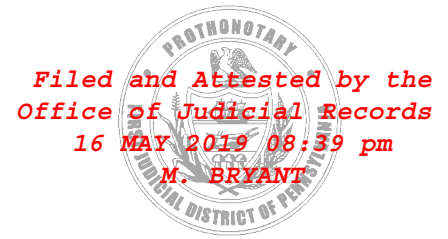


Peter Winebrake (80496)
Winebrake & Santillo, LLC
715 Twining Road, Suite 211
Dresher, PA 19025
(215) 884-2491
Plaintiff's Counsel



NW DELIVERY SERVICES, INC.;	:	PHILADELPHIA COUNTY
VINKAR INC.; NORTHEAST SNACKS	:	COURT OF COMMON PLEAS
INC.; MARK MALONEY; W. JAY	:	
WESCOTT; JEFF PITSMAN; and	:	CLASS ACTION
JOSEPH MESSANA,	:	
	:	JURY TRIAL DEMANDED
Plaintiffs,	:	
v.	:	
	:	
TASTY BAKING COMPANY,	:	
Defendant.	:	

COMPLAINT -- CLASS ACTION
10 — Contract: Other

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after the complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

PHILADELPHIA BAR ASSOCIATION
Lawyer Referral and Information Service
1101 Market Street, 11th Floor
Philadelphia, Pennsylvania 19107
(215) 238-1701

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notification. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defenses o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notification. Ademas, la corte puede decidira favor del demandante y require que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATA-MENTE SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFFICIENTE DE PAGAR TAL SERVICIO, VAYA EN PERSONA O LLAME POR TELEFONO A LA OFFICINA CUYA DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

ASOCIACION DE LICENCIADOS DE
FILADELFIA
Servicio De Referencia E Informacion Legal
1101 Market Street, 11th Floor
Filadelfia, Pennsylvania 19107
(215) 238-1701

COMPLAINT – CLASS ACTION

NW Delivery Services, Inc. (“NW Delivery”), VinKar Inc. (“VinKar”), Northeast Snacks Inc. (“Northeast Snacks”), Mark Maloney (“Maloney”), W. Jay Wescott (“Wescott”), Jeff Pittsman (“Pittsman”), and Joseph Messana (“Messana”) (collectively “Plaintiffs”) bring this class action lawsuit against Tasty Baking Company (“Tasty”), seeking all damages arising from Tasty’s breach of its contractual obligations to Plaintiffs and other class members, and, alternatively, arising under the Pennsylvania doctrine of unjust enrichment:

PARTIES

1. NW Delivery is a corporate entity maintaining a principal place of business at 315 East Jefferson Street, Olyphant, PA 18447.
2. VinKar is a corporate entity maintaining a principle place of business at 105 Donny Drive, Roaring Brook Township, PA 18444.
3. Northeast Snacks is a corporate entity maintaining a principle place of business at 201 Woodcrest Drive, Roaring Brook, PA 18444.
4. Maloney is an individual residing at 413 Highland Avenue, Clarks Summit, PA 18411.
5. Wescott is an individual residing at 94 Deerwalk Drive, Nicholson, PA 18446.
6. Pittsman is an individual residing at 9001 Maple Drive, Jefferson Township, PA 18436.
7. Messana is an individual residing at 205 Vassar Avenue, Clarks Green, PA 18411.

8. Tasty is a corporation maintaining a principal place of business at 4600 South 26th Street, Philadelphia, PA 19112.

JURISDICTION AND VENUE

9. This Court has personal jurisdiction over Tasty.

10. Venue in this Court is proper because Tasty regularly conduct business in Philadelphia County.

FACTS

11. Tasty manufactures, sells, and distributes pies, cakes, and other food products (collectively “Products”) to grocery stores, restaurants, and other customers (collectively “Outlets”).

12. Tasty enters into contracts with Distributors, who are required to deliver Products to the Outlets and to perform basic Product ordering and merchandising tasks pursuant to Tasty’s standard operating procedures. The contracts between Tasty and the individual Distributors generally are called “Distributor’s Agreements” and will be referred to herein as “Agreements.”

13. NW Delivery is a Distributor. It does not currently maintain a signed copy of its Agreement, but an unsigned copy is attached as Exhibit A.

14. VinKar is a Distributor. It does not currently maintain a signed copy of its Agreement. However, upon information and belief, VinKar submits that it executed an Agreement similar or identical to Tasty’s Form Agreement “V.6-04,” a copy of which is attached as Exhibit B.

15. Northeast Snacks is a Distributor. It does not currently maintain a signed copy of its Agreement. However, upon information and belief, Northeast Snacks submits

that it executed an Agreement similar or identical to Tasty's Form Agreement "V.6-04," a copy of which is attached as Exhibit B.

16. Maloney is a Distributor, and a signed copy of his Agreement is attached as Exhibit C.

17. Wescott is a Distributor, and a signed copy of his Agreement is attached as Exhibit D.

18. Pittsman is a Distributor. He is attempting to locate his executed Agreement. However, upon information and belief, the Agreement he signed is similar to the Agreements signed by Maloney and Wescott and attached as Exhibits C and D.

19. Messina is a Distributor. He is attempting to locate his executed Agreement. However, upon information and belief, the Agreement he signed is similar to the Agreements signed by Maloney and Wescott and attached as Exhibits C and D.

20. While the Agreements utilized by Tasty have changed over time, all of them have contained a "Best Efforts" provision generally requiring Tasty to "use its best efforts manufacture and deliver to DISTRIBUTOR sufficient quantities of the Products to supply Outlets requesting service in his Sales Area, to assist in the development of new accounts and authorizations, to develop new products, to preserve and develop the quality and marketability of the Products and to assist and cooperate with DISTRIBUTOR in his sales efforts." Exhibits C and D at § 6.1; accord Exhibits A and B at § 5.1.

21. Tasty's Agreements generally contain a Pennsylvania choice of law provision, see Exhibit A and B at § 15.4; Exhibit C and D at § 16.5, and, under Pennsylvania law, a duty of good faith and fair dealing applies to the performance of all contracts, including Tasty's Agreements.

22. At the end of each year, Tasty issues IRS W-2 Forms to many of its Distributors.

23. Maloney, Wescott, Pittsman, and Messana – like many other Distributors – receive IRS W-2 Forms from Tasty at the end of each year.

24. At the time Plaintiffs and Tasty entered into their respective Agreements, Plaintiffs and other Distributors generally earned money as follows: First, the Distributor “purchased” Products from Tasty. Next, the Distributor delivered the Products to Outlets located on the Distributor’s assigned delivery route. Finally, upon delivery, the Outlets purchased the Products from the Distributor based on a “suggested resale price.” The Distributor earned the difference between (i) the price the Distributor paid to Tasty for the Products and (ii) the suggested retail price paid by the Outlets to the Distributor. Significantly, the Distributor’s earnings were realized at the time the Products were delivered to the Outlets.

25. Even though the purchase and sale practices described above were essential elements of the bargain between Tasty and Plaintiffs when the parties entered into their respective Agreements, Tasty continues to unilaterally and fundamentally alter these practices without negotiating or even consulting with Plaintiffs and other Distributors. For example, in recent years, Tasty and various Outlets have implemented “Scan Based Trading,” a practice that Tasty’s own parent company has characterized as representing “[a] fundamental change in how manufacturers, their Distributors and retailers conduct business.” Under Scan Based Trading, a Distributor no longer realizes earnings at the time the Distributor sells a Product to the Outlet. Instead, the Distributor’s earnings are not finally realized until the Outlet’s customer purchases the

Product and the Product is scanned at the Outlet's cash register.

