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder shall be executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Brand Development Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site.

The initial franchise fee payable for each Shop to be developed hereunder shall be Twenty-Five Thousand Dollars (\$25,000). We will apply a portion of the Multi-Unit Operator Fee in full satisfaction of the initial franchise fee for the first Shop to be developed hereunder. For each additional Shop to be developed, we will apply a *pro rata* portion of the Multi-Unit Operator Fee toward the initial franchise fee due, and the balance of the initial franchise fee (or Twelve Thousand Five Hundred Dollars (\$12,500)) is payable by you upon execution of the Franchise Agreement for such Shop.

3.4 You acknowledge that the approval of a particular site for a Shop by us shall not be deemed to be an assurance or guaranty that the Shop will operate successfully or at a profit from such site.

3.5 You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Shop to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each entity operating each Shop.

SECTION 4

DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may, in our sole discretion, include the right to develop Shops at any “Non-Traditional Sites”. Non-Traditional Sites include without limitation military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

4.2 We and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Shops within the Trade Area subject only to the territorial rights granted to you with respect to Shops operated by you pursuant to the Franchise Agreements and the right of first refusal described in Section 6 below.

4.3 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Shops, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.3.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Shops and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Trade Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other marketing methods;

4.3.2 to operate and to grant others the right to operate Shops located outside the Trade Area under any terms and conditions we deem appropriate and regardless of proximity to a Shop;

4.3.3 to operate and to grant others the right to operate Shops at Non-Traditional Sites within and outside the Trade Area under any terms and conditions we deem appropriate; and

4.3.4 to acquire and operate a business operating one or more food service businesses located or operating in the Trade Area.

SECTION 5 **RENEWAL**

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Trade Area and continue to develop Shops, we will, in good faith, negotiate a new Multi-Unit Operator Agreement with you.

SECTION 6 **TERM AND RIGHT OF FIRST REFUSAL**

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Shop is opened pursuant to the Minimum Performance Schedule established in Exhibit "A".

6.2 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Shops in the Trade Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Shops upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Multi-Unit Operator Fee and the payment of the then-current Initial Franchise Fee upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Shops. You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights in full. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Shops to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Shops.

SECTION 7
YOUR OBLIGATIONS

You acknowledge and agree that:

7.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Shops and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Shops within the Trade Area. You shall obtain the license to use such additional rights at each Shop upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.3 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.4 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Froyoworld Shop.

7.5 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.6 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.7 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.8 In no event shall any Shop be opened for business unless and until a Franchise Agreement for such Shop has been fully executed and the Initial Franchise Fee for such Shop has been paid.

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Provide you with standard specifications and layouts for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Shops as we make available to all multi-unit operators and franchisees from time to time.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Conduct on-site evaluations, as we deem advisable, as part of our evaluation of the site for a Shop.

8.5 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit operators.

SECTION 9

DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Section 11 hereof.

9.1.3 Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Shops to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Multi-Unit Operator Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Shop, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Shops opened pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any store engaged in the sale of products similar to those permitted to be sold by you within the Trade Area or in any shop which looks like, copies or imitates the Shop or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

9.2.3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

9.2.4 If you shall begin work upon any Shop at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Shop for business before a Franchise Agreement for such Shop has been fully executed and the initial franchise fee due to us has been paid.

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Shops.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit operator of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11
TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement.

11.2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Shop(s) pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Shop(s) shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity.

11.3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

“The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Operator Agreement with Froyoworld Franchising, LLC dated _____. Reference is made to said Multi-Unit Operator Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity.”

11.4 The entity or assignee entity’s records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded.

11.5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 You have represented to us that you are entering into this Multi-Unit Operator Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Shops to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if you receive from an unaffiliated third party and desires to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Trade Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit operators and franchisees. Any assignment or transfer permitted by this Section 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9 Except as provided in Section 11.6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.9.3 You are not in default hereunder.

11.9.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit operators, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Operator Agreement, Franchise Agreements for all Shops open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit operators on the date of transfer.

11.9.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7 You or transferee pay to us a transfer fee in an amount equal to Fifteen Thousand Dollars (\$15,000) to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of “Froyoworld Franchising, LLC” as Franchisor. Nothing contained in this Agreement shall require us to remain in the frozen dessert business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12 **COVENANTS**

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by us or by any other franchisee or multi-unit operator of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any shop or food service business other than the Franchised Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Shop, including a shop which offers and sells the same or substantially similar food products (a “Competitive Business”).

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in

conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within twenty (20) miles of any Froyoworld Shop in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934, as amended.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 12.

12.7 You acknowledge that any failure to comply with the requirements of this Section 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Section 12. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section 12 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

12.8.1 All general managers of yours who have received training from us;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section 9 hereof.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15 **APPROVALS**

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION 16 **NON-WAIVER**

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17 **SEVERABILITY AND CONSTRUCTION**

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in triplicate, or such other number as is required, and each copy of the executed Agreement shall be deemed an original.

SECTION 18

ENTIRE AGREEMENT; APPLICABLE LAW

This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of Connecticut, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the County of Hartford, Connecticut.

SECTION 19

DISPUTE RESOLUTION

19.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Connecticut under the authority of Connecticut Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Connecticut Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Connecticut Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit

themselves to the jurisdiction of the state courts of Hartford County, Connecticut and the Federal District Court closest to our headquarters. You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Connecticut or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be Hartford County, Connecticut; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Connecticut law.

19.3 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.4 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.5 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION 20

TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Shops in the Trade Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Shops within the Trade Area in accordance with the Minimum Performance Schedule, to operate such Shops pursuant to the terms of the Franchise Agreements and to maintain all such Shops in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure

to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION 21
ACKNOWLEDGMENTS

21.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HERewith; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATES.

21.4 YOU AND EACH OF YOUR PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF FROYOWORLD SHOPS OR DEVELOPMENT OF THE TRADE AREA.

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

[Signatures appear on the next page]

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

FROYOWORLD FRANCHISING, LLC

WITNESS

By: _____
Name: _____
Title: _____

MULTI-UNIT OPERATOR:

WITNESS

By: _____
Name: _____
Title: _____

**FROYOWORLD FRANCHISING, LLC
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT "A"
CERTIFICATION BY MULTI-UNIT OPERATOR**

The undersigned, personally and as an officer or partner of Multi-Unit Operator, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Operator Agreement and the **Froyoworld Franchising, LLC** Franchise Agreement, and that the decision to execute the Multi-Unit Operator Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Operator Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Froyoworld" Shops. The undersigned further certified that he understands the risks involved in this investment and **Froyoworld Franchising, LLC** makes no representation or guaranty, explicit or implied, that the Multi-Unit Operator will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of _____, 20__.

WITNESS

WITNESS

WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

WITNESS

WITNESS

WITNESS

**FROYOWORLD FRANCHISING, LLC
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT “B”
GUARANTY**

(TO BE EXECUTED ONLY IF MULTI-UNIT OPERATOR IS A CORPORATION,
LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Froyoworld Franchising, LLC, of the annexed Multi-Unit Operator Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Operator, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Operator Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Operator Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Operator Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Operator Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS,
MEMBERS AND PARTNERS, AS APPLICABLE

WITNESS

WITNESS

WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

WITNESS

WITNESS

WITNESS

**FROYOWORLD FRANCHISING, LLC
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT “C”
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement shall amend that certain Multi-Unit Operator Agreement between _____ (“Multi-Unit Operator”), and **Froyoworld Franchising, LLC** (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Operator of the Shops under a Multi-Unit Operator Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Trade Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Operator constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Operator Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Operator Agreement, agree as follows:

1. The undersigned Multi-Unit Operator shall remain personally liable in all respects under the Multi-Unit Operator Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Operator Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Multi-Unit Operator set forth in the Multi-Unit Operator Agreement and they jointly and severally personally guarantee all of the Multi-Unit Operator’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between _____ and **Froyoworld Franchising, LLC**”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between _____ and **Froyoworld Franchising, LLC**”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Shops.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Operator Agreement executed on the date set forth below between Multi-Unit Operator and Franchisor, to the same extent as if it were named as the Multi-Unit Operator therein.

Date of Multi-Unit Operator Agreement: _____

Trade Area for Shops: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)

Title: _____

In consideration of the execution of the above Agreement, Froyoworld Franchising, LLC, hereby consents to the above referred to assignment on this ____ day of _____, 20__.

FROYOWORLD FRANCHISING, LLC

By: _____

Name: _____

Title: _____

FROYOWORLD FRANCHISING, LLC
MULTI-UNIT OPERATOR AGREEMENT
ATTACHMENT “D”

Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Operator to establish and operate _____
() “Froyoworld” Shops pursuant to a Franchise Agreement for each Shop. The following is Multi-
Unit Operator’s Minimum Performance Schedule:

Shops to be located
and Operating
Within the Trade Area

By this Date

APPROVED:

MULTI-UNIT OPERATOR

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FROYOWORLD FRANCHISING, LLC
MULTI-UNIT OPERATOR AGREEMENT

ATTACHMENT “E”

Trade Area

The following describes the Trade Area within which Multi-Unit Operator may locate “Froyoworld” Shops under this Agreement:

APPROVED:

MULTI-UNIT OPERATOR

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
DEVELOPMENT AGENT AGREEMENT

FROYOWORLD FRANCHISING, LLC

DEVELOPMENT AGENT AGREEMENT

DEVELOPMENT AGENT

DATE OF AGREEMENT

TABLE OF CONTENTS

SECTION 1..... **2**
 APPOINTMENT AND INITIAL FEE..... 2

SECTION 2..... **3**
 TERM AND RENEWAL..... 3

SECTION 3..... **3**
 OUR DUTIES..... 3

SECTION 4..... **5**
 COMPENSATION PAYABLE TO YOU..... 5

SECTION 5..... **6**
 YOUR DUTIES..... 6

SECTION 6..... **11**
 PROPRIETARY MARKS..... 11

SECTION 7..... **14**
 ADVERTISING AND MARKETING..... 14

SECTION 8..... **14**
 TRANSFER OF INTEREST..... 14

SECTION 9..... **16**
 CORPORATE REQUIREMENTS..... 16

SECTION 10..... **17**
 COVENANTS..... 17

SECTION 11..... **18**
 DEFAULT AND TERMINATION..... 18

SECTION 12..... **19**
 OBLIGATIONS UPON TERMINATION OR EXPIRATION..... 19

SECTION 13..... **20**
 TAXES AND INDEBTEDNESS..... 20

SECTION 14..... **21**
 INDEPENDENT CONTRACTOR AND INDEMNIFICATION..... 21

SECTION 15..... **22**
 APPROVALS AND WAIVERS..... 22

SECTION 16..... **22**
 NOTICES..... 22

SECTION 17..... **23**
 RELEASE OF PRIOR CLAIMS..... 23

SECTION 18	23
DISCLOSURE STATEMENT AND DISCLAIMER.....	23
SECTION 19	24
ENTIRE AGREEMENT.....	24
SECTION 20	24
SEVERABILITY AND CONSTRUCTION.....	24
SECTION 21	25
APPLICABLE LAW.....	25
SECTION 22	26
DISPUTE RESOLUTION.....	26
SECTION 23	27
CHANGES AND MODIFICATIONS.....	27
SECTION 24	27
ACKNOWLEDGMENTS.....	27

EXHIBITS

- “A” Development Area
- “B” Disclosure Acknowledgment Statement
- “C” Guarantee and Assumption of Obligations
- “D” Transfer of Development Agent Agreement to a Corporation
or Limited Liability Company
- “E” Confidentiality and Non-Competition Agreement
- “F” Internet Websites and Listings Agreement, and Telephone Listing Agreement
- “G” Development Schedule

DEVELOPMENT AGENT AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 20__ by and between Froyoworld Franchising, LLC, a Connecticut limited liability company with its principal address at 660 Center Street, Manchester, Connecticut 06040 (hereinafter, “we”, “us” or “our”) and _____ whose principal address is _____ (hereinafter, “you” or “your”).

