

**Item 17**  
**RENEWAL, TERMINATION, TRANSFER**  
**AND DISPUTE RESOLUTION**

This table lists certain important provisions of the Franchise Agreement. You should read those provisions in the agreements attached to this Offering Circular:

Provision	Section in Agreement(1)	Summary
a. Term of the franchise.	2; Section 2 of Test Addendum	10 years for FA 5 years for OC Test Period for Test Addendum
b. Renewal or extension of the term.	14A and D; Term Pre-Purchase Addendum; Section 2 of Test Addendum	Renewal term is for the current agreement term. In certain circumstances, you may also be required or allowed to pre-purchase additional term under the Franchise Agreement. Test Addendum is not renewable, but Test Period may be extended.
c. Requirements for you to renew or extend.	14A	Good standing required. Sign current form of franchise agreement, modified to include mutual release and no additional renewal term. No renewal fee charged for renewal of initial term, but service fee may apply.
d. Termination by you.	15A; Section 9(a) of Test Addendum	Our breach of Agreement and failure to cure.
e. Termination by us without cause.	None	None
f. Termination by us with cause.	15B; Section 9(b) of Test Addendum	We can only terminate for one or more of the listed defaults under FA, OC or Test Addendum
g. "Cause" defined-defaults which can be cured.	15B; Section 9(b) of Test Addendum	Ten (10) days to cure for financial defaults. Thirty (30) days to cure for certain operational default.
h. "Cause" defined-defaults which cannot be cured.	15B; Section 9(b) of Test Addendum	Failure to develop, abandonment, unauthorized product, conviction of a felony, trademark misuse, repeated defaults even if cured, unapproved transfers.
i. Your obligation on termination/non-renewal.	16; see also Personal Guaranty; Section 10 and 11 of Test Addendum	Complete de-identification of Store premises, return of Operating Manuals <del>Manual</del> , payment of amounts owed, payment of termination fee (see also (r), below). <del>Under the Test Addendum, you must sign a new SOTF New Build Franchise Agreement and a general release, and operate your New-Build Test Store as a Store of the Future. In the case of a Unsatisfactory Reconcepting Test, however, you must convert and operate your New-Build Test Store as a TCBY Traditional Store.</del>
j. Assignment of contract by us	13A; Article 6 of Option Agreement	No restrictions on our right to assign Franchise Agreement and Option Agreement. Assignment of Test Addendum governed by terms of FA.

Provision	Section in Agreement(1)	Summary
k. "Transfer" by you- definition	13B	Includes transfer of contract or assets, or ownership change. Assignment of Test Addendum governed by terms of FA.
l. Our approval of transfer by franchisees.	13B; Assignment, Assumption and Consent	We have the right to approve transfer, but will not unreasonably withhold its approval.
m. Conditions for our approval of transfer.	13C; Assignment, Assumption and Consent; Term Pre-Purchase Addendum; Section 6(a) of Test Addendum	Written notice of proposed transfer by franchisee in form satisfactory to us no less than 60 days before proposed transfer date; good standing of seller (and buyer if existing franchisee); buyer meeting qualifications as franchisee of us; seller, buyer and us sign the Assignment, Assumption and Consent, which contains a mutual release of claims; at our option, buyer signs new agreement for remaining term of Franchise Agreement being assigned; store refurbishment; amounts due paid; training completed, assignment fee paid ( <del>as well as any fees relating to reduced initial franchise fees</del> ); <u>any</u> remaining term conditions for transfers satisfied; licensed escrow professional used to conduct the closing of the assignment (also see (r), below).
n. Our right of first refusal to acquire your business.	13E	We can match any offer for your business.
o. Our option to purchase your business.	16E; Option Agreement	We may purchase any or all tangible assets at book value and receive a lease assignment. In addition, at your request, we may enter into an optional Option Agreement with you for the potential purchase of your business by us or our assignee. <u>Under the SOTF Renewal Agreement, we must offer fair market value instead of book value to purchase your store in certain circumstances.</u>
p. Your death or disability.	13D	We may appoint temporary manager. Franchise must be assigned to approved buyer in twelve (12) months.
q. Non-competition covenants during the term of the franchise.	9H	No involvement with competing or conflicting business anywhere in U.S., except those offered under franchise agreements between you and any of our Affiliates
r. Non-competition covenants after the franchise is terminated or expired.	16D	No competing business for two (2) years (including after assignment), except under franchise agreements between you and one of our Affiliates: FA: Within ten (10) miles of former Store or three (3) miles of any TCBY Store; OC: At Store.
s. Modification of the agreement.	<u>4C under Franchise Agreements except SOTF Renewal Agreements; 4D under SOTF Renewal Agreements; 17H</u>	No modifications generally, but Operating Manual <u>may change</u> subject to <u>change any limitations in the Franchise Agreement.</u>