26. Tasty's unilateral adoption of Scan Based Trading has economically damaged Plaintiffs and other Distributors by requiring Distributors – rather than Tasty or the Outlets – to bear the financial costs associated with Products that are not scanned at the Outlets' cash registers due to, *inter alia*, shoplifting, employee theft, cashiers' failure to properly run Products through the scanner, and other technical malfunctions. In essence, under Scan Based Trading, the inventory risks associated with Tasty's Products are primarily borne by the Distributors even after the Products have been delivered to the Outlets. Tasty, upon information and belief, has reaped and retained significant economic benefits by providing Outlets with the advantages of Scanned Based Trading without paying consideration to – and without negotiating with – the Distributors.

27. Tasty's unilateral adoption of Scan Based Trading in recent years has negatively impacted Distributors' weekly earnings and the resale value of their delivery routes.

28. In addition to Scan Based Trading, Tasty has taken other unilateral actions that fundamentally alter Distributors' weekly earnings and route values. For example, when Plaintiffs entered into their respective Agreements, Tasty provided substitute drivers who were available to cover each Distributor's route for up to two weeks per year. This policy – which was in effect for many years – enabled Distributors and their families to take two-weeks of vacation per year. Unfortunately, in recent years, Tasty unilaterally terminated this benefit without consulting the Distributors, without negotiation, and without paying any consideration. This unilateral change significantly diminishes the resale value of Distributors' routes.

29. Likewise, Tasty has unilaterally changed the deadline by which Distributors must order Products. Previously, Plaintiffs and other Distributors could order Products on 4-days advance notice. This enabled Distributors to account for anticipated weather events when placing orders. However, Tasty now requires Plaintiffs and other Distributors to order most products either 10 or 14 days in advance. Once again, Tasty implemented this change without consulting the Distributors, without negotiation, and without paying any consideration.

30. Tasty's unilateral conduct, as summarized above, violates its contractual obligations to Plaintiffs and other Distributors under the "Best Efforts" provision of the Agreements and, more generally, violates the duty of good faith and fair dealing owed to Plaintiffs and other Distributors under Pennsylvania contract law. Moreover, such conduct has unjustly enriched Tasty at the expense of Plaintiffs and other Distributors.

CLASS ACTION ALLEGATIONS

31. Plaintiffs bring this lawsuit as a class action on behalf of (i) all individuals who are citizens of Pennsylvania and, within the past four years, worked for Tasty pursuant to Distributor's Agreements containing a Pennsylvania choice of law provision and (ii) all corporate entities that are incorporated in Pennsylvania and have their principal place of business in Pennsylvania and, within the past four years, performed work for Tasty in pursuant to Distributor's Agreements containing a Pennsylvania choice of law provision.

32. This action is properly maintained as a class action pursuant to Pennsylvania Rules of Civil Procedure 1702, 1708, and 1709.

33. The class is so numerous that joinder of all individual members is

impracticable.

34. Tasty's conduct with respect to Plaintiffs and the class raises questions of law and fact that are common to the entire class.

35. Plaintiffs' claims and Tasty's anticipated defenses are typical of the claims or defenses applicable to the entire class.

36. Plaintiffs' interests in pursuing this lawsuit are aligned with the interests of the entire class.

37. Plaintiff will fairly and adequately protect class members' interests because their experienced and well-financed counsel are free of any conflicts of interest and are prepared to vigorously litigate this action on behalf of the entire class.

38. A class action provides the fairest and most efficient method for adjudicating the legal claims of all class members.

COUNT I – BREACH OF CONTRACT

39. All previous paragraphs are incorporated as though fully set forth herein.

40. Based on the facts alleged in this Complaint, Tasty has violated its contractual obligations to Plaintiffs and the class by unilaterally entering into Scan Based Trading arrangements with Outlets on Distributors' routes, refusing to cover Distributors' routes for two weeks per year, and expanding the Product ordering deadline. All of these actions were undertaken by Tasty without regard to Distributors' interests, without negotiation, and without consideration. As such, Tasty has violated the "Best Efforts" provision of the Distributors' Agreements and has violated the duty of good faith and fair dealing that attaches to every contractual relationship under Pennsylvania law.

41. As a result of Tasty's contractual breach, Plaintiffs and the class have

suffered lost earnings and diminished route resale values.

COUNT I – UNJUST ENRICHMENT

42. All previous paragraphs are incorporated as though fully set forth herein.

43. This unjust enrichment claim is pled in the alternative and should be reached only to the extent the relief sought herein lacks a contractual basis. The unjust enrichment doctrine applies when the plaintiff has conferred a benefit that has been appreciated by defendant under inequitable circumstances. See EBC, Inc. v Clark Building Systems, Inc., 618 F.3d 253, 273 (3d Cir. 2010).

44. Here, Tasty has been unjustly enriched by unilaterally (i) providing Outlets with substantial benefits associated Scan Based Trading at no cost to Tasty and at a tremendous cost to the Distributors; (ii) refusing to cover Distributors' routes for two weeks per year; and (iii) shortening the Product ordering deadline.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and the class, seek the following relief:

A. Monetary damages sufficient to make Plaintiffs and the class whole for Tasty's contractual violations and unjust conduct. Such monetary damages include for each route, inter alia, the difference between the route resale value and the valuation that would exist in the absence of Tasty's contractual violations and unjust conduct, the difference between each route's weekly earnings and the weekly earnings that would exist in the absence of Tasty's contractual violations and unjust conduct, the economic benefits Tasty has enjoyed and retained by offering Scanned Based

Trading to Outlets, and the cost of covering the route with a substitute driver for two weeks per year;

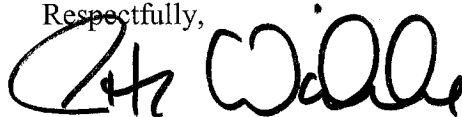
- B. Prejudgment interest in an amount to be determined by the Court after trial;
- C. Any injunctive relief the Court deems just and proper, including, inter alia, a requirement that Plaintiffs and class members be included in negotiations concerning Scanned Based Trading within their assigned routes, an injunction prohibiting Tasty and from agreeing to any scanned based trading arrangement with any Outlet on a Distributor's route without first obtaining the Distributor's express consent, an order requiring Tasty to provide each Distributor with two weeks of route coverage per year, and an order requiring Tasty to accept Product orders up to four days in advance of the date on which the Product is delivered to the Distributor; and
- D. Such other and further relief as this Court deems just and proper.

JURY DEMAND

Plaintiff demands a jury trial.

Date: May 16, 2019

Respectfully,



Peter Winebrake (80496)
R. Andrew Santillo (93041)
Mark J. Gottesfeld (307752)
Winebrake & Santillo, LLC
715 Twining Road, Suite 211
Dresher, PA 19025
(215) 884-2491
For Plaintiffs and the Putative Class

Exhibit A

**TASTY BAKING COMPANY
DISTRIBUTOR'S AGREEMENT**

This Agreement is made effective the 26th day of February, 2012 by and between **TASTY BAKING COMPANY**, a Pennsylvania business corporation, with offices and its principal place of business at, **4300 South 26th Street, Philadelphia, PA 19112** (herein referred to as "TASTY"), whose agents for service of process outside the Commonwealth of Pennsylvania are shown on Exhibit I attached hereto, and **NW Delivery Services Inc.**, a Pennsylvania corporation, with its principal place of business at **317 Mooney Street, Olyphant, PA 18447** (herein referred to as "DISTRIBUTOR").

BACKGROUND

TASTY has heretofore developed and/or acquired the rights to formulae, recipes, trademarks and trade names through the use of which it manufactures and markets various pies, cakes and other fresh products. Over the years TASTY has developed a reputation for quality and value which has created a strong consumer recognition and approval and continuing consumer demand for its products.

DISTRIBUTOR is an independent contractor and has the capacity, through able and experienced employees, necessary to operate a distribution business and to sell and distribute TASTY products successfully within a specific geographic area. DISTRIBUTOR has heretofore purchased certain TASTY Distribution Rights in the Sales Territory hereinafter described from **Kenneth Reed** pursuant to a Bill of Sale. The parties desire to enter into a written agreement describing and setting forth the terms and conditions under which they will do business together.