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of retail shops operating under the name “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself®” featuring frozen yogurt with a variety of toppings and other complementary products, smoothies and beverages;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks”);

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, we grant to qualified persons the right to become a “Froyoworld” development agent who will be advertising for new franchisees and developing and assisting franchisees of ours who are operating within the development agent’s assigned area and utilizing our business systems, formats, methods, specifications, standards, operating procedures, operating assistance, and Marks;

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document (the “Disclosure Document”) and acknowledge that you understand the importance of our high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications;

WHEREAS, you desire to serve as our development agent in the territory designated herein, wish to be licensed to use the Marks and wish to receive the training and other assistance provided by us in connection with the operation of the development agent franchise (hereinafter the “Franchised Business” or “Development Agent Franchised Business”);

WHEREAS, you understand and acknowledge the importance of our high uniform standards of quality, service, and appearance and the importance of ensuring the maintenance of those high standards by all franchisees of ours in the territory described herein; and

WHEREAS, you understand and acknowledge the importance of assisting franchisees serviced by you to provide quality services, achieve maximum sales levels, make maximum efforts to control costs, and fully conform to our policies and procedures as stated in our Manuals.

NOW, THEREFORE, the parties in consideration of the undertakings and commitments of each party to the other party stated herein, hereby mutually agree as follows:

SECTION 1
APPOINTMENT AND INITIAL FEE

1.1 We hereby grant to you, upon the terms and conditions herein contained, the right to serve as our development agent within the territory described in Exhibit “A” annexed hereto (hereinafter referred to as “Development Area”), and a non-exclusive license to use in connection therewith the Marks and System, as they may be changed, improved, and further developed from time to time.

1.2 You hereby undertake the obligation to diligently screen and evaluate individuals to become franchisees of ours at locations within the Development Area, and to undertake our field responsibilities for development and service prescribed herein to franchisees which operate Froyoworld Shops, as defined in Section 1.8 hereof, franchised by us in the Development Area and you shall not be permitted to solicit or screen individuals outside of the Development Area. You may only undertake our field responsibilities for franchise solicitation, training, and service. You understand and acknowledge that you do not have any authority to negotiate terms with any prospective franchisee or to execute any agreements, including Franchise Agreements, on our behalf or in our name.

1.3 During the term of this Agreement, and provided there is no uncured default hereunder, we agree that we will not license any other development agent for the Development Area.

1.4 You shall be entitled, as provided under Section 4.1 hereof, to receive compensation from us for each Froyoworld Shop franchise sold by us under the System in the Development Area during the term of this Agreement.

1.5 You shall be obligated to present us with potential franchisees in the time and manner described in Section 5.5 below. You shall screen and propose franchisees to open Froyoworld Shop franchises in the Development Area only.

1.6 For so long as you shall not have lost your exclusive rights pursuant to the provisions of Section 5 hereof, and provided you are not in default of any of your obligations hereunder, we shall not, during the term of this Agreement, own or operate or license others to own or operate as a development agent in the Development Area; however, we shall retain the right to use the Marks in any advertising, marketing or promotion pursuant to the provisions of Section 6.1 hereof.

1.7 Upon execution of this Agreement, you shall pay a Development Agent Rights Fee of _____ Dollars (\$ _____), which fee shall be deemed fully earned and non-refundable.

1.8 For purposes of this Agreement, the terms listed below have the meanings that follow them. Other terms used in this Agreement are defined and construed in the context in which they occur.

(a) **“Competitive Business”** – A retail business other than a Froyoworld Shop which (a) offers frozen dessert items as its primary menu items, or (b) grants or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of a business described in the foregoing clause (a).

(b) **“Froyoworld Shop”** – A retail store that: (a) offers frozen yogurt, toppings, smoothies and other approved menu items; (b) meets our standards and specifications; (c) operates using the Marks and the System; and (d) is either operated by us or our affiliates or pursuant to a valid license from us.

SECTION 2 **TERM AND RENEWAL**

2.1 Except as otherwise provided, the term of this Agreement shall be for twenty (20) years from the date of its execution.

2.2 You may, at your option, renew this Agreement for additional consecutive ten (10) year terms, provided that prior to the end of the applicable term:

(a) You have given us written notice of your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term.

(b) You are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us or our subsidiaries or affiliates, and have complied with all of the terms and conditions of such agreements during the terms thereof.

(c) You shall have executed upon renewal our then-current form of renewal Development Agent Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, excluding a compensation rate and method of computing same; but could have different minimum performance standards, if any, for proposing qualified prospective franchisees to us.

(d) You shall execute a general release, in a form prescribed by us, of any and all claims against us, our subsidiaries or affiliates, and our respective officers, shareholders, directors, agents, and employees.

(e) You shall comply with our then-current qualification and training requirements, including, without limitation, any training requirements specifically designed for renewing development agents. For any training required by this Section, we shall provide and pay for the instructors, training facilities, and training materials; you must pay for all other expenses incurred in training including, without limitation, the costs of travel, room, board, and wages (for employees required to attend).

(f) You shall pay to us a renewal Development Agent Rights Fee as negotiated between you and us.

SECTION 3 **OUR DUTIES**

In addition to the other obligations and duties stated in this Agreement, we agree as follows:

3.1 Unless we waive this requirement based on previous experience, we or our designated agent shall provide an initial training program to be conducted at our headquarters or at a location designated by us for you and up to two (2) additional trainees, and shall make available such other subsequent training programs to your core team as we deem appropriate. All training provided by us shall be subject to the terms stated in Section 5 of this Agreement, and shall be at such times and places as may be designated by us.

3.2 We shall provide you, at no cost, with one (1) copy of our standard form of franchise agreement and franchise disclosure document required by the Federal Trade Commission and, if applicable, the laws of the state(s) within the Development Area. If requested by us, you shall at your expense provide such assistance as we deem necessary in order to develop or adapt the franchise disclosure document for use in the state(s) in which the Development Area is located. We shall also make available to you certain materials for promoting the sale of franchises to prospective franchisees. These materials may include advertising and marketing layouts, brochures, and other materials. We reserve the right to charge, and you agree that you shall pay us, an amount sufficient to compensate us for the actual cost of creating, producing, and distributing these materials to you. You may, at your own expense, use your own sales materials if you have obtained our prior written approval for such materials, as provided in Section 7 below.

3.3 We shall use our best efforts to promptly process all applications made by prospective franchisees and forwarded to us by you and shall not unreasonably withhold our approval of any prospective franchisee, provided such prospect meets the educational, professional, managerial, business, financial, and other qualifications as we may from time to time prescribe for new franchisees.

NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROVIDE YOU WITH THE POWER OR AUTHORITY TO NEGOTIATE CONTRACT TERMS WITH ANY PROSPECTIVE FRANCHISEE, TO GRANT FRANCHISES, OR TO EXECUTE ANY FRANCHISE AGREEMENTS WITH FRANCHISEES ON OUR BEHALF. WE SHALL HAVE THE OPTION, IN OUR SOLE DISCRETION, TO APPROVE OR DENY A FRANCHISE TO ANY PROSPECTS PROPOSED TO US BY YOU, AND WE WILL HAVE THE SOLE AUTHORITY TO EXECUTE FRANCHISE AGREEMENTS WITH FRANCHISEES.

We shall have the right to conduct our relationship with prospective franchisees and franchisees, and to operate our business, as we deem appropriate, and whether or not you agree with our decisions (including but not limited to the right to decide whether or not to approve a party to become a franchisee, accept a proposed site, accept a proposed lease for approved premises, amend or revise the terms of a franchise agreement, increase or decrease the obligations of us or a franchisee under a franchise agreement, require a franchisee to meet all of the provisions of a franchise agreement, terminate a franchise agreement, permit a franchisee to transfer its rights to a buyer, and/or permit a franchisee to renew).

3.4 We shall provide the entire initial training program to each new System franchisee. The entire training program shall be held at our headquarters or at such other place as may be designated by us in writing; and we shall pay only for the instructors, training facilities, and training materials. We shall have the right to relinquish this training responsibility to you and your staff at any time following notice to you.

3.5 We shall provide for the collection of and distribution to you of your share of initial franchise fees, and we shall be responsible for distributing to you your share of the royalty fees and transfer fees received from each franchisee operating in the Development Area.

3.6 We shall continue our efforts to maintain high standards of quality professionalism and service of the Development Agent Franchised Business, and to that end may conduct inspections of any business premises operated hereunder by you and closely monitor your promotional efforts and service efforts, which may include, without limitation, contacting prospective and existing franchisees and monitoring sales presentations by you and your personnel.

3.7 We shall not, by virtue of any approvals, advice, or services provided to any System franchisee, assume responsibility for or liability to you, System franchisee, or any third parties to which we would not otherwise be subject. However, we will not be excused for our breaches or civil wrongs.

3.8 We shall provide you with a detailed Operations Manual and other items that will form the foundation for the establishment of each Froyoworld Shop to be located within the Development Area. Such Operations Manual shall be kept in a secure, locked receptacle at the Franchised Business and may not be removed from the Franchised Business at any time or for any purpose. In addition, we shall provide consulting services, at no additional cost, to support you in formulating preliminary plans for the construction of each Froyoworld Shop, its layout, drawings, furnishing details and designs for the interior of each Froyoworld Shop. We will also assist you in sourcing equipment and operating supplies for the Froyoworld Shops.