Provision	Section in Agreement(1)	Summary
t. Integration/Merger clause.	17H; ; Section 10 of Assignment, Assumption and Consent; Section 12 of Confidentiality Agreement	Only the terms of the Franchise Agreement (including any Test Addendum, <b>exhibits and schedules</b> ), Assignment, Assumption and Consent, and Confidentiality Agreement are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	None
v. Choice of forum.	17F	Disputes must be conducted in Salt Lake County, Utah.
w. Choice of Law	17E	Utah law applies to Franchise Agreement (including any Test Addendum), Asset Purchase Agreement, Option Agreement and Confidentiality Agreement, unless governed by applicable federal law.

- (1) Unless otherwise noted, Section references are to Traditional Store Franchise Agreement or SOTF Renewal Agreement (FA) and Other Concepts Franchise Agreement (OC). References to "Test Addendum" are to the New Build Test Addendum. **The SOTF Renewal Agreement contains some provisions that differ from the other Franchise Agreements, and that may limit our rights and/or your obligations in certain circumstances. These provisions are only available to you if you and we sign the SOTF Renewal Agreement.**

This table lists certain important provisions of the Development Agreement. You should read those provisions in the agreements attached to this Offering Circular:

Provision	Section in Development Agreement	Summary
a. Term of the franchise	Section 4; Appendix B of Development Agreement	Term will vary and coincide with your Development Schedule
b. Renewal or extension of the term	Section 4	No right to renew or extend term
c. Requirements for you to renew or extend	None (See b above)	
d. Termination by you	Section 8C	You may terminate the Development Agreement only for a material breach by us, provided you give us written notice of the breach and allow us 60 days to cure the breach or, if the breach cannot reasonably be cured within 60 days, we have begun to cure the breach within the 60 day period and are proceeding diligently and in good faith to cure the breach
e. Termination by us without cause	None	
f. Termination by us with cause	Sections 8A and B	We can terminate only if you default

	Provision	Section in Development Agreement	Summary
g.	"Cause" defined - defaults which can be cured	Sections 8A and B	You have 30 days to cure the failure to meet any Minimum Development Quotas, failure to sign an Franchise Agreement for a Development Store in your Development Area, and any other default not listed in h below
h.	"Cause" defined - defaults which cannot be cured	Sections 8A and B	Non-curable defaults: voluntary bankruptcy, unapproved assignments or transfers, conviction of any felony directly related to your business under the Development Agreement, failure to install new signage and point of purchase materials in case of an Unsatisfactory Reconcepting Test, and failure to cure within 24 hours of notice a default which materially impairs the goodwill associated with any of our Marks or New Marks
i.	Your obligations on termination/non-renewal	Section 9	Obligations on termination include cessation of all use of our Marks and New Marks, except as permitted under any Franchise Agreements still in effect, payment of amounts due, and continued compliance with all supervisory and management obligations described in Sections 5A and B of Development Agreement
j.	Assignment of contract by us	Section 6A	No restriction on our right to assign
k.	"Transfer" by you - definition	Section 6B	Includes any direct or indirect assignment, assumption, sale or other transfer of your interest in the Development Agreement or your business conducted, or your ownership
l.	Our approval of transfer by you	Section 6B	We have the right to approve all transfers but will not unreasonably withhold approval
m.	Conditions for our approval of transfer	Section 6B	You are in compliance with the Development Agreement, all Franchise Agreements and all other agreements between you and us and our affiliates (except for certain disputed matters), transferee meets all of our then-current standards for multiple unit franchisees, transferee completes training, you assign all of your rights in the Development Agreement and Franchise Agreements entered into, transfer fees paid under the Development Agreement and each Franchise Agreement, Accelerated Initial Franchise Fee paid, you offer a right of first refusal to us, and required guarantees and releases signed (except if they involve certain disputed matters). May also have to pay a Multi-Unit Incentive if you assign a Franchise Agreement for a Development Store that has been open for less than a year which is not assigned as part of an assignment of the Development Agreement