NOW, THEREFORE, in consideration of these premises and of the covenants and conditions hereinafter set forth, and for other good and valuable consideration given and received, and intending to be legally bound, the parties mutually agree as follows:

**ARTICLE 1
DEFINITIONS**

- §1.1 **DISTRIBUTION RIGHTS:** Shall mean the exclusive right to sell and distribute Products to Outlets in the Sales Territory pursuant to the terms of this Agreement. The Distribution Rights shall not include any right to sell (i) products not within, or excluded from, the definition of Products set forth in Section 1.6 below, including but not limited to the sale of such products to or through a thrift store whether TASTY-owned or otherwise, or (ii) Products to any accounts excluded under the second sentence of Section 1.4 below.
- §1.2 **EXCLUSIONS:** Shall mean those certain geographic locations which would normally be considered to be within the Sales Territory but with respect to which DISTRIBUTOR does not own the Distribution Rights.
- §1.3 **INCLUSIONS:** Shall mean those certain geographic locations which would normally be considered to be outside the Sales Territory but with respect to which DISTRIBUTOR owns the Distribution Rights.

- §1.4 OUTLETS:** Shall mean all retail stores, restaurants, institutional accounts and all mass merchandising accounts, in each case which allow for direct store delivery of the Products. TASTY reserves the exclusive right to sell to (i) any and all retail stores, restaurants, institutional accounts and mass merchandising accounts which require bulk shipment to central distribution centers, special delivery requirements or use exclusive distributors, and (ii) any and all vending and internet accounts, provided that the vending accounts do not resell to any retail store.
- §1.5 SPECIAL SHIPMENT PROGRAM:** Any program which TASTY negotiates with Outlets requiring delivery directly to the Outlet of Products on a pallet or in bulk form which will be transferred to and/or merchandised on the Outlet's selling floor by DISTRIBUTOR.
- §1.6 PRODUCTS:** Shall mean all pies, cakes, danish, donuts, pretzels, cookies, sweet snacks, and/or similar products that are prepackaged and intended to be sold as fresh and carry the TASTYKAKE® name and trademark, together with such new prepackaged products as TASTY may develop and add from time to time and which are intended to be sold as fresh under the name and trademark TASTYKAKE®. Products shall not include (i) products intended to be sold as thrift, frozen, damaged or which do not meet the quality standards established by TASTY in its sole discretion (including, but not limited to products rejected in the manufacturing process by reason of content, quality, taste, weight, color, packaging or otherwise), (ii) Overcode Products (as defined in Section 2.4 hereof), or (iii) private label or other products produced or distributed under names or labels other than the name and trademark TASTYKAKE®. TASTY may modify this Section 1.6 to include additional products or brands in the definition of "Products" upon thirty (30) days written notice to DISTRIBUTOR. In addition, Products shall not include products that are donated by TASTY to charities or for special events.
- §1.7 SALES TERRITORY:** Shall mean that geographical area, taking into account all applicable Exclusions and Inclusions, more specifically described in Schedule A attached hereto and made a part hereof, within which DISTRIBUTOR owns the Distribution Rights.
- §1.8 OWNER:** Shall mean the individual(s) holding a majority ownership in the Securities of DISTRIBUTOR and listed on Schedule B hereto.
- §1.9 SECURITIES:** Shall mean each class of stock of DISTRIBUTOR.

ARTICLE 2 SALE OF PRODUCTS

- §2.1 TITLE:** All Products will be sold to DISTRIBUTOR absolutely and the title and risk of loss will pass to DISTRIBUTOR upon delivery in accordance with Section 2.2 below.
- §2.2 DELIVERY:** Subject to the limitations contained in Section 5.1 below, TASTY agrees to use all reasonable efforts to sell and deliver to DISTRIBUTOR at such location as TASTY may from time to time designate, and DISTRIBUTOR agrees to buy and accept, sufficient quantities of the Products to supply the Outlets in the Sales Territory adequately and properly in accordance with good industry practice. TASTY shall have the right to relocate its distribution locations in its sole discretion. DISTRIBUTOR shall only purchase the Products from TASTY and acknowledges that failure to comply with this provision shall constitute a breach pursuant to Section 10.2 below.

- §2.3 TERMS:** Products will be sold to DISTRIBUTOR on terms and prices as established by TASTY from time to time. In the absence of substantial market-wide change in distribution costs or methods TASTY agrees that, if DISTRIBUTOR consistently and uniformly sells Products at the then current suggested resale price for such Products, including promotional and special pricing as may be authorized from time to time, DISTRIBUTOR will realize an annual average gross margin of not less than SIXTEEN AND ONE-HALF PERCENT (16.5%) on Tastykake® brand Products only, subject to any Special Shipment Programs. For purposes of this Section 2.3, gross margin shall be calculated based solely on the price charged by TASTY for Products sold to DISTRIBUTOR, and shall not include any other fees or costs.
- §2.4 OVERCODE PRODUCTS:** TASTY will give full credit for all Overcode Products which are promptly returned to TASTY, provided that DISTRIBUTOR uses best efforts to maintain returned Overcode Products at the level established by TASTY, which level may be adjusted from time to time by TASTY in its sole discretion taking into account industry standards, market conditions, TASTY's expertise and/or prior experience in the Sales Territory. "Overcode Products" shall mean those Products for which the code dated printed on the packaging is the same as or prior to the calendar date. In the event DISTRIBUTOR's returned Overcode Products exceed the level established by TASTY for the Sales Territory, as a result of DISTRIBUTOR's failure to follow established standards and procedures for maintaining product inventory, or are not returned in accordance with TASTY's then-current overcode policy, then any amount credited by TASTY for such Overcode Products may be charged back to DISTRIBUTOR in TASTY's sole discretion. DISTRIBUTOR acknowledges and agrees that (i) the freshness of the Products in the Sales Territory is essential to the development and maintenance of strong consumer approval and demand for the Products, and (ii) failure to properly rotate the Products and remove Overcode Products from Outlets will result in substantial harm to TASTY's business, trademarks and commercial reputation.
- §2.5 DAMAGED PRODUCTS:** TASTY will credit the account of DISTRIBUTOR for any damaged Products not damaged due to the negligence or fault of DISTRIBUTOR and which are promptly returned to TASTY in accordance with its then-current policy.

ARTICLE 3 BEST EFFORTS/DISTRIBUTOR

- §3.1 OBLIGATIONS OF DISTRIBUTOR:** DISTRIBUTOR will comply with all of the terms of this Agreement and will use best efforts to develop the market for, and maximize the sale of, the Products to Outlets within the Sales Territory and to service the Sales Territory on a basis consistent with good industry practice which DISTRIBUTOR acknowledges is a minimum of five (5) days of service per week. In furtherance of the foregoing and by way of illustration, and not by way of limitation, DISTRIBUTOR agrees to maintain an adequate and fresh supply of all Products in all Outlets in the Sales Territory, to maintain a computer-assisted record-keeping system to record all transactional sales and distribution information consistent with the methodology and standards established by TASTY from time to time, to rotate properly all Products in Outlets in the Sales Territory, to remove promptly all damaged or Overcode Products from the Outlets in the Sales Territory, to maintain and store all Products in a safe and sanitary manner free from adulteration and contamination, to cooperate with TASTY in its marketing and promotional programs, including but not

limited to use of TASTY's shelf configuration models for Products, to achieve reasonable sales and/or distribution objectives as may be established by TASTY from time to time, in order to develop the market and maximize the sale of Products, to maintain the confidentiality of TASTY's proprietary information, to comply with the delivery, administrative and billing requirements imposed by any Outlets on its vendors and suppliers, to observe high standards of customer relations and customer service at each Outlet, to have all persons performing any duties under this Agreement maintain a neat and well-groomed appearance, and to maintain proper service and delivery to all Outlets in the Sales Territory requesting service, except those proven consistently to be unprofitable. The profitability of any Outlet which is a part of any commonly-owned group or chain of Outlets shall be determined by TASTY in its reasonable discretion in view of the profitability of the group or chain as a whole. In the event that TASTY determines that in order to maintain the business relationship with a commonly-owned group or chain of Outlets, it is necessary for DISTRIBUTOR to continue to service such Outlet(s) in its Sales Territory even though not profitable, DISTRIBUTOR shall be obligated to continue to service such Outlet(s).