SECTION 4 **COMPENSATION PAYABLE TO YOU**

4.1 In consideration of soliciting, screening and submitting to us during the term of this Agreement applications for prospective franchisees in connection with the grant of a franchise to be located in the Development Area, you shall be entitled, for as long as, but only as long as, this Agreement remains in effect and you are not in default hereunder, to a sum equal to fifty percent (50%) of the income from initial franchise fees paid by each System franchisee who purchases a franchise from us in the Development Area, irrespective of where the lead originates, subject to the following conditions: (i) you collect preliminary financial and background information, pre-qualify the franchisee using our criteria, and present us with the applicant; (ii) both we and the franchisee sign the Franchise Agreement and the franchisee pays the entire initial franchise fee to us; (iii) the sale is for a new Froyoworld Shop and is not a resale of an existing Froyoworld Shop by another franchisee; (iv) there are no outstanding sale contingencies, such as the initial franchise fee being paid into an escrow account; and (v) you are in compliance with this Agreement.

4.2 In consideration for undertaking our field responsibilities for developing and servicing all franchisees who operate Froyoworld Shops in the Development Area during the term of this Agreement, you shall be paid a continuing fee equal to fifty percent (50%) of all royalty fees and transfer fees received from any franchised unit located in the Development Area for services rendered by you to said unit.

4.3 We shall collect all initial franchise fees owed pursuant to the franchise agreements between us and System franchisees located within the Development Area and provide you with a monthly report by the twentieth (20th) day of each month on the amounts collected during the preceding month, along with the payments due to you from such amounts. We shall have sole discretion as to the terms and conditions of collections from System franchisees, including the right to defer or refund initial franchise fees. In no event shall any such deferred payments become payable to you by us until and unless such fees are paid to us by System franchisees. In the event we refund amounts collected or if a franchisee for any reason owes amounts to us, we shall have the right, as we deem appropriate, to either deduct from any payments due to you your portion of any amount so refunded or any amount owed to us, or to require you to remit any such portion of the refunded amount or other amounts to us immediately upon request. We

shall have no liability to you for payments under this Section 4.3 in the event that any System franchisee, for any reason, fails to pay any fee owed to us.

4.4 All amounts payable pursuant to Section 4 shall be made in U.S. dollars and payment shall be made by way of electronic funds transfer to you at the address stated herein or by such other means and at such other place as may be designated in writing.

4.5 You understand and acknowledge that you are not entitled to any portion of any administrative fees, rebates or other payments made to us by approved suppliers for purchases made by franchisees in your Development Area.

SECTION 5 **YOUR DUTIES**

5.1 You understand and acknowledge that every detail of the Franchised Business is important to you, us, other development agents and System franchisees in order to develop and maintain high and uniform operating standards, to increase the demand for System franchisees and the demand for services and products sold by System franchisees, and to protect our reputation and goodwill. In dealing with prospective franchisees, you shall:

(a) Comply with all applicable federal, state, and local laws, rules, and regulations governing the advertising, marketing, promotion, and sale of franchises, including, without limitation, those relating to franchise registration, disclosure, and unfair or deceptive practices. In particular and without limiting the foregoing, you shall strictly adhere to our instructions and neither you nor your employees shall make any statement, projection, or other description of potential earnings, costs, or profits to any third party unless we give our specific written authorization to you to do so;

(b) Deliver to each prospective franchisee, at or before the time required by law, a copy of our then-current franchise disclosure document, and obtain from each prospective franchisee and promptly furnish to us the original, signed acknowledgment of receipt therefor;

(c) Not permit any employee to engage in the promotion of Froyoworld Shop franchises unless we have given our prior written consent to such person's involvement, and, upon our request, you shall immediately discontinue the involvement of any person in the solicitation of prospective franchisees;

(d) Promptly provide us (or our counsel) with such information and materials as we may reasonably request in order to enable us to comply with laws regulating the offer and sale of franchises and/or the franchise relationship;

(e) Unless so directed in writing by us, you shall not prepare, modify, or register with any government or quasi-government authority any document in connection with the offer and sale of Froyoworld Shop franchises.

5.2 Unless we waive this requirement based on previous experience, you and up to two (2) additional persons shall attend and complete, to our satisfaction, our initial training session, and you, your manager or other employees, as we may designate, shall attend and complete, to our satisfaction, such other training sessions as we may reasonably require from time to time. For any training session we shall only pay for the instructors, training facilities, and training materials, and you shall pay for all other expenses incurred by you, your manager or other employees, including, without limitation, the costs of travel, room, board, and wages.

5.3 If you are a corporation or limited liability company, you shall comply with the following requirements throughout the term of this Agreement:

(a) You shall furnish us with your Articles of Incorporation, Bylaws, Articles of Formation, Operating Agreement, other governing documents, and any other documents we may reasonably request, and any amendments thereto.

(b) You shall confine your activities, and shall at all times provide proof that your activities are confined, exclusively to operating the business franchised herein.

(c) You shall maintain stop transfer instructions against the transfer on your records of any equity securities, and each certificate shall at all times have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments or transfers by this Agreement.

(d) You shall maintain a current list of all owners of record and all beneficial owners of any class of voting interests of you and shall furnish the list to us upon request.

5.4 If you are a partnership, you shall comply with the following requirements throughout the term of this Agreement:

(a) You shall furnish us with your partnership agreement, as well as such other documents as we may reasonably request, and any amendments thereto.

(b) You shall prepare and furnish to us, upon request, a list of all general and limited partners in the partnership.

5.5 You shall do the following:

(a) Be responsible for all activities involved in the development and servicing of Froyoworld Shops including, but not limited to: (i) advertising for prospects for Froyoworld Shop franchises; (ii) providing all prospects with information about us on a timely basis in conformity with our policies as established and modified from time to time in accordance with Federal, State and Local laws and regulations; (iii) selecting or evaluating sites, subject to our final approval of all sites; (iv) negotiating leases; (v) providing construction advice; (vi) assisting with Froyoworld Shop openings; (vii) inspecting Froyoworld Shops; and (viii) providing business advice to franchisees.

(b) Assist us in the enforcement of all provisions of any Franchise Agreement for any unit established in the Development Area. If we incur expenses to enforce or defend the Agreements or to commence eviction of franchisees within the Development Area, we may charge you fifty percent (50%) of our expenditures.

(c) Develop and open the number of Froyoworld Shops stated in Exhibit "G", which is annexed hereto. You understand and acknowledge that you shall, at all times, own and operate at least one (1) Froyoworld Shop. For the purpose of this Agreement, a unit shall be considered an Operating Froyoworld Shop only if it is a franchised Froyoworld Shop within the Development Area that is in compliance with the terms of its Franchise Agreement. You shall be in default of this Agreement if you fall behind the Development Schedule.

(d) Conduct your business in strict compliance with all applicable Federal, State and Local laws, ordinances and regulations, including, but not limited to, applicable franchise and business opportunity laws, and obtain, at your own expense, all necessary permits and licenses for the operation of your business and maintain same in good standing.

(e) Devote your full time and best efforts to the development of the Development Area and during the term of this Agreement shall refrain from any other employment and/or conducting any other business.

(f) Monitor the installation of equipment into Froyoworld Shops established in the Development Area which meets our standards for design, construction, appearance and function as specified in our Manual.

(g) Bear all costs of developing prospective franchisees into Froyoworld Shop operations except training expenses at our home office (unless and until such training responsibilities have been transferred to you), such as by providing additional training to the franchisee subsequent to the completion by the franchisee of our training course.

(h) Assist franchisees in the selection of locations for Froyoworld Shops in accordance with the guidelines established by us, which locations shall be approved by us, and assist in the negotiation of leases for said locations in accordance with our standards.

(i) Advise franchisees in the proper construction of their Froyoworld Shops, including, but not limited to, color schemes, design of the interior, hiring of contractors, and purchase of equipment and signs. Said advice shall be in accordance with the guidelines established by us.

(j) Provide advertising and marketing advice to franchisees in accordance with the guidelines established by us.

(k) Provide, at your expense, a qualified and trained field representative to give advice to Froyoworld Shop franchisees upon the opening of their Froyoworld Shops in the Development Area and give additional training to franchisees and their employees in accordance with the standards established by us. In addition, you shall provide opening assistance for each franchisee who requests it. You must be a “graduate” of the training program.

(l) Inspect all Froyoworld Shops in the Development Area at least quarterly and report to us on evaluation forms supplied by us regarding products sold, equipment utilized or appearance of the unit.

(m) Assist us, in accordance with our directions, to reopen or permanently close Froyoworld Shops that close within the Development Area. We will pay all necessary out-of-pocket costs required to reopen closed Froyoworld Shops. You will provide your efforts, without charge, to oversee the reopening of the Froyoworld Shop and its continued operation as a Franchisor-owned Froyoworld Shop until the Froyoworld Shop is sold to a franchisee. If the Froyoworld Shop is to be abandoned, you shall secure all equipment in the Froyoworld Shop that is owned by us and de-identify the Froyoworld Shop.

(n) Assure that each Froyoworld Shop operating within the Development Area purchases directly from us or our designated supplier all products and supplies designated or required by us.

(o) Have a mobile telephone, a business telephone, an operating fax machine, email address and a laptop computer with current versions of Windows, Microsoft Office and other software required by us. The mobile phone number, the business phone number, the fax number and email address must be given to each franchise owner in the Development Area and to us.

(p) Refrain from making misrepresentations to us and our franchisees and from conducting yourself or your business in a manner likely to impair the reputation, business or profitability of us, our employees or officers, or any Froyoworld Shop franchisee.

(q) Shall not solicit or accept any kickback or payment or share in the profits from any vendor on sales to franchisees.

(r) Conduct your business in such a way as to maintain a high degree of satisfaction by the franchise owners with your work. You must return all franchisee phone calls within twenty-four (24) hours and you must personally meet with each franchise owner at one of the owner's Froyoworld Shops every three (3) months for a period of two (2) hours to discuss the franchisee's business. This meeting is in addition to the quarterly inspections, but may take place directly before or after a Froyoworld Shop inspection.

(s) Maintain the accounts of all Froyoworld Shop franchises fully or partially owned by you in perfect status (no unpaid balances) with us and all of our affiliates, and further agree that the Froyoworld Shops will participate in our electronic funds transfer program. We shall have the right to offset any monies owed to you against any obligation of yours to us or our affiliates, including monies due to us based upon the operations of Froyoworld Shops only partially owned by you.

(t) Submit to us, after each visit to each Froyoworld Shop, a written report on such form as we may prescribe, which describes, without limitation, the following information: (i) any apparent deficiencies and problems concerning the uniformity and quality of service provided at the Froyoworld Shop, (ii) any apparent opportunities for the Froyoworld Shop to improve its performance; (iii) any apparent deviations from our operating procedures, standards, and specifications; and (iv) any apparent violations of applicable laws, rules, or regulations.

(u) At our request, you shall provide us with reasonable assistance in the collection of delinquent accounts from franchisees.