Provision		Section in Development Agreement	Summary
n.	Our right of first refusal to acquire your business	Sections 6B and C	You must offer a right of first refusal to us as a condition to any proposed transfer
o.	Our option to purchase your business	None	
p.	Your death or disability	None	Although Development Agreement does not contain a specific transfer provision about your death or disability, the general conditions of transfer described in m above will apply upon your death or disability
q.	Non-competition covenants during the term of the franchise	None	
r.	Non-competition covenants after the franchise is terminated or expires	None	
s.	Modification of the agreement	Section 10B	No modifications generally, but we have the right to change standards
t.	Integration/merger clause	Section 10B	Only the terms of the Development Agreement are binding (subject to state law). Any other promises may not be enforceable
u.	Dispute resolution by arbitration or mediation	None	None
v.	Choice of forum	Section 7	Disputes must be conducted in Salt Lake County, Utah (subject to state law)
w.	Choice of law	Section 7	Utah law applies to Development Agreement, unless governed by applicable federal law (subject to state law)

**PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE OFFERING CIRCULAR AT EXHIBIT SR FOR DETAILS PERTAINING TO YOUR STATE. IF YOUR STATE REQUIRES AN ADDENDUM, AS INCLUDED AT EXHIBIT SR, THE ADDENDUM MAY INCLUDE PROVISIONS THAT SUPERSEDE THE PROVISIONS DESCRIBED IN THIS SECTION, AND AMEND AND/OR SUPPLEMENT THE FRANCHISE AGREEMENT AND/OR DEVELOPMENT AGREEMENT IN YOUR RELATIONSHIP WITH US.**

**These states have statutes which may supersede the Franchise Agreement and/or Development Agreement and other agreements in your relationship with us, including the areas of termination and renewal of your franchise: ALASKA [Stat. Sections 45.45.700-45.45.790], ARKANSAS [Code Sections 4-72-201 – 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Sections 42-133e – 42-133h], DELAWARE [Code Sections 2551 – 2556],**

FLORIDA [Stat. Section 542.335], HAWAII [Rev. Stat. Section 482E-6], IDAHO [Code Section 29-110], ILLINOIS [815 ILCS Sections 705/1 – 44], INDIANA [Code Sections 23-2-2.7-1 – 23-2-2.7-7], IOWA [Code Sections 523H.1 – 523H.17 and 537A.10], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Sections 80C.14 and 80C.21], MISSISSIPPI [Code Sections 75-24-51 – 75-24-63], MISSOURI [Rev. Stat. Sections 407.400 – 407.413 and 407.420], NEBRASKA [Rev. Stat. Sections 87-401 – 87-410], NEW JERSEY [Rev. Stat. Sections 56:10-1 – 56:10-12], NORTH CAROLINA [Gen. Stat. Section 22B-3], RHODE ISLAND [Stat. Sections 19-28.1-14 – 19-28.1-16; Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim enforceable under this Act”], SOUTH DAKOTA [SDCL Sections 37-5A-51 and 37-5A-51.1], VIRGINIA [Code Sections 13.1-557 – 13.1-574], WASHINGTON [Rev. Code Section 19.100.180], WISCONSIN [Stat. Sections 135.01 – 135.07]. **These and other states may have court decisions which may supersede the Franchise Agreement and/or Development Agreement and other agreements in your relationship with us, including the areas of termination and renewal of your franchise.**

**Item 18**  
**PUBLIC FIGURES**

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

**Item 19**  
**EARNINGS CLAIMS**

Except as attached as **Exhibit RQ**, we do not furnish or authorize our sales persons to furnish any oral or written information to prospective franchisees concerning the actual or potential revenues, sales, costs, income or profits of a TCBY store. Actual results vary from store to store, and we cannot estimate the results of any particular franchise.

Attached as **Exhibit RQ** to this Offering Circular is an Earnings Claim, which includes, as qualified in **Exhibit RQ**, net revenues by quartile of the ~~366217~~ fully-reporting franchised Traditional Stores located in the United States that were operated for the entire ~~20052006~~ fiscal year (January ~~2, 20051, 2006~~ to December ~~31, 200530, 2006~~). The earnings claim figures for franchised Traditional Stores in **Exhibit RQ** do not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Store. Franchisees or former franchisees, listed in this Offering Circular may be one source of information.

Your financial results may differ from the information included in **Exhibit RQ**. Substantiation of all data presented in **Exhibit RQ** will be made available to you upon reasonable request.