§3.2 SPECIAL SHIPMENT PROGRAMS: In the event TASTY distributes Products pursuant to a Special Shipment Program directly to any Outlet in the Sales Territory, DISTRIBUTOR will, as may be required with respect to each Special Shipment Program: (a) promptly "check-in" the delivery of the Products once delivered to an Outlet and move the Products to a display on the Outlet's selling floor, (b) service and maintain Products in the display in a manner consistent with service provided to comparable Outlets in the Sales Territory and in accordance with Section 3.1 and the terms of the Special Shipment Program as negotiated by TASTY; (c) be charged the regular price for the Products as delivered by TASTY, subject to any promotional or special pricing then in effect for the Special Shipment Program or otherwise; and (d) be charged and pay a delivery fee in accordance with applicable TASTY policy as may be in effect from time to time.

§3.3 CHANGE IN DELIVERY METHOD: In the event any Outlet elects to require or accept delivery of the Products by a method other than direct store delivery and advises either party of its election, then the notified party shall immediately advise the other party in writing of the terms of the new service requirements for the Outlet (the "Service Requirements"). In the event that the Service Requirements continue to involve delivery within the Sales Territory, then DISTRIBUTOR shall have the first right to deliver the Products to the Outlet pursuant to the Service Requirements, provided that it gives TASTY ten (10) days' advance written notice of the Service Requirements and DISTRIBUTOR's method of meeting the Service Requirements. In the event DISTRIBUTOR elects not to meet, or fails to meet, the Outlet's Service Requirements or delivery of the Products must be made outside of the Sales Territory pursuant to the Service Requirements, then (i) TASTY shall have the right to make other arrangements to serve the Outlet, (ii) such service shall not violate DISTRIBUTOR's Distribution Rights hereunder, and (iii) DISTRIBUTOR shall not be entitled to any proceeds from TASTY's service of the Outlet. Notwithstanding the foregoing, DISTRIBUTOR shall continue to own the Distribution Rights to the Outlet.

§3.4 INSURANCE: DISTRIBUTOR shall maintain throughout the term of this Agreement insurance policies from reputable and established insurance companies licensed to do business in the state(s) in which the Sales Territory is located and naming TASTY as an additional insured on all such insurance policies for the following coverages:

(i) Vehicle coverage for collision and comprehensive casualty and loss for the full market value of any and all delivery vehicles operated by DISTRIBUTOR with a deductible amount of no more than \$1,000 for property damage with a minimum limit of \$300,000, and for personal injury with minimum limits of \$1,000,000/\$1,000,000;

(ii) Comprehensive general liability coverage, including contractual liability coverage specifying the Distributor's Agreement, and product liability coverage, with a combined single limit for property damage and bodily injury of a minimum of \$1,000,000; and

(iii) Worker's compensation coverage for any and all employees of DISTRIBUTOR in compliance with all requirements and laws of the state or states in which DISTRIBUTOR operates.

§3.4.1 DISTRIBUTOR shall indemnify, defend and hold TASTY harmless from and against any and all losses, claims, damages, settlements, liabilities and expenses (including reasonable attorneys' fees) and other caused of action relating to wages, payroll, unemployment compensation, employee benefits, personal injury, death, property damage, loss or theft, either directly or indirectly, caused by or resulting from the acts or omissions of DISTRIBUTOR or its directors, officers, employees, contractors, agents, representatives or helpers, or by or as a result of the service of the Sales Territory, operation of any vehicle or equipment owned or used by Distributor or its directors, officers, employees, contractors, agents, representatives or helpers, or failure to perform or observe any term, condition or undertaking contained in this Agreement and any and all losses, damages, claims, settlements, liabilities and expenses (including reasonable attorneys fees) incurred by TASTY resulting therefrom notwithstanding anything in this Agreement to the contrary. This section 3.4.1 shall survive any termination or expiration of this Agreement.

§3.4.2 DISTRIBUTOR shall provide Tasty with proof of insurance required under this Section 3.4 annually. In addition, DISTRIBUTOR shall require its insurance company to provide TASTY with thirty (30) days written notice in advance of any change, termination or modification of the insurance required in this Section 3.4.

§3.4.3 The parties agree that the provisions of this Section 3.4 may be modified from time to time by TASTY in its reasonable discretion to increase the amount of insurance coverages required or to add additional insurance requirements to reflect inflation, changes in applicable laws, changes in insurance markets and/or products, or changes in industry standards.

§3.5 NO COMPETITION: DISTRIBUTOR agrees that while this Agreement remains in effect, neither it nor any principal or affiliate of DISTRIBUTOR will sell, distribute or deliver, or solicit orders for the sale or delivery of, either directly or indirectly, any merchandise or goods that are competitive to the Products. All pies, cakes, danish, donuts, pretzels, cookies, sweet snacks, and/or similar products shall be deemed to be "competitive to the Products." In the event of a violation of this Section 3.5, in addition to all other remedies that TASTY may have under this Agreement, at law or in equity, TASTY shall be entitled to an immediate injunction permanently restraining DISTRIBUTOR, its principals and affiliates from violating the provisions of this Section. If any provision of this Section is held to be unenforceable because of the area covered, duration or scope, then the court

making such determination shall have the power to modify the area, duration and/or scope, and this Section shall then be enforceable in its modified form.

- §3.6 **NON-COMPLIANCE:** Failure to carry out the conditions listed in this Article 3 shall be considered a material breach of this Agreement and shall entitle TASTY to terminate this Agreement as more specifically set forth in Article 10 hereof.

ARTICLE 4 INDEPENDENT CONTRACTOR

- §4.1 **METHOD OF OPERATION:** DISTRIBUTOR acknowledges that the strong motivation and incentive present with an owner-operated business are an essential part of the consideration flowing to TASTY for the execution of this Agreement. However, nothing herein shall be deemed to require that DISTRIBUTOR engage specific individuals to perform any of the distribution services required by this Agreement. DISTRIBUTOR shall be free to retain and employ, at its sole cost and expense, such persons as it deems appropriate to perform DISTRIBUTOR's obligations hereunder. DISTRIBUTOR shall have the exclusive right to select, fix the compensation of, discharge and otherwise manage, supervise and control all persons retained or employed by DISTRIBUTOR. DISTRIBUTOR shall be responsible for compliance with all the terms and conditions of this Agreement and all applicable laws, regulations and ordinances, including but not limited to, labor and employment laws, workers' compensation, unemployment compensation, and tax laws.
- §4.2 **INDEPENDENT CONTRACTOR RELATIONSHIP:** The parties intend to create pursuant to this Agreement an independent contractor relationship. DISTRIBUTOR shall not be considered or deemed in any way to be a partner, joint venturer or agent of TASTY, and neither party has the right or power, express or implied, to do any act or thing that would bind the other, except as herein specifically provided. TASTY has no obligation to, and does not, provide worker's compensation, unemployment compensation, pension, health insurance, disability insurance, life insurance or any other benefit to or on behalf of any of DISTRIBUTOR's principals, employees or subcontractors, if any, and DISTRIBUTOR expressly waives, to the extent permitted by applicable law, the right to make any claims for any such benefits or claims under any such law, policy or plan.
- §4.3 **TAX INDEMNITY:** DISTRIBUTOR shall be exclusively responsible for all employment taxes and taxes on its revenue, whether income, gross receipts, capital stock, franchise or other taxes, and shall indemnify and hold harmless TASTY from and against any and all taxes, interest, penalties and costs and expenses of defending any tax claim, arising out of, or in any way relating to, DISTRIBUTOR's income, employment of others, or performance under this Agreement.