5.6 You shall own, operate and maintain at least one (1) Froyoworld Shop which must be located within the Development Area, and you must pay us the Initial Franchise Fee for such Froyoworld Shop. If you choose to own and operate additional Froyoworld Shops in the Development Area, you must pay our then-current Initial Franchise Fee for each such additional Froyoworld Shop. In addition, you shall be required to remit the Royalty fee, as that term is defined in your Franchise Agreement(s), and other fees required by such Franchise Agreement(s).

5.7 You shall grant us and our agents the right to enter any Froyoworld Shop or office operated by you for the purposes of conducting inspections and monitoring your operations, and shall cooperate fully with our representatives in such steps as may be necessary to immediately correct any deficiencies detected during such inspections or monitoring.

5.8 During the term of this Agreement, you shall maintain in force under policies of insurance issued by licensed insurers approved by us insurance coverage as we from time to time require. This insurance coverage is in addition to the insurance you are required to maintain as a franchisee under

your Franchise Agreement, if we require you to own and operate a Shop. Such insurance coverage will include:

(a) broad form comprehensive general liability coverage against claims for employment practices coverage, bodily and personal injury, death and property damage caused by or occurring in conjunction with the conduct of business by you pursuant to this Agreement and broad form contractual liability coverage, including errors and omissions coverage, under one or more policies of insurance containing minimum liability coverage prescribed by us from time to time, but in no event in an amount less than Two Million Dollars (\$2,000,000) aggregate. Such insurance shall not have a deductible or self-insured retention in excess of Five Thousand Dollars (\$5,000); and

(b) worker's compensation and employer's liability insurance in statutory amounts, unemployment insurance and state disability insurance as required by governing law for your employees.

5.9 You shall also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance. We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time including excess liability insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

5.10 The insurance policies required herein shall:

(a) name us as an additional named insured and contain a waiver of all subrogation rights against us, our affiliates, and our and their successors and assigns;

(b) provide for thirty (30) days' prior written notice to us of any material modification, cancellation, or expiration of such policy;

(c) provide that the coverage applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;

(d) contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the parties indemnified under this Agreement;

(e) be primary to and without right of contribution from any other insurance purchased by the parties indemnified under this Agreement; and

(f) extend to and provide indemnity for all obligations assumed by you hereunder and all other items for which you are required to indemnify us under this Agreement.

5.11 You shall provide us with evidence of the insurance required hereunder and with a complete copy of each insurance policy no more than thirty (30) days after delivery of the original proof of insurance. Thereafter, prior to the expiration of the term of each insurance policy, you shall furnish us with a copy of each renewal or replacement insurance policy to be maintained by you for the immediately following term and evidence of the payment of the premium therefor. Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

5.12 The maintenance of sufficient insurance coverage shall be your responsibility. Your obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by us nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement.

5.13 Not later than one hundred twenty (120) days after the end of each of your fiscal years, you shall provide to us a balance sheet and profit and loss statement as of the end of your latest fiscal year, in the form we require. We reserve the right to require you to have your financials audited.

5.14 You shall comply with all other requirements stated in this Agreement.

SECTION 6

PROPRIETARY MARKS

6.1 We represent with respect to the Marks that:

(a) We are the owner or the licensee of the owner of the Marks and we have the right to use and to license others to use the Marks.

(b) We have taken and will take all steps reasonably necessary to preserve and protect our and the owner's right to and interest in the Marks. All references herein to our right, title and interest in and to the Marks shall be deemed to include the owner's right, title and interest.

(c) We will permit you and other development agents to use the Marks only in accordance with the System and the Development Agent Franchised Business, and the standards and specifications thereto, which underlie the goodwill associated with any products or services symbolized by the Marks.

6.2 With respect to your licensed use of the Marks pursuant to this Agreement, you agree that:

(a) You shall use only the Marks designated by us, and shall use them only in the manner authorized and permitted by us.

(b) You shall use the Marks only for the operation of the business franchised hereunder, or in advertising or marketing for the business conducted at or from such business.

(c) Unless otherwise authorized or required by us, you shall operate and advertise the business franchised hereafter only under the name "Froyoworld" with such trademark registration symbol as is designated by us, and without prefix or suffix.

(d) During the term of this Agreement, you shall identify yourself as the independent owner of the Development Agent Franchised Business in conjunction with any use of the Marks, including, but not limited to, advertisements and promotional pieces, as well as at such conspicuous locations at the offices used for the operation of the Franchised Business as we shall designate in writing. The identification shall be in the form which states your name, followed by the words "Development Agent of "Froyoworld", or such other identification as shall be approved by us.

(e) Your rights to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.

(f) You shall not use the Marks to incur any obligation or indebtedness on our behalf.

(g) You shall not use the Marks as part of your corporate or other legal name or identification.

(h) You shall comply with our instructions in filing and maintaining requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

(i) In the event that you learn of any infringement or threatened infringement or piracy of any of the Marks, or any actual or intended common law passing-off by reason of imitation of, get-up or otherwise, or that any third party alleges or claims or intends to allege or claim that any of the Marks are liable to cause deception or confusion to the public, or that any third party alleges or claims or intends to allege or claim that any of the Marks infringe on its trade marks in any manner, you shall forthwith give notice thereof to us together with all such information with respect thereof as you may from time to time obtain. The parties undertake and agree to consult with each other with respect to how to respond to each infringement or violation. However, only we shall, in our absolute discretion, institute proceedings or defend proceedings as we shall deem advisable and you shall not, under any circumstances whatsoever, institute any legal proceedings relating to the Marks without first obtaining our prior written consent. In the event we undertake the defense or prosecution of any such legal proceedings, you agree to execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution.

6.3 You expressly understand and acknowledge that:

(a) As between the parties hereto, we have the exclusive right and interest in and to the Marks and the goodwill associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are franchised under the System.

(c) You shall not directly or indirectly contest the validity of, or our right to use or to license others to use, the Marks.

(d) Your use of the Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Marks, except the nonexclusive license granted herein.

(e) Any and all goodwill arising from your use of the Marks in your operation of the Development Agent Franchised Business shall inure solely and exclusively to us. No monetary amount shall be assigned as attributable to any goodwill associated with your operation of the Development Agent Franchised Business or your use of the Marks.

(f) The rights and license of the Marks granted hereunder to you are nonexclusive and we thus have and retain the right among others:

(i) To grant other licenses for the Marks, in addition to those licenses already granted to existing development agents and franchisees;

(ii) To use the Marks in connection with selling products and services;

(iii) To develop and establish other Systems and franchised businesses for the same or similar Marks or any other proprietary marks, and to grant licenses or franchises thereto outside the Development Area without providing any rights therein to you.

(g) We reserve the right to substitute different Marks for use in identifying the Development Agent Franchised Business and System and the businesses operating thereunder if we can no longer use or license the use of the Marks or if we believe that such a substitution is in the best interests of the System. In such event, you shall be required to conform your use of the Marks to the use of same by us. We shall have no obligation to reimburse you for any expenses you incur related to your compliance with any such change or substitution.

6.4 As used in this Agreement, the term “Website” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(a) We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, Froyoworld Shops and any or all of the products offered at Shops, the franchising of Froyoworld Shops, development agent opportunities, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

(b) We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Development Agent Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

(c) You shall not establish a separate Website related to the Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any Website owned or maintained by you or for your benefit shall be deemed “advertising” under this Agreement, and will be subject to (among other things) our approval under Section 7.

(d) We shall have the right to modify the provisions of this Section 6.4 relating to Websites as we shall solely determine is necessary or appropriate.

(e) You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business’s operation, including prohibitions on your and the Franchised Business’s employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us (“social media” includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

SECTION 7
ADVERTISING AND MARKETING

7.1 The parties hereto recognize and acknowledge the value of advertising, marketing and promotion in locating and soliciting individuals to become franchisees, and the importance of consistency of such advertising, marketing and promotion to the furtherance of the goodwill and public image of the Development Agent Franchised Business and the System.

7.2 You shall affix the Marks in the manner prescribed by us to all stationery, cards, signs, and other advertising and marketing materials used in connection with your operations hereunder.

7.3 All advertising and marketing by you in any medium shall be conducted in a dignified manner, shall conform to the standards and requirements prescribed by us, and shall comply with all applicable laws, rules, and regulations relating to the solicitation of franchise sales.

7.4 You shall submit to us (by mail, return receipt requested, by fax or by another approved method) for our prior written approval samples of all advertising, marketing and promotional plans and materials, and all other materials displaying the Marks, that you desire to use and that have not been prepared or previously approved by us. Within fifteen (15) days from the date of receipt by us of such materials, we shall notify you whether such materials conform to the standards and requirements prescribed by us and whether such materials, in the opinion of our counsel, are required to be approved by or submitted to any government agency. If you are notified by us that the materials conform to our standards and requirements and are required to be approved or submitted, we will submit the materials and will advise when and if the materials are approved or disapproved or if the use of the materials otherwise become permissible under law, such as if notice of disapproval is not received from a governmental agency within a stated period of time prescribed by law.

7.5 You shall be required to expend not less than Twelve Thousand Dollars (\$12,000) each year for advertising and marketing in the Business Opportunity and/or Franchise Section or in any other appropriate section of your nearest major newspaper, business journal or other publications that reach prospective franchisees within the Development Area. You shall be required to submit on a form provided by us a monthly report indicating the advertising and marketing schedule for the prior month, including verification copies of all ads.

SECTION 8
TRANSFER OF INTEREST

8.1 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Froyoworld Franchising, LLC" as

Franchisor. Nothing contained in this Agreement shall require us to remain in the frozen dessert business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

8.2 You understand and acknowledge that the rights and obligations created by this Agreement are personal to you, and that we have granted such rights to you in reliance on the character, skills, aptitude, as well as the business, legal and financial capacity of you and your directors, officers and shareholders. Except as is hereinafter stated in this Section, you shall not, without our prior written consent, directly or indirectly, sell, assign, transfer, convey, donate, pledge, mortgage, charge, grant any security interest or otherwise encumber any interest in this Agreement or in the Development Agent Franchised Business or in the right and license to use the System, the Manuals or the Marks. Any such purported action, whether occurring by operation of law or otherwise including any assignment by a trustee in bankruptcy, without our prior written consent shall be a material default hereunder and shall entitle us to immediately terminate this Agreement. In addition, you will not, during the term of this Agreement, without our prior written consent, participate in any corporate activity, issue or sell, or be a party to the issuance or sale of, any further shares or interest in the Development Agent Franchised Business of any kind, or any other securities which would cause or may cause the present effective voting control of you to change.

8.3 With our prior written consent, which consent shall not be unreasonably withheld, you shall have the right to sell, assign and transfer your interest in this Agreement or the right and license granted herein, subject to the following conditions:

- (a) No sale can occur during the first year of this Agreement;
- (b) The transferee/assignee must meet our then-current financial and educational requirements for our new development agents;
- (c) The transferee/assignee must attend and successfully complete our next development agent training class;
- (d) All accounts of both transferee/assignee and you must be paid in full prior to assignment;
- (e) You train the transferee/assignee for two (2) months prior to the transfer and for another two (2) months following the transfer (this is in addition to completing our training);
- (f) You pay us, at closing, a transfer fee equal to Twenty Five Thousand Dollars (\$25,000);
- (g) You execute a general release, in a form prescribed by us, of any and all claims against us, our subsidiaries or affiliates, and our respective officers, shareholders, directors, agents, and employees; and
- (h) The transferee/assignee executes our then-current form of Development Agent Agreement which shall have a term equal to the term remaining hereunder at the time of transfer.

8.4 Any proposed sale, assignment and transfer pursuant to this Section must be a sale, assignment and transfer of all or a significant portion of your assets in respect of the business carried on by you pursuant to the terms of this Agreement, including, without limitation, the said right and license

and all other assets of the said business and you shall not be entitled to sell same on an individual basis other than with our prior written consent.

8.5 Upon receipt of your application pursuant to Section 8.3 and notwithstanding the right to sell, assign and transfer granted you pursuant to the terms of this Section, we shall have the absolute right, to be exercised by notice in writing delivered to you within thirty (30) days of the date of the receipt of your application, to purchase the said right and license and other assets of yours proposed to be sold, assigned or transferred. If we shall exercise our right to purchase as provided herein, we shall complete the purchase upon the same terms and conditions set out in the said application.

8.6 In the event we do not exercise our right to purchase as set out in Section 8.5 hereof and do consent to the sale, assignment and transfer by you to the proposed purchaser, the sale, assignment and transfer shall be completed between you and the proposed purchaser upon the same terms and conditions as were set out in the said application submitted by you to us. Otherwise, you shall, before selling, assigning and transferring your said right and license and other assets, again make application to us in the manner as set out in this Section, and provisions of this Section shall apply *mutatis mutandis* and shall be repeated as often as you desire to complete any sale, assignment and transfer.

8.7 For the purposes of this Section, any sale, transfer or assignment of the issued and outstanding shares of the capital stock of or other beneficial interest in you, the effect of which, whether through one or several transactions, would result in a change of the effective control of you, shall, for the purposes thereof, be deemed to be a sale, assignment and transfer of all or a significant portion of all of your assets in respect of the business carried on by you pursuant to the provisions of this Agreement and, accordingly, all of the provisions of this Section shall apply, *mutatis mutandis*.

8.8 Upon your death or disability, or if you are a corporation, limited liability company, partnership, or other legal entity upon the death or disability of a principal owner of yours, all of such person's interest in this Agreement or such interest in you shall be transferred to a transferee approved by us. Such disposition of this Agreement or such interest in you, including, without limitation, transfer by bequest or inheritance, shall be completed within a reasonable time, not to exceed twelve (12) months from the date of death or disability, and shall be subject to terms and conditions substantially similar to those applicable to transfers contained in this Section 8. Failure to so transfer the interest in this Agreement or such interest in you within said period of time shall constitute a breach of this Agreement.

SECTION 9

CORPORATE REQUIREMENTS

9.1 If you are a corporation or limited liability company, you shall furnish to us, upon execution of this Agreement, a list of all equity holders of record and all persons having beneficial ownership interests in you indicating their holdings, as well as a list of your directors and officers or managers. You shall forthwith advise us in writing of any change in the stockholders, directors, officers, members and managers from time to time.

9.2 All of your equity holders shall execute a personal guaranty in the form of personal guaranty annexed hereto or in such other form as may be specified from time to time by us.

9.3 You shall maintain stop transfer instructions against the transfer on your records of any securities with voting rights and shall issue no such securities upon the face of which the following printed legend does not legibly and conspicuously appear:

“TRANSFER OF THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A DEVELOPMENT AGENT AGREEMENT WITH FROYOWORLD FRANCHISING, LLC DATED _____. REFERENCE IS MADE TO THE PROVISIONS OF THE SAID DEVELOPMENT AGENT AGREEMENT AND TO THE GOVERNING DOCUMENTS OF THIS ENTITY.”

SECTION 10
COVENANTS

10.1 You covenant that during the Term of this Agreement, except as otherwise approved in writing by us, you (or if you are a corporation, limited liability company or partnership, a principal, member or general partner of yours) or your fully-trained manager shall devote full time, energy, and best efforts to the management and operation of the Development Agent Franchised Business.

10.2 You covenant that during the term of this Agreement you shall not, either directly or indirectly, for yourself, or in conjunction with others:

(a) Divert or attempt to divert any business or client of any franchised business operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

(b) Employ or seek to employ any person who is at that time employed by us or any System franchisee or development agent, or directly or indirectly induce such person to leave their employ.

(c) Own, maintain, operate, affiliate with, or have an interest in any franchised or company-owned business or chain that is a Competitive Business (as defined in Section 1.8 above).

10.3 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted two (2) year period beginning with the expiration or termination of this Agreement, either directly or indirectly, own, maintain, operate, affiliate with, or have an interest in, any Competitive Business which is located within twenty (20) miles of the Development Agent Franchised Business or any Froyoworld Shop in the System.

10.4 Sections 10.2 and 10.3 shall not apply to ownership by you of an interest in any business operated under the System under a franchise granted by us, or of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held company.

10.5 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.

10.6 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant described in Sections 10.2 and 10.3 of this Agreement, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

10.7 You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 10. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) incurred by us in connection with the enforcement of this Section 10.

10.8 You shall require and obtain execution of covenants of confidentiality and non-competition as stated in Exhibit "E" hereof (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (1) all of your managers and any other personnel employed by you who have received or will receive training from us; (2) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of you, and of any entity directly or indirectly controlling you, if you are a corporate entity; and (3) the general partners and any limited partners (including any corporation, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership. The covenants required by this Section 10 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenant with the independent right to enforce it.

SECTION 11 **DEFAULT AND TERMINATION**

11.1 You shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you attempt to transfer this Agreement without complying with the terms of this Agreement, or if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against your business premises or equipment is instituted against you and not dismissed within thirty (30) days; or if your real or personal property shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon receipt of notice by you, upon the occurrence of any of the following events:

(a) If you (or an officer, director, shareholder or partner of yours) are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the Development Agent Franchised Business, the System, the Marks, the goodwill associated therewith, or our interest therein; or

(b) If you, after curing a material default under this Agreement, commit the same default again within twelve (12) months, whether or not cured after notice; or

(c) If you repeatedly are in default under this Agreement for failure to comply substantially with any of the requirements imposed by this Agreement, whether or not cured after notice; or

(d) If you commit any default under a Franchise Agreement between you and us and such default results in the termination of such Franchise Agreement.

11.3 Except as otherwise provided in Sections 11.1, and 11.2 of this Agreement, you shall have thirty (30) days after your receipt from us of a notice of termination within which to remedy any default hereunder and provide evidence to us. If any such default is not cured within that time, this Agreement shall terminate without further notice to you, effective immediately upon the expiration of the thirty (30) day period. You shall be in default hereunder for any failure to comply substantially with any of the requirements imposed by this Agreement, or to carry out the terms of this Agreement in good faith.

SECTION 12

OBLIGATIONS UPON TERMINATION OR EXPIRATION

12.1 Upon termination or expiration, this Agreement and all rights granted hereunder to you shall forthwith terminate; and, except to the extent permitted by any Franchise Agreement entered into by you:

(a) You shall immediately cease to operate the business licensed hereunder and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former development agent of ours. After such termination or expiration, you shall cease providing services or assistance to System franchisees located within the Development Area.

(b) You shall immediately and permanently cease to use, by advertising, marketing or in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Development Agent Franchised Business; the Mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself”, any part thereof, and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System or the Development Agent Franchised Business. In particular, you shall cease to use, without limitation, all signs, equipment, advertising and marketing materials, stationery, forms, and any other articles which display the Marks associated with the Development Agent Franchised Business.

(c) You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Mark “Froyoworld, Frozen Yogurt Lounge, Indulge Yourself”, any part thereof, or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

(d) You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks either in connection with such other business or the promotion thereof which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks; and you further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition.

(e) In the event of termination for any default of yours, you shall promptly pay all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, fixtures, equipment, and inventory owned by you and at the premises used for the business licensed hereunder at the time of the default.

(f) You shall pay us all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for enforcement of any provisions of this Section 12.

(g) You shall immediately turn over to us all materials including all manuals, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, Disclosure Documents, and any and all other materials related to operating the Franchised Business hereunder in your possession and all copies thereof, including electronic copies (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

(h) The Franchise Agreement(s) you have executed for your Froyoworld Shop(s) shall remain in full force and notwithstanding the termination of this Agreement.

(i) In the event you do not fulfill your obligations to develop Froyoworld Shops under the Development Schedule, we may nevertheless permit you to continue operating under this Agreement with respect to all Froyoworld Shops that are under signed leases, under construction or opened and operating within the Development Area, but you shall no longer have any rights with respect to offering new franchises within said Development Area. We, as a result of such default, shall have the right to open Froyoworld Shops, sell franchises or grant development agent rights to any third party with respect to the undeveloped portion of the Development Area.

SECTION 13 **TAXES AND INDEBTEDNESS**

13.1 You shall promptly pay, when due, all taxes levied or assessed by any federal, state or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. You shall pay to us an amount equal to any sales tax, gross receipts tax or similar tax imposed on us with respect to any payments to us required under this Agreement, unless the tax is credited against income tax otherwise payable by us.

13.2 In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.3 You shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, licenses and bonds necessary for the full and proper operation and management of the Franchised Business, including, without limitation, a license to do business and provide services, fictitious name registration, sales tax and other permits. Copies of all subsequent inspection reports, warnings, certificates and ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the Franchised Business which indicate your failure to meet or maintain the highest governmental standards or less than full compliance by you with any applicable law, rule or regulation shall be forwarded to us by you within three (3) days of your receipt thereof.

13.4 You shall notify us in writing within three (3) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency

or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business. Additionally, any and all consumer related complaints shall be answered by you within fifteen (15) days after receipt thereof or such shorter period of time as may be provided in said complaint. A copy of said answer shall be forwarded to us within three (3) days of the date that said answer is forwarded to the complainant.

SECTION 14

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 (a) It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

(b) During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a license from us and as an authorized user of the System and the Marks. You agree to take such affirmative action as may be necessary to do so, including exhibiting to clients a sign provided by us in a conspicuous place on the premises of the Franchised Business.

(c) We shall not have the power to hire or fire your employees, and except as herein expressly provided, we may not control or have access to your funds or the expenditures thereof, or in any other way exercise dominion or control over the Franchised Business.