**ARTICLE 5
DUTIES OF TASTY**

§5.1 OBLIGATIONS OF TASTY: TASTY shall use best efforts to manufacture and deliver to DISTRIBUTOR sufficient quantities of the Products to fill DISTRIBUTOR's orders in a reasonable and timely fashion to supply Outlets requesting service in the Sales Territory, to assist in the development of new accounts and authorizations, to preserve and develop the quality and marketability of the Products, and to assist and cooperate with DISTRIBUTOR in its sales efforts. In the event of any job action, shortages of materials or supplies, failure of machinery or equipment, lockout, war, fire, explosion, riot, restrictions by governmental authority, Act of God, or any circumstance beyond the control of TASTY, TASTY shall be responsible for filling orders or otherwise performing its obligations under this Agreement, only to the extent and on such basis as circumstances then reasonably permit.

**ARTICLE 6
PAYMENT FOR PRODUCTS AND OTHER CHARGES**

§6.1 SETTLEMENT OF ACCOUNT: On or before Wednesday of each week, or such other day as designated by TASTY, DISTRIBUTOR will remit to TASTY the purchase price of all Products delivered to DISTRIBUTOR in the preceding week(s) in accordance with the terms established by TASTY from time to time, less credit for (a) any merchandise which is returned in accordance with Section 2.4 and Section 2.5 above, (b) charge slips or other evidence of payment authorization satisfactory to TASTY in its sole discretion delivered in accordance with Section 6.2 below, and (c) other chargebacks, credits and adjustments between the parties where appropriate. DISTRIBUTOR will remit to TASTY at the same time (a) a weekly fee for maintenance of handheld computer equipment, supplies and other administrative costs, which fee is subject to change from time to time in TASTY's sole discretion and (b) an interest payment at the rate of one (1%) percent per month or the highest rate permitted by law, whichever is lower, on any balance past due by fourteen (14) days. DISTRIBUTOR will provide TASTY with an electronic settlement of account on a daily basis in format as designated by TASTY from time to time.

§6.2 NON-CASH SALES: In cases where Products are sold and distributed to Outlets which do not pay cash and which have been approved by TASTY for credit and in its sole discretion, TASTY will accept electronic data with corresponding proof of delivery, charge slips, Outlet-generated authorizations or other forms of payment authorizations as may be required by the Outlet or TASTY (including but not limited to, authorizations signed by the Outlet's authorized representative, such as the store manager, or his designee) in lieu of cash, and credit DISTRIBUTOR's account therefor, provided DISTRIBUTOR fully complies with TASTY's credit policies as established from time to time. In the event DISTRIBUTOR fails to comply with TASTY's credit policy, fails to provide complete documentation as required by the Outlet or TASTY, or falsifies any documentation or credit information, TASTY shall be entitled to charge DISTRIBUTOR's account for any credit extended to DISTRIBUTOR resulting therefrom without limiting any other remedies available to TASTY.

- §6.3 SECURITY INTEREST:** To secure the prompt payment and timely performance of all indebtedness, obligations and liabilities of DISTRIBUTOR to TASTY under this Agreement or any other agreement between TASTY or its affiliates and DISTRIBUTOR, whether now existing or hereafter arising, DISTRIBUTOR hereby grants and conveys to TASTY a presently existing and continuing security interest in the Distribution Rights, in this Agreement, in all Products now or hereafter in DISTRIBUTOR's possession, in all accounts now or hereafter arising out of the sale by DISTRIBUTOR of Products, and in all proceeds thereof. DISTRIBUTOR agrees that this security interest attaches immediately upon execution of this Agreement by DISTRIBUTOR and that TASTY has all of the rights of a secured party under the applicable Uniform Commercial Code, as amended from time to time. DISTRIBUTOR expressly authorizes TASTY to file and refile, in all appropriate offices, Uniform Commercial Code financing statements necessary to perfect the security interests granted hereunder.
- §6.4 DEFAULT:** Nothing herein shall be deemed to require TASTY to fill an order of DISTRIBUTOR during the time when DISTRIBUTOR has failed to make any payment due to TASTY in a timely fashion. Failure to carry out the conditions listed in this Article 6 shall be considered a material breach of this Agreement and shall entitle TASTY to terminate this Agreement as more specifically set forth in Article 10 hereof.

ARTICLE 7 TRANSFER OF RIGHTS

- §7.1 CONDITIONS OF ASSIGNABILITY:** The Distribution Rights are owned by the DISTRIBUTOR and may be sold in whole or in part by DISTRIBUTOR, subject to the prior written approval of TASTY and TASTY's right of first refusal provided in Section 7.2 below. TASTY's prior written approval shall not be unreasonably withheld in the event of a sale of all of DISTRIBUTOR's Distribution Rights under this Agreement; however, TASTY's prior written approval may be withheld, in TASTY's sole and absolute discretion, upon a proposed sale of less than all of DISTRIBUTOR's Distribution Rights under this Agreement. TASTY's right of approval in this Section 7.1 shall expire if not exercised within thirty (30) days after the later of (a) receipt by TASTY of written notice from DISTRIBUTOR of its intent to sell to a named bona fide purchaser on terms and conditions fully set forth in such notice, and (b) a personal interview by TASTY of the principals and officers of such purchaser. The transfer, whether in one or a series of transactions, of a majority of the ownership or voting interests in the Securities of DISTRIBUTOR, whether by operation of law or otherwise, shall constitute a sale, subject to the prior written approval of TASTY for purposes of this Section 7.1.
- §7.2 RIGHT OF FIRST REFUSAL:** Notwithstanding the foregoing, any sale of the Distribution Rights, in whole or in part, shall be subject to a right of first refusal on the part of TASTY. TASTY shall exercise its rights hereunder by giving written notice of its exercise to DISTRIBUTOR within the time period specified in Section 7.1 above, and shall promptly pay the purchase price and satisfy the other terms and conditions of sale set forth in DISTRIBUTOR's notice, all subject to delivery by DISTRIBUTOR of satisfactory transfer documents and the releases provided in Section 7.3 below.
- §7.3 TRANSFER AND RELEASE:** In the event of any sale of the Distribution Rights, in whole or in part, DISTRIBUTOR agrees to surrender and transfer all rights under this Distributor's Agreement and, in the event of a sale to a third party, TASTY agrees to enter

into a new Distributor's Agreement in the form then existing for new distributors, with a qualified and approved purchaser. Further, DISTRIBUTOR shall execute and deliver to TASTY and its affiliates a release of all its interests and claims to and in such Distribution Rights and all of its interests under or arising out of this Agreement, together with a general release of claims against TASTY and its affiliates.

ARTICLE 8 SERVICE FAILURES

- §8.1 PARTIAL ABANDONMENT:** If DISTRIBUTOR fails to provide satisfactory service within any portion of the Sales Territory or to any Outlet therein, or is prohibited by an Outlet from servicing the Outlet for any reason, if not remedied within ten (10) days after receipt of written notice thereof, such failure or prohibition shall be deemed a material breach of this Agreement and, in addition to any other rights or remedies TASTY may have, TASTY may, at its election, deem such portion of the Sales Territory or Outlet permanently abandoned and no longer subject to this Agreement, and may make other arrangements for service thereof, or terminate this Agreement for DISTRIBUTOR's breach.
- §8.2 TEMPORARY SERVICE:** Notwithstanding any other provision of this Agreement, if DISTRIBUTOR is not able to or does not perform its obligations under this Agreement for any reason, and/or there is a partial abandonment pursuant to Section 8.1 above, DISTRIBUTOR shall make other adequate provision for such performance at its own expense. If no such provision is made by DISTRIBUTOR, TASTY, in its sole discretion, may (but shall not be obligated to) serve the Sales Territory, or such portion thereof with respect to a partially abandoned area, for the account of DISTRIBUTOR in accordance with TASTY's policy, as established from time to time. DISTRIBUTOR shall reimburse TASTY for its costs and expenses incurred in operating the Distribution Rights (or such portion thereof). Such temporary operation by TASTY shall not relieve DISTRIBUTOR of any of the obligations imposed on it by this Agreement nor act to cure any default by DISTRIBUTOR. If such temporary operation of the Distribution Rights, or any portion thereof, by TASTY exceeds the time period established by TASTY policy, then TASTY shall have the right to terminate this Agreement pursuant to Section 10.4 below.