14.2 It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for or be deemed liable hereunder as a result of any such action or by reason of any act or omission of yours in your conduct of the Franchised Business or any claim or judgment arising therefrom against us. You agree at all times to defend, at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: (a) your alleged infringement or any other violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; (b) your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; (c) libel, slander or any other form of defamation by you; (d) your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; (e) any acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives, including, but not limited to, unauthorized disclosures to prospective franchisees; (f) latent or other defects in the Franchised Business, whether or not discoverable by us or you; (g) the inaccuracy, lack of authenticity or nondisclosure of any information by any client of the Franchised Business; (h) any services or products provided by you at, from or related to the operation at the Franchised Business; (i) any services or products provided by any affiliated or non-affiliated participating entity; (j) any action by any client of the Franchised Business; and (k) any damage to the property of you or us, our respective agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of us or any of our agents or employees, or resulted from any strict liability imposed on us or any of our agents or employees.

14.3 You shall conspicuously identify yourself and the Franchised Business in all dealings with your clients, contractors, suppliers, public officials and others, as an independent development agent of ours, and shall place such notice of independent ownership on all forms, business cards, stationery, advertising, marketing, signs and other materials and in such fashion as we may, in our sole and exclusive discretion, specify and require from time to time in our Manual (as same may be amended from time to time) or otherwise.

14.4 Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of Franchisor and Development Agent. We do not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business franchised hereby.

SECTION 15 **APPROVALS AND WAIVERS**

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefor and such approval or consent shall be obtained in writing.

15.2 No failure of ours to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants hereof affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by us of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

SECTION 16 **NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, dispatched by overnight delivery envelope, sent via e-mail, or sent by facsimile to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Froyoworld Franchising, LLC
660 Center Street
Manchester, Connecticut 06040
ATTENTION: President
Facsimile:

COPY TO:

Harold L. Kestenbaum, Esq.
Gordon & Rees LLP
90 Merrick Avenue, Suite 601
East Meadow, New York 11554
Facsimile: (516) 745-0293

Notices to Development Agent:

With a copy to:

Any notice sent by certified mail shall be deemed to have been given at the date and time of mailing. At all times during the term of this Agreement, communications by us to you using electronic mail shall be deemed to be written notice to you.

SECTION 17
RELEASE OF PRIOR CLAIMS

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever releases and discharges us and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

SECTION 18
DISCLOSURE STATEMENT AND DISCLAIMER

18.1 You acknowledge, by your signature hereto, that you received from us a Federal Trade Commission Disclosure Document for the State in which the Franchised Business will be located or at your place of residence, as appropriate, at least fourteen (14) calendar days prior to the execution of this Agreement or any payment to us or our affiliates.

_____ [Please initial to acknowledge that you have read and understand this Section 18.1.]

18.2 You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions and obligations of this Agreement and agree to be bound thereby.

_____ [Please initial to acknowledge that you have read and understand this Section 18.2.]

18.3 You acknowledge and accept the following:

YOUR SUCCESS IN OPERATING A FRANCHISE IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, YOUR INDEPENDENT

BUSINESS ABILITY. THIS OFFERING IS NOT A SECURITY, AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES OF THE FRANCHISED BUSINESS RESTS SOLELY WITH YOU. YOU HAVE NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY US TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN OR AS INCLUDED IN ITEM 19 OF THE DISCLOSURE DOCUMENT. WE HAVE NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO YOU AND CANNOT, EXCEPT UNDER THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER YOUR BUSINESS. YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATION MADE BY US OR OUR REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

_____ [Please initial to acknowledge that you have read and understand this Section 18.3.]

SECTION 19
ENTIRE AGREEMENT

This Agreement, the documents referred to herein and the attachments hereto, if any, constitute the entire, full and complete agreement between the parties hereto concerning the subject matter hereof, and supersede all prior agreements with no other representations as to having induced you to execute this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on the parties hereto unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

SECTION 20
SEVERABILITY AND CONSTRUCTION

20.1 Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement; provided, however, that if we determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, we, at our option, may terminate this Agreement.

20.2 You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

20.3 All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof.

20.4 All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of the parties executing this Agreement in his/her individual capacity on your behalf. This Agreement may be executed in one or more originals, each of which shall be deemed an original.

20.5 As used in this Agreement, the term "Development Agent" shall include all persons who succeed to the interest of the original Development Agent by transfer or operation of law and shall be deemed to include not only the individual or entity defined as "Development Agent" herein, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership; all shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation; and all members of the entity that executes this Agreement, in the event said entity is a limited liability company. By their signatures hereto, all partners, shareholders, officers and directors of the entity that signs this Agreement as Development Agent acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement.

20.6 If, as a result of hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, riot, insurrection, war, explosion, unavoidable calamity or other act of God (a "Force Majeure"), compliance by any party with the terms of this Agreement is rendered impossible or would otherwise create an undue hardship upon any party, all parties shall be excused from their respective obligations hereunder for the duration of the Force Majeure and for a reasonable recovery period thereafter, but otherwise this Agreement shall continue in full force and effect.

SECTION 21 **APPLICABLE LAW**

21.1 This Agreement takes effect upon its acceptance and execution by us. This Agreement shall be interpreted and construed under the laws of the State of Connecticut, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

21.2 Except as otherwise expressly provided by applicable state law or regulation, the parties agree that any action brought by either party against the other shall be brought in Hartford County, Connecticut and the parties do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

21.3 No right or remedy conferred upon or reserved by us or you by this Agreement is intended and it shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

21.4 Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us loss or damage under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

SECTION 22
DISPUTE RESOLUTION

22.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Hartford County, Connecticut under the authority of Connecticut Statutes. The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Connecticut Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Connecticut Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

22.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit themselves to the jurisdiction of the applicable courts of Connecticut and the Federal District Court closest to our headquarters. You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Connecticut or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be Hartford County, Connecticut; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Connecticut State law.

22.3 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 22.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

22.4 You, your owners and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in the state of Connecticut, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Connecticut.

22.5 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages

(including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

22.6 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION 23 **CHANGES AND MODIFICATIONS**

23.1 This Agreement may be modified only upon the execution of a written agreement by us and you. We reserve and shall have the sole right to make changes in the Manual, the System and the Marks at any time and without prior notice to you. You shall promptly alter any signs, products, business materials or related items, at your sole cost and expense, upon written receipt of written notice of such change or modification in order to conform with our revised specifications. In the event that any improvement or addition to the Manual, the System or the Marks is developed by you, then you agree to grant to us an irrevocable, world-wide, exclusive, royalty-free license, with the right to sublicense such improvement or addition.

23.2 You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of clients, and/or presently unforeseen technological innovations, our System must not remain static in order that it best serve the interest of us, franchisees, other development agents and the System. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the Franchised Businesses, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those Franchised Businesses, products and services which the Franchised Business is authorized to offer; and changing, improving or modifying the Marks, leases, franchise agreements, subleases, Froyoworld Shop designs, manuals and procedures. Subject to the other provisions of this Agreement, you expressly agree to abide by any such modifications, changes, additions, deletions and alterations.

SECTION 24 **ACKNOWLEDGMENTS**

You acknowledge that you have conducted an independent investigation of all aspects relating to the Franchised Business and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your skills and ability as an independent business person or organization. You acknowledge that you have received, read and understand this Agreement, the attachments hereto and agreements relating thereto, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

_____ [Please initial to acknowledge that you have read and understand this Section 24.]

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

FROYOWORLD FRANCHISING, LLC

WITNESS

By: _____
Name: _____
Title: _____

DEVELOPMENT AGENT

WITNESS

Each of the undersigned owns a beneficial interest in Development Agent each has read this Agreement, and each agrees to be individually bound by all of its terms and conditions.

ATTEST:

EXHIBIT "A" TO THE DEVELOPMENT AGENT AGREEMENT

DEVELOPMENT AREA

The Development Area shall be as follows:

FROYOWORLD FRANCHISING, LLC

WITNESS

By: _____

Name: _____

Title: _____

DEVELOPMENT AGENT

WITNESS

EXHIBIT "B" TO THE DEVELOPMENT AGENT AGREEMENT

DISCLOSURE ACKNOWLEDGMENT STATEMENT

1. Development Agent acknowledges that Development Agent has read this Agreement and Franchisor's Disclosure Document and that Development Agent understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all Froyoworld Shops and thereby to protect and preserve the goodwill of the Marks and the System.

2. Development Agent acknowledges that Development Agent has conducted an independent investigation of the business venture contemplated by this Agreement and recognize that like any other business, the nature of the business conducted by Froyoworld Shops may evolve and change over time, that an investment in a Froyoworld Shop involves business risks and that the success of the venture is largely dependent upon Development Agent's business abilities and efforts. Franchisor recommends that applicants for Froyoworld Shop franchises make their own investigations and determine whether or not a Froyoworld Shop is profitable. Franchisor recommends that each applicant for a Froyoworld Shop franchise consult with an attorney of its choosing and further be represented by legal counsel at the time of its closing.

3. Development Agent acknowledges that no representations or statements of actual, average, projected or forecasted sales, profits or earnings have been made with respect to Froyoworld Shops, other than information, if any, disclosed in Item 19 of Franchisor's Disclosure Document or in an authorized, written supplemental earnings claim which supplements Franchisor's Disclosure Document. Neither Franchisor's sales personnel nor any of Franchisor's employees or officers is authorized to make any other claims or statements as to the earnings, sales or profits or prospects or chances of success that any developer or franchise owner can expect or that present or past franchise owners have had. Franchisor specifically instruct Franchisor's sales personnel, agents, employees and officers that they are not permitted to make such other claims or statements as to the earnings, sales or profits or the prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to Froyoworld Shops. Franchisor will not be bound by any unauthorized representations as to Development Agent's earnings, sales, profits or prospects or chances of success. Development Agent acknowledges that Development Agent has not received or relied on any representations by Franchisor, or by Franchisor's officers, directors, shareholders, employees or agents that are contrary to the statements made in Franchisor's Disclosure Document or the terms herein.

4. Development Agent acknowledges that in all of Development Agent's dealings with them, Franchisor's officers, directors, employees, affiliates, representatives and agents acted only in a representative capacity and not in an individual capacity. Development Agent further acknowledges that this Agreement and all business dealings between Development Agent and such individuals as a result of this Agreement are solely between Development Agent and Franchisor. Development Agent further represents to Franchisor as an inducement to Franchisor's entry into this Agreement that neither Development Agent nor Development Agent's Owners have made misrepresentations in obtaining the rights granted hereunder.

5. If Development Agent is a legal entity, Development Agent (a) represents that it is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization, is qualified to do business in all jurisdictions in which its business activities or the nature of properties owned by Development Agent requires such qualification and has the authority to execute, deliver and carry out all the terms of this Agreement; and (b) agrees and warrants that all certificates representing ownership interests in Development Agent now outstanding or hereafter issued will be endorsed with a legend in form approved by Franchisor reciting that the transfer of ownership interests in Development Agent is subject to restrictions contained in this Agreement. Development Agent further represents and

warrants that all Owners of Development Agent and their interests therein are completely and accurately listed in Exhibit C of this Agreement and that Development Agent will execute such revised versions of Exhibit C as may be necessary during the term of this Agreement to reflect any changes in the information contained therein.

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

FROYOWORLD FRANCHISING, LLC

WITNESS

By: _____
Name: _____
Title: _____

WITNESS

DEVELOPMENT AGENT

INDIVIDUALS:

[Print Name]

[Print Name]

EXHIBIT "C" TO THE DEVELOPMENT AGENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATION

In consideration of, and as an inducement to, the execution of foregoing Development Agent Agreement (the "Agreement") by Froyoworld Franchising, LLC ("Franchisor"), each of the undersigned ("Guarantors") hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Development Agent shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement. Each of the undersigned waives:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
4. Any right he/she may have to require that an action be brought against Development Agent or any other person as a condition of liability;
5. All rights to payments and claims for reimbursement or subrogation which any of the Guarantors may have against Development Agent arising as a result of the Guarantors' execution of and performance under this guaranty; and

6. Any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that:

1. His/her direct and immediate liability under this guaranty shall be joint and several;
2. He/she shall render any payment or performance required under the Agreement upon demand if Development Agent fails or refuses punctually to do so;
3. Such liability shall not be contingent upon or conditioned upon pursuit by Franchisor of any remedies against Development Agent or any other person; and
4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence, which Franchisor may from time to time grant to Development Agent or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

If Franchisor is required to enforce this Guaranty and Assumption of Obligations in any judicial or arbitration proceeding or appeal thereof, the Guarantors shall reimburse Franchisor for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation

of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on the same day and year as the Agreement was executed.

WITNESS

GUARANTOR(S)

Name

Signature

Name

Signature

EXHIBIT "D" TO THE DEVELOPMENT AGENT AGREEMENT

**TRANSFER OF FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Development Agent Agreement dated _____, 20__ between Froyoworld Franchising, LLC ("Franchisor") and _____ ("Development Agent").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Development Agent under a Development Agent Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a development agent franchise, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Development Agent constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Development Agent Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 8 of the Development Agent Agreement, agree as follows:

1. The undersigned Development Agent shall remain personally liable in all respects under the Development Agent Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Development Agent Agreement including the restrictive covenants contained in Section 10 thereof, to the same extent as if each of them were the Development Agent set forth in the Development Agent Agreement and they jointly and severally personally guarantee all of the Development Agent's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Development Agent Agreement dated _____, 20__ between _____ and Froyoworld Franchising, LLC"

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Development Agent Agreement dated _____, 20__ between _____ and Froyoworld Franchising, LLC"

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Development Agent Franchised Business.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Development Agent Agreement executed on the date set forth below between

Development Agent and Franchisor, to the same extent as if it were named as the Development Agent therein.

Date of Development Agent Agreement: _____

Development Area: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____
Title: _____

In consideration of the execution of the above Agreement, Froyoworld Franchising, LLC hereby consents to the above referred to assignment on this ____ day of _____, 20__.

FROYOWORLD FRANCHISING, LLC

By: _____
Name: _____
Title: _____

EXHIBIT "E" TO THE DEVELOPMENT AGENT AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**(for trained employees, shareholders, officers, directors,
general partners, members and managers of Development Agent)**

In consideration of my being a _____ of _____ ("Development Agent"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Development Agent Agreement dated _____, 20__ (the "Development Agent Agreement"), Development Agent has acquired the right and franchise from Froyoworld Franchising, LLC (the "Company") to establish and operate a "Froyoworld" development agent business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Development Agent, the Company and Development Agent will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Development Agent Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Development Agent Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Development Agent, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Development Agent under the Development Agent Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Development Agent, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Development Agent, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Development Agent Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 The Development Area, as defined in the Development Agent Agreement;

7.2 Twenty (20) miles of the Development Area; or

7.3 Twenty (20) miles of any Franchised Business or Froyoworld Shop operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Development Agent. I am aware that my violation of this Agreement will cause the Company and the Development Agent irreparable harm; therefore, I acknowledge and agree that the Development Agent and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Development Agent and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Development Agent and the Company, any claim I have against the Development Agent or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of Connecticut. The only way this Agreement can be changed is in writing signed by both the Development Agent and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY DEVELOPMENT AGENT

By: _____

Name: _____

Title: _____

EXHIBIT "F" TO THE DEVELOPMENT AGENT AGREEMENT

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between Froyoworld Franchising, LLC, a Connecticut limited liability company (the "Franchisor"), and _____, a _____ (the "Development Agent").

W I T N E S S E T H:

WHEREAS, Development desires to enter into a Froyoworld Development Agent Agreement (the "Development Agent Agreement"); and

WHEREAS, Franchisor would not enter into the Development Agent Agreement without Development Agent's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Development Agent Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Development Agent Agreement. "Termination" of the Development Agent Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 **Interest in Internet Web Sites and Listings.** Development Agent may acquire (whether in accordance with or in violation of Section 6 of the Development Agent Agreement) during the term of the Development Agent Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Development Agent Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Development Agent's Interest").

2.2 **Transfer.** On Termination of the Development Agent Agreement, or on periodic request of Franchisor, Development Agent will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Development Agent has Internet Web Sites and Listings: (i) to transfer all of Development Agent's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Development Agent will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Development Agent hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Development Agent Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Development Agent's true and lawful attorney-in-fact with full power and authority in Development Agent's place and stead, and in Development Agent's name or the name of any affiliated person or affiliated company of Development Agent, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Development Agent further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Development Agent has satisfied all of its obligations under the Development Agent Agreement and any and all other agreements to which Development Agent and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Development Agent hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Development Agent's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Development Agent's Interest.

2.4 Certification of Termination. Development Agent hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Development Agent Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Development Agent Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Development Agent's Interest in such Internet Web Sites and Listings to Franchisor, as between Development Agent and Franchisor, Development Agent will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Development Agent will remain liable to each and all of the Internet Companies for the sums Development Agent is obligated to pay such Internet Companies for obligations Development Agent incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Development Agent Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Development Agent hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Development Agent is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Development Agent will pay Franchisor in full, without defense or setoff, on demand. Development Agent agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates,

and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Development Agent expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Development Agent's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Development Agent agrees that at any time after the date of this Internet Listing Agreement, Development Agent will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Development Agent's obligations, under this Internet Listing Agreement shall be binding on Development Agent's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Development Agent Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Development Agent Agreement.

3.8 Joint and Several Obligations. All Development Agent's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the state of Connecticut, without regard to the application of Connecticut conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the Effective Date.

FROYOWORLD FRANCHISING, LLC

DEVELOPMENT AGENT

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between Froyoworld Franchising, LLC, a Connecticut limited liability company (the “Franchisor”), and _____, a _____ (the “Development Agent”).

WITNESSETH:

WHEREAS, Development Agent desires to enter into a Froyoworld Development Agent Agreement (the “Development Agent Agreement”); and

WHEREAS, Franchisor would not enter into the Development Agent Agreement without Development Agent’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Development Agent Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Development Agent Agreement. “Termination” of the Development Agent Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Development Agent has, or will acquire during the term of the Development Agent Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Development Agent Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Development Agent’s Interest”).

2.2 Transfer. On Termination of the Development Agent Agreement, if Franchisor directs Development Agent to do so, Development Agent will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Development Agent has Telephone Numbers and Listings: (i) to transfer all Development Agent’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Development Agent will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Development Agent hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Development Agent Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as

Development Agent's true and lawful attorney-in-fact with full power and authority in Development Agent's place and stead, and in Development Agent's name or the name of any affiliated person or affiliated company of Development Agent, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Development Agent further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Development Agent has satisfied all of its obligations under the Development Agent Agreement and any and all other agreements to which Development Agent and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Development Agent hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Development Agent's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Development Agent's Interest.

2.4 Certification of Termination. Development Agent hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Development Agent Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Development Agent Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Development Agent's Interest in such Telephone Numbers and Listings to Franchisor, as between Development Agent and Franchisor, Development Agent will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Development Agent will remain liable to each and all of the Telephone Companies for the sums Development Agent is obligated to pay such Telephone Companies for obligations Development Agent incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Development Agent Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Development Agent hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Development Agent is solely responsible for all costs and expenses related to Development Agent's performance, Development Agent's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Development Agent will pay Franchisor in full, without defense or setoff, on demand. Development Agent agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any

and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Development Agent expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Development Agent's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Development Agent agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Development Agent's obligations, under this Telephone Listing Agreement shall be binding on Development Agent's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Development Agent Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Development Agent Agreement.

3.8 Joint and Several Obligations. All Development Agent's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the state of Connecticut, without regard to the application of Connecticut conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FROYOWORLD FRANCHISING, LLC

DEVELOPMENT AGENT

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "G" TO THE DEVELOPMENT AGENT AGREEMENT

DEVELOPMENT SCHEDULE

Froyoworld Shop Number	Froyoworld Shop Opening By: Date	Cumulative Number of Froyoworld Shops To Be Open and In Operation No Later Than The Opening Date

FROYOWORLD FRANCHISING, LLC

DEVELOPMENT AGENT

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT E TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES, MULTI-UNIT OPERATORS AND DEVELOPMENT AGENTS

FRANCHISEES:

Connecticut	
Justin Gregg 143 Federal Road Brookfield, CT 06804 203-775-5445	Mike Kamercia The Shoppes at Farmington Valley 110 Albany Turnpike, Suite 924 Canton, CT 06019 860-693-4282
Froyoworld Cheshire, LLC 187 Highland Avenue Cheshire, CT 06410 203-271-7909	Pradeep Chedha 1085 Killing Commons Drive Dayville, CT 06241 860-412-9023
Neil Angelini 320 Main Street East Haven, CT 06512 203-535-0666	Mike Stone The Shops at Somerset Square 140 Glastonbury Boulevard Glastonbury, CT 06033 860-430-9080
Froyoworld Berry Berry, LLC Jae Lee 489 Middlebury Road Unit 2D Middlebury, CT 06762 203-527-3399	Froyoworld of Middletown CT 386 Main Street Middletown, CT 06457 860-788-6063
Tuan Bui 1670 Boston Post Road Milford, CT 06460 203-283-1120	KaCam, LLC 12 Coogan Blvd Mystic, CT 06355 203-226-3769
Froyoworld WYZ, LLC 300 Universal Drive North New Haven, CT 06473 203-234-2634	Mike Stone New London Mall 195 Frontage Road New London, CT 06320 860-574-9090
Wanting Zhang 228 South Main Street Newtown, CT 06470 203-426-7840	Froyoworld Southbury, LLC 100 Main Street North, #102 Southbury, CT 203-405-6100
Ethan Xiu 750-2 Queen Street Southington, CT 06489 860-426-1175	Mike Santoro and Joe Thomas 1249 West Main Street, Unit 10 Waterbury, CT 06708 203-528-4738
Mike Stone Crystal Mall 850 Hartford Turnpike Waterford, CT 06385 860-574-9021	Brockwell6, LLC 361 Post Road West Westport, CT 06889 203-226-3769