ARTICLE 9 DISCLAIMERS AND LIMITATION ON DAMAGES

- §9.1 LIMITATION ON DAMAGES:** TASTY shall in no event be responsible for special, incidental or consequential damages caused by any defective Products sold hereunder or otherwise arising out of this Agreement, whether on theories of breach of contract, breach of warranty, express or implied, or tort or any other legal theory. DISTRIBUTOR hereby expressly agrees and acknowledges that any damages relating to any claim alleging tort or breach of contract by TASTY in connection with the termination of its Distribution Rights under this Agreement shall be limited to no more than the fair market value of the Distribution Rights which in no event shall exceed twenty five (25x) times the average net weekly sales for the prior twelve (12) month period. In no event shall any party to this Agreement be liable to the other for punitive or exemplary damages.
- §9.2 NO GUARANTY OF SALES OR PROFITS:** TASTY makes no representation or guaranty regarding the sales volume or profits which DISTRIBUTOR may derive from the sale of Products in the Sales Territory pursuant to this Agreement. Neither party, in entering

into this Agreement, has relied on any representation, warranty or promise made by the other party, or any agent or employee thereof, other than the representations and warranties contained expressly in this Agreement.

ARTICLE 10 TERMINATION

- §10.1 PERFORMANCE:** TASTY shall not have the right to terminate or cancel this Agreement, provided DISTRIBUTOR faithfully carries out the terms hereof. In the event DISTRIBUTOR fails to perform its obligations under this Agreement, then in addition to any other rights or remedies which it may have, TASTY may terminate this Agreement after notice and upon the terms set forth below.
- §10.2 NON-CURABLE BREACH:** In the event that DISTRIBUTOR's failure of performance or any other act or omission by DISTRIBUTOR involves criminal activity, poses a threat to public health or safety, or threatens substantial harm to TASTY's business, trademarks or commercial reputation, TASTY may terminate this Agreement upon twenty-four (24) hours written notice and DISTRIBUTOR shall have no right to cure.
- §10.3 DEATH OF MAJORITY SHAREHOLDER OF DISTRIBUTOR:** In the event of the death of the sole shareholder, majority shareholder or president of the DISTRIBUTOR, this Agreement shall immediately terminate, without notice, subject to the provisions of Section 10.5 hereof.
- §10.4 CURABLE BREACH:** In the event of any other failure of performance by DISTRIBUTOR, TASTY shall give DISTRIBUTOR written notice thereof, specifying in reasonable detail the nature of DISTRIBUTOR's failure of performance. If DISTRIBUTOR fails to cure such failure of performance within ten (10) days of receipt of such notice, TASTY may thereafter terminate this Agreement and DISTRIBUTOR shall have no further right to cure. The parties further agree that more than two (2) notices under this Section 10.4 in a period of twelve (12) consecutive months shall constitute substantial harm to TASTY's business, and in such event TASTY shall be entitled to terminate this Agreement pursuant to Section 10.2.
- §10.5 ACTIONS FOLLOWING TERMINATION:** Upon termination under Sections 10.2, 10.3 or 10.4 above, TASTY shall use reasonable efforts, recognizing the limited personnel TASTY has for such purpose, to operate the Distribution Rights for the account of the DISTRIBUTOR, in accordance with TASTY policy, as established from time to time. DISTRIBUTOR shall reimburse TASTY for all costs and expenses incurred by TASTY in the operation of the Distribution Rights.
- §10.5.1 RESOLUTION PROCESS:** Upon any termination of this Agreement by TASTY and upon a written notice to TASTY within five (5) days of such termination notice, DISTRIBUTOR may request a face-to-face meeting with TASTY's Vice President of Sales to attempt in good faith to resolve any disagreements they may have regarding DISTRIBUTOR's performance under this Agreement. If after such meeting TASTY elects to rescind the termination, the DISTRIBUTOR shall be immediately permitted to recommence operation of the Distribution Rights, and this Agreement shall remain in full force and effect as if such termination had not occurred. If TASTY determines not to rescind the termination, then TASTY shall continue to operate the Distribution Rights for

the account of the DISTRIBUTOR, deducting its costs and expenses in connection with the operation thereof.

§10.5.2 SALE BY DISTRIBUTOR: Promptly after the later of receipt of the termination notice or TASTY's decision not to rescind the termination upon conclusion of the resolution process set forth in Section 10.5.1 above, DISTRIBUTOR shall sell DISTRIBUTOR's Distribution Rights to a qualified and approved purchaser at the best price which can reasonably be obtained within a reasonable period of time after proper notice and advertisement, subject at all times to TASTY's rights of approval and first refusal set forth in Article 7 above.

§10.5.3 SALE BY TASTY: If the DISTRIBUTOR does not sell the Distribution Rights within a reasonable period of time, TASTY shall have the right, but not the obligation, to sell the Distribution Rights to a qualified and approved purchaser at the best price which can reasonably be obtained within a reasonable period of time after proper notice and advertisement.

§10.5.4 PROCEEDS: Any sale of the Distribution Rights shall be for the account of the DISTRIBUTOR, and the proceeds of such sale, after deducting therefrom the cost of removing any overcode or damaged Products on DISTRIBUTOR's route, all costs and expenses incurred by TASTY in the operation of the Distribution Rights, the amount necessary to satisfy all outstanding liens, security interests and other indebtedness to TASTY or its affiliates, and the reasonable costs incurred in effecting the sale, including the Transfer Fee pursuant to Article 11 below, shall be turned over to DISTRIBUTOR (or any creditor of DISTRIBUTOR that has perfected a lien against such rights) within a reasonable time following the closing date in exchange for which the DISTRIBUTOR shall execute and deliver to TASTY and its affiliates a release of all its interests and claims to and in the Distribution Rights and all of its interests under or arising out of this Agreement, together with a general release of claims in favor of TASTY and its affiliates.

ARTICLE 11 TRANSFER FEE

§11.1 PAYMENT OF FEE: In the event of a sale by DISTRIBUTOR, or by TASTY for the account of DISTRIBUTOR, of the Distribution Rights, in whole or in part, the DISTRIBUTOR shall pay a Transfer Fee to TASTY in an amount equal to TWO PERCENT (2%) of the sales price at the time of transfer, in full consideration for the administrative activities undertaken by TASTY in connection therewith.

ARTICLE 12 DISTRIBUTOR'S WARRANTIES AND COVENANTS

§12.1 WARRANTIES: DISTRIBUTOR hereby represents and warrants to TASTY as follows:

- (a) DISTRIBUTOR is a corporation duly organized and validly existing under the laws of the **State/Commonwealth of Pennsylvania** and has full power and authority to enter into and perform all of its obligations under this Agreement. Owner shall at all times maintain a controlling interest in the Securities of DISTRIBUTOR. For the purposes of this Agreement, a "controlling interest" shall mean owning or controlling free of all liens and encumbrances more than

fifty percent (50%) of the equity and fifty percent (50%) of the power to vote the Securities of DISTRIBUTOR. DISTRIBUTOR shall not sell, transfer or issue any Securities to any person if such issuance shall result in the Owner owning less than a controlling interest in the Securities, unless with the prior written consent of TASTY pursuant to Article 7 hereof. The books and records of DISTRIBUTOR shall reflect that the issuance and transfer of shares of the Securities are restricted and that all certificates representing all or any portion of such Securities bear a legend, as follows:

“Transfer of the securities represented by this certificate is restricted under the Distribution Agreement between **Wendy M. Dzanis** and **Tasty Baking Company**, dated as of the **26th day of February, 2012**”.

(b) Execution, delivery and performance of this Agreement does not violate any of the constituent documents of DISTRIBUTOR, any agreement by which it is bound, or any judgment, order or decree applicable to DISTRIBUTOR, any of its officers or principals. This Agreement is enforceable against DISTRIBUTOR in accordance with its terms.

§12.2 COVENANTS: DISTRIBUTOR acknowledges as follows:

(a) DISTRIBUTOR will not effect any change in the senior management of DISTRIBUTOR or dissolve, merge, consolidate, combine with, liquidate or divide the DISTRIBUTOR's corporation, or enter into any plan pursuant to which any of the above would result, without the prior written consent of Tasty, which will not be unreasonably withheld.

(b) DISTRIBUTOR will comply with all laws and regulations of the its state of incorporation, all laws and regulations of the state(s) in which DISTRIBUTOR operates the Distribution Rights, and all federal and state laws and regulations relating directly or indirectly to the operation or ownership of distribution rights, as contemplated under this Agreement, including without limitation all motor vehicle, food, drug, health, bioterrorism, security, and sanitary laws and regulations. Failure to comply with all applicable laws and regulations shall be deemed a material breach as specifically set forth in §10.2 herein.

(c) DISTRIBUTOR shall maintain the highest standards of morality, honesty, trustworthiness, diligence and reliability (STANDARDS”). If DISTRIBUTOR fails to maintain such STANDARDS, in TASTY's sole discretion, such failure shall be deemed a material breach as specifically set forth in §10.2 herein.

(d) DISTRIBUTOR shall comply with all applicable work rules and regulations in effect at TASTY's sites including, but not limited to, security, safety, health, fitness of duty, or fire protection. In addition, DISTRIBUTOR shall take additional measures as TASTY may determine to be reasonably necessary for the purpose of providing a safe work environment. Any failure to comply with such rules and regulations or to take reasonable measures when required by TASTY shall be deemed a curable breach as specifically set forth in §10.4 herein.

**ARTICLE 13
TRADEMARKS AND TRADENAMES**

- §13.1 PERMISSION FOR USE:** TASTY grants DISTRIBUTOR a limited, non-transferable, non-exclusive right to use those trademarks, trade names or other designations used on the packaging or advertising of the Products (collectively, the “Trademarks”) within the Sales Territory only for the purpose of identifying the Products and itself as a distributor of the Products. DISTRIBUTOR shall make no use of the Trademarks, nor engage in any program or activity which makes use of or contains any reference to TASTY, its Products or the Trademarks, without the prior written consent of TASTY. DISTRIBUTOR acknowledges that the Trademarks are the exclusive property of TASTY or its affiliates and that it will not dispute or contest their right, title or interest therein. DISTRIBUTOR further agrees that it shall not use the Trademarks in any corporate title or trade name of DISTRIBUTOR or its affiliates.
- §13.2 RETURN UPON TERMINATION:** Upon termination of this Agreement, the license granted pursuant to §13.1 herein shall be deemed automatically revoked and DISTRIBUTOR shall immediately cease use of the Trademarks including those on DISTRIBUTOR’s vehicle(s) and shall deliver to TASTY all advertising, promotional or merchandising materials which contain references to the Trademarks.
- §13.3 ADVERTISING ON DISTRIBUTOR’S VEHICLE:** If DISTRIBUTOR agrees to permit TASTY to use DISTRIBUTOR’s vehicle for advertising TASTY’s name and trademarks, TASTY agrees to pay toward the cost of painting DISTRIBUTOR’s vehicle, such amount as TASTY shall determine in accordance with the amount or percentage set forth in TASTY’s then current vehicle painting policy as amended from time to time. Further, DISTRIBUTOR will not use its vehicle to advertise any other products or services, without the prior written consent of TASTY.

**ARTICLE 14
DELIVERY VEHICLES**

- §14.1 INDEPENDENT CONTRACTOR NOTICE:** DISTRIBUTOR agrees to have painted in a conspicuous manner on any delivery vehicle owned or leased by it to carry out the terms hereof: “Owned and Operated by (DISTRIBUTOR’s name), An Independent Contractor.”

**ARTICLE 15
MISCELLANEOUS**

- §15.1 NOTICES:** Any notice required or permitted under this Agreement shall be deemed properly given and received on the date received if hand delivered; on the next business day after deposit with a nationally recognized overnight courier service for overnight delivery; or five (5) days after deposited in the mails, return receipt requested, registered or certified mail postage pre-paid, addressed:

If to DISTRIBUTOR: **NW Delivery Services Inc.**
Wendy M. Dzanis, President
317 Mooney Street
Olyphant, PA 18447

If to TASTY: **Thomas Keene**
Vice President Sales, East Region
4300 South 26th Street
Philadelphia, PA 19112

or at such other address as either party may designate by written notice duly given in accordance with this Section 15.1.

- §15.2 SURVIVAL:** To the extent expressly permitted hereunder, this Agreement shall be binding upon the successors and assigns of the parties hereto. TASTY expressly reserves the right to assign its rights and obligations under this Agreement to any third party.
- §15.3 ENTIRE AGREEMENT:** This Agreement and any other written agreements executed simultaneously herewith, sets forth the entire agreement between the parties and supercedes all prior representations, conditions, warranties and covenants between them with respect to this subject matter. This Agreement may be amended or modified only by a writing signed by all parties.
- §15.4 CONTROLLING LAW:** The validity, interpretation and performance of this Agreement, and any disputes arising therefrom or as a result of the relationship created thereby, shall be controlled by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania (without regard to conflict of laws principles).
- §15.5 SEVERABILITY:** If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, in this or any jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.
- §15.6 GENDER AND NUMBER:** Wherever appropriate, gender and number as used in this Agreement shall be deemed modified to be consistent with actual circumstances. Any words used in this Agreement designating a particular gender shall be deemed to refer to all genders regardless of designation.
- §15.7 LEGAL COUNSEL:** DISTRIBUTOR acknowledges that it has been given a reasonable opportunity to discuss this Agreement with an attorney of its choosing; that it has carefully read and fully understands the provisions of this Agreement, and that it is entering into this Agreement knowingly, voluntarily, and with the intention of being legally bound by all of the terms of this Agreement.
- §15.8 NO WAIVER; CUMULATIVE REMEDIES:** No course of dealing and no failure or delay of TASTY in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or shall affect any other or future exercise thereof or the exercise of any other right, power or remedy, nor shall any single or partial exercise of any such right, power or remedy or any abandonment or discontinuance of such exercise preclude any other or further exercise thereof or of any other right, power or remedy under this Agreement. The rights, powers and remedies of TASTY in this Agreement are cumulative and not exclusive of any rights, powers, or remedies which TASTY may otherwise have.

§15.9 DISPUTES OVER SALES TERRITORY: Any and all Sales Territory disputes between DISTRIBUTOR and any other TASTY distributor shall be submitted to TASTY for its sole and exclusive determination. All determinations made by TASTY in good faith shall be final, absolute and non-appealable. DISTRIBUTOR will promptly comply with the determination made by TASTY and take whatever action may be reasonably necessary (including revising this Agreement) to effectuate such determination.

§15.10 WAIVER OF JURY TRIAL: DISTRIBUTOR AND TASTY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, OR ANY PROCEEDING IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, AND DISTRIBUTOR AND TASTY AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, TASTY and DISTRIBUTOR have caused this Agreement to be duly executed effective the day and year first above written.

DISTRIBUTOR :

TASTY BAKING COMPANY

NW Delivery Services Inc.