New England Yogurt City, Inc. Henry Li 1107 Silas Deane Highway Wethersfield, CT 06109 860-529-2300	Bin's Yogurt LLC Stacey Chen 747 Wolcott Road Wolcott, CT 06716 203-879-2287
Massachusetts	
Froyo AP LLC 157 Harvard Avenue Allston, MA 02134 617-787-4000	Rego Concept, LLC 23 N. Pleasant Street Amherst, MA 413-345-2988
MJM Investment Advisors, LLC 274 Franklin Village Drive Franklin, MA 508-440-5050	Rego Concept GB, LLC Rong Kong 280 Main Street Great Barrington, MA 01230 413-591-8884
Hoai Doan 1201 Fall River Avenue Seekonk, MA 02771 508-557-1804	
New Hampshire	
Caesar's Yogurt Stores 38 Main Street Littleton, NH 03651 603-397-5235	Richard Caesar 240 North Broadway Salem, NH 03079 603-898-3300
New York	
Xuyen and Jackie 42 Dales Ave Jersey City, NJ 07306 1-646-258-9109	
Rhode Island	
Hoai Doan 2160 Broad Street Cranston, RI 02920 401-781-2151	Soukprachit Hongkham 622 George Washington Highway Lincoln RI, 02865 USA 401-721-5655

MULTI-UNIT OPERATORS: None

DEVELOPMENT AGENTS: None

EXHIBIT F TO THE DISCLOSURE DOCUMENT
FRANCHISEES, MULTI-UNIT OPERATORS AND DEVELOPMENT
AGENTS WHO HAVE LEFT THE SYSTEM

FRANCHISEES:

K&A Century Inc. Kevin Zhang 264 Whitney Avenue Holyoke, MA 01040	
--	--

MULTI-UNIT OPERATORS: None

DEVELOPMENT AGENTS: None

**EXHIBIT G TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL**

Table of Contents

Table of Contents	1
CHAPTER 1: FROYOWORLD INTRODUCTION.....	4
How to Use This Manual	4
Confidential Disclosure Agreements	5
CHAPTER 2: WELCOME TO FROYOWORLD.....	9
History of Froyoworld	10
FROYOWORLD's Mission Principles & Promises	10
CHAPTER 3: SUPPORT RESOURCES.....	12
Franchisee Support Matrix	12
CHAPTER 4: PRE OPENING OBLIGATIONS.....	14
CHAPTER 5: FRANCHISEE TRAINING REQUIREMENTS.....	15
FROYOWORLD Training	15
CHAPTER 6: STAFFING YOUR FROYOWORLD FRANCHISE.....	17
Quality Standards of Services	19
Handling Typical Complaints and Problems.....	20
Employee Appearance (Trade Dress) and Hygiene	20
Computer Usage	21
CHAPTER 7: OPERATION AND MAINTENANCE.....	22
General Housekeeping	22
Opening Procedures	22
Closing Procedures	23
Cleaning Procedures	23
Administration Major Activities Listing	24
Administrative Management Checklist	26
Alarms, Locks, and Keys	26
POS System	27
Merchant Services	27
Safety	27
CHAPTER 8: EQUIPMENT, COMPUTER SYSTEM, INVENTORY, AND SUPPLIES	28
Office Equipment	28
Equipment "Starter Package"	29
Record Keeping	29

Accounting Services	32
Prime Cost	33
Manage Critical Numbers	34
CHAPTER 9: REPORTS, AUDITS & INSPECTIONS	35
Franchisee Reports	35
Records and Reports	35
CHAPTER 10: MARKETING	36
Marketing at FROYOWORLD	36
CHAPTER 11: SALES & PRICING	40
Pricing Policies and Fee Structures	40
CHAPTER 12: INSURANCE REQUIREMENTS & RISK MANAGEMENT	41
Insurance Coverage	41
Risk Management	42
Managing Risk at the Franchise Location	42
Froyoworld Franchisee Site Security	43
CHAPTER 13: CORPORATE STRUCTURE	44
Setting Up Your Entity	44
Legal Business Structures	44
PLEASE CONSULT THE ADVICE OF AN ATTORNEY TO SET UP YOUR LEGAL ENTITY	44
CHAPTER 14: TRADEMARKS AND TRADE SECRETS - PROTECTION POLICIES	45
Patents, Copyrights and Proprietary Information	45
Trademark Usage and Guidelines	45
Examples of Trademark Misuse	46
CHAPTER 15: RESALE, TRANSFER, RENEWAL AND CLOSING	47
Expansion and Relocation Requirements	47
Franchise Expansion, New Territory, Resale Purchase or Territory Expansion	47
CHAPTER 16: EXHIBITS	48
YOGURT HANDLING	48
FROYOWORLD TIMELINE	49
Froyoworld Finishes	51
Distributors and Vendors	52
CUPS and LIDS	52
Equipment and Fixtures	53

Uniform and Apparel	56
Graphics and Imaging	57
Miscellaneous Purchases	58
MEDIA SERVICES	59
Frequently Asked Questions:	61
Catering Form	62
EQUIPMENT LIST/SPECIFICATIONS	64
FROYOWORLD FIGURE	65
FURNITURE RECOMMENDATIONS	66
ADDITIONAL GOODS	69



EXHIBIT H TO THE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement, Multi-Unit Operator Agreement or Development Agent Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement require binding arbitration. The arbitration will occur in Hartford County, Connecticut with the costs being borne by the franchisee and franchisor. 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, Multi-Unit Operator Agreement or Development Agent Agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement require application of the laws of Connecticut. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

10. 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.
11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
12. OUR WEBSITE, www.froyoworld.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement.

2. Illinois law governs the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended accordingly.

5. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee/Multi-Unit Operator/Development Agent, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you

may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Item 17(g) of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Froyoworld Franchising, LLC's Franchise Disclosure Document and for its Franchise, Multi-Unit Operator and Development Agent Agreements. The amendments to the Franchise, Multi-Unit Operator and Development Agent Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator/development agent may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement, Development Agent Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document, Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement as follows:

1. Item 13 of the Disclosure Document, Article 9 of the Franchise Agreement and Article 6 of the Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended to comply with Minn. Stat. §80C.17, Subd. 5 regarding Limitations of Claims.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

3. LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations; pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement, Multi-Unit Operator Agreement and Development Agent Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 3 and 14 of the Franchise Agreement, Section 11 of the Multi-Unit Operator Agreement, and Sections 2 and 8 of the Development Agent Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 10 of the Franchise Agreement, Section 12 of the Multi-Unit Operator Agreement and Section 10 of the Development Agent Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 22 of the Development Agent Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require jurisdiction of courts in Hartford County, Connecticut are deleted.

6. Item 17(w) of the Disclosure Document, Article 19 of the Franchise Agreement, Section 18 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 19 of the Franchise Agreement, Section 19 of the Multi-Unit Operator Agreement and Section 21 of the Development Agent Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Froyoworld Franchising, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute “reasonable cause,” as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FROYOWORLD FRANCHISING, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Froyoworld Franchising, LLC (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Froyoworld Shop (the “Franchised Shop”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Shop from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Shop from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20__.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Shop with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Shop will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Shop operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Shop will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Shop that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Shop?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20____.

Sign here if you are taking the franchise as an
INDIVIDUAL

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name_____

Signature

Print Name_____

Signature

Print Name_____

Signature

Print Name_____

Print Name of Legal Entity

By:_____
Signature

Print Name_____

Title_____

EXHIBIT J TO THE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, Froyoworld Franchising, LLC, has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Froyoworld Franchising, LLC, has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

<p><u>CALIFORNIA</u> California Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205</p> <p>1350 Front Street San Diego, CA 92101 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>Agent: Banking Commissioner</p>
<p><u>HAWAII</u> (state administrator)</p> <p>Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process)</p> <p>Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>

<p><u>INDIANA</u> (state administrator)</p> <p>Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p>	<p><u>MARYLAND</u> (state administrator)</p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> (state administrator)</p> <p>Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117</p> <p>(for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u> (state administrator)</p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328</p> <p>(for service of process) Minnesota Commissioner of Commerce</p>
<p><u>NEW YORK</u> (state administrator)</p> <p>New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211</p> <p>(for service of process) Secretary of State of New York 41 State Street Albany, New York 12231 (518) 474-4750</p>	<p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p>

<p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u></p> <p>Securities Division Department of Business Regulation, Bldg 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582</p>
<p><u>SOUTH DAKOTA</u></p> <p>Division of Securities Department of Labor & Regulation 445 East Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823</p>	<p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>WASHINGTON</u> (state administrator)</p> <p>Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760</p> <p>(for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501</p>	<p><u>WISCONSIN</u> (state administrator)</p> <p>Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-1064</p> <p>(for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703</p>

EXHIBIT K TO THE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between Froyoworld Franchising, LLC, a Connecticut limited liability company having its principal place of business located at 652 Center Street, Manchester, Connecticut 06040 (the “Franchisor”), and _____, a _____ with a principal address at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Connecticut law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Connecticut.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

FROYOWORLD FRANCHISING, LLC:

By: _____

Name: _____

Title: _____

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Froyoworld Franchising, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Froyoworld Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit J.

The franchisor is Froyoworld Franchising, LLC, located at 652 Center Street, Manchester, Connecticut 06040. Its telephone number is (860) 777-4044.

Issuance date: April 17, 2014 .

The name, principal business address and telephone number of the franchise seller for this offering is: _____.

Froyoworld Franchising, LLC, authorizes the agents listed in Exhibit J to receive service of process for it.

I have received a disclosure document dated _____, 20__ that included the following Exhibits:

A – Financial Statements	G – Table of Contents of Operations Manual
B – Franchise Agreement	H – Multi-State Addendum
C – Multi-Unit Operator Agreement	I – Franchisee Disclosure Acknowledgment Statement
D – Development Agent Agreement	J – List of State Administrators/Agents for Service of Process
E – Franchisees, Multi-Unit Operators and Development agents	K – Form of General Release
F – Franchisees, Multi-Unit Operators and Development Agents Who Have Left the System	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt by signing, dating and mailing it to Froyoworld Franchising, LLC, at 652 Center Street, Manchester, Connecticut 06040.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Print Name

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