By: _____
Wendy M. Dzanis (Sign Name)

By: _____
Thomas Keene
Vice President Sales, East Region Sales

Name: _____
Wendy M. Dzanis (Print Name)

Title: President

Exhibit B

TASTY BAKING COMPANY DISTRIBUTOR'S AGREEMENT

This Agreement is made effective the (Day) day of (Month), 2007 by and between TASTY BAKING COMPANY, a Pennsylvania business corporation, with offices and its principal place of business at 2801 Hunting Park Avenue, Philadelphia, Pennsylvania 19129 (herein referred to as "TASTY"), whose agents for service of process outside the Commonwealth of Pennsylvania are shown on Exhibit I attached hereto, and (Corporation Name), a (State of Incorporation) corporation, with its principal place of business at (Address) (herein referred to as "DISTRIBUTOR").

BACKGROUND

TASTY has heretofore developed and/or acquired the rights to formulae, recipes, trademarks and trade names through the use of which it manufactures and markets various pies, cakes and other fresh products. Over the years TASTY has developed a reputation for quality and value which has created a strong consumer recognition and approval and continuing consumer demand for its products.

DISTRIBUTOR is an independent contractor and has the capacity, through able and experienced employees, necessary to operate a distribution business and to sell and distribute TASTY products successfully within a specific geographic area. DISTRIBUTOR has heretofore purchased certain TASTY Distribution Rights in the Sales Territory hereinafter described from (Seller) pursuant to a Bill of Sale. The parties desire to enter into a written agreement describing and setting forth the terms and conditions under which they will do business together.

NOW, THEREFORE, in consideration of these premises and of the covenants and conditions hereinafter set forth, and for other good and valuable consideration given and received, and intending to be legally bound, the parties mutually agree as follows:

ARTICLE 1 DEFINITIONS

- §1.1 **DISTRIBUTION RIGHTS:** Shall mean the exclusive right to sell and distribute Products to Outlets in the Sales Territory pursuant to the terms of this Agreement. The Distribution Rights shall not include any right to sell (i) products not within, or excluded from, the definition of Products set forth in Section 1.6 below, including but not limited to the sale of such products to or through a thrift store whether TASTY-owned or otherwise, or (ii) Products to any accounts excluded under the second sentence of Section 1.4 below.
- §1.2 **EXCLUSIONS:** Shall mean those certain geographic locations which would normally be considered to be within the Sales Territory but with respect to which DISTRIBUTOR does not own the Distribution Rights.
- §1.3 **INCLUSIONS:** Shall mean those certain geographic locations which would normally be considered to be outside the Sales Territory but with respect to which DISTRIBUTOR owns the Distribution Rights.

- §1.4 **OUTLETS:** Shall mean all retail stores, restaurants, institutional accounts and all mass merchandising accounts, in each case which allow for direct store delivery of the Products. TASTY reserves the exclusive right to sell to (i) any and all retail stores, restaurants, institutional accounts and mass merchandising accounts which require bulk shipment to central distribution centers, special delivery requirements or use exclusive distributors, and (ii) any and all vending and internet accounts, provided that the vending accounts do not resell to any retail store.
- §1.5 **SPECIAL SHIPMENT PROGRAM:** Any program which TASTY negotiates with Outlets requiring delivery directly to the Outlet of Products on a pallet or in bulk form which will be transferred to and/or merchandised on the Outlet's selling floor by DISTRIBUTOR.
- §1.6 **PRODUCTS:** Shall mean all pies, cakes, danish, donuts, pretzels, cookies, sweet snacks, and/or similar products that are prepackaged and intended to be sold as fresh and carry the TASTYKAKE® name and trademark, together with such new prepackaged products as TASTY may develop and add from time to time and which are intended to be sold as fresh under the name and trademark TASTYKAKE®. Products shall not include (i) products intended to be sold as thrift, frozen, damaged or which do not meet the quality standards established by TASTY in its sole discretion (including, but not limited to products rejected in the manufacturing process by reason of content, quality, taste, weight, color, packaging or otherwise), (ii) Overcode Products (as defined in Section 2.4 hereof), or (iii) private label or other products produced or distributed under names or labels other than the name and trademark TASTYKAKE®. TASTY may modify this Section 1.6 to include additional products or brands in the definition of "Products" upon thirty (30) days written notice to DISTRIBUTOR. In addition, Products shall not include products that are donated by TASTY to charities or for special events.
- §1.7 **SALES TERRITORY:** Shall mean that geographical area, taking into account all applicable Exclusions and Inclusions, more specifically described in Schedule A attached hereto and made a part hereof, within which DISTRIBUTOR owns the Distribution Rights.
- §1.8 **OWNER:** Shall mean the individual(s) holding a majority ownership in the Securities of DISTRIBUTOR and listed on Schedule B hereto.
- §1.9 **SECURITIES:** Shall mean each class of stock of DISTRIBUTOR.

ARTICLE 2 SALE OF PRODUCTS

- §2.1 **TITLE:** All Products will be sold to DISTRIBUTOR absolutely and the title and risk of loss will pass to DISTRIBUTOR upon delivery in accordance with Section 2.2 below.
- §2.2 **DELIVERY:** Subject to the limitations contained in Section 5.1 below, TASTY agrees to use all reasonable efforts to sell and deliver to DISTRIBUTOR at such location as TASTY may from time to time designate, and DISTRIBUTOR agrees to buy and accept, sufficient quantities of the Products to supply the Outlets in the Sales Territory adequately and properly in accordance with good industry practice. TASTY shall have the right to relocate its distribution locations in its sole discretion. DISTRIBUTOR shall only purchase the

Products from TASTY and acknowledges that failure to comply with this provision shall constitute a breach pursuant to Section 10.2 below.

- §2.3 **TERMS:** Products will be sold to DISTRIBUTOR on terms and prices as established by TASTY from time to time. In the absence of substantial market-wide change in distribution costs or methods TASTY agrees that, if DISTRIBUTOR consistently and uniformly sells Products at the then current suggested resale price for such Products, including promotional and special pricing as may be authorized from time to time, DISTRIBUTOR will realize an annual average gross margin of not less than SIXTEEN AND ONE-HALF PERCENT (16.5%) on Tastykake® brand Products only, subject to any Special Shipment Programs. For purposes of this Section 2.3, gross margin shall be calculated based solely on the price charged by TASTY for Products sold to DISTRIBUTOR, and shall not include any other fees or costs.
- §2.4 **OVERCODE PRODUCTS:** TASTY will give full credit for all Overcode Products which are promptly returned to TASTY, provided that DISTRIBUTOR uses best efforts to maintain returned Overcode Products at the level established by TASTY, which level may be adjusted from time to time by TASTY in its sole discretion taking into account industry standards, market conditions, TASTY's expertise and/or prior experience in the Sales Territory. "Overcode Products" shall mean those Products for which the code dated printed on the packaging is the same as or prior to the calendar date. In the event DISTRIBUTOR's returned Overcode Products exceed the level established by TASTY for the Sales Territory, as a result of DISTRIBUTOR's failure to follow established standards and procedures for maintaining product inventory, or are not returned in accordance with TASTY's then-current overcode policy, then any amount credited by TASTY for such Overcode Products may be charged back to DISTRIBUTOR in TASTY's sole discretion. DISTRIBUTOR acknowledges and agrees that (i) the freshness of the Products in the Sales Territory is essential to the development and maintenance of strong consumer approval and demand for the Products, and (ii) failure to properly rotate the Products and remove Overcode Products from Outlets will result in substantial harm to TASTY's business, trademarks and commercial reputation.
- §2.5 **DAMAGED PRODUCTS:** TASTY will credit the account of DISTRIBUTOR for any damaged Products not damaged due to the negligence or fault of DISTRIBUTOR and which are promptly returned to TASTY in accordance with its then-current policy.

ARTICLE 3 BEST EFFORTS/DISTRIBUTOR

- §3.1 **OBLIGATIONS OF DISTRIBUTOR:** DISTRIBUTOR will comply with all of the terms of this Agreement and will use best efforts to develop the market for, and maximize the sale of, the Products to Outlets within the Sales Territory and to service the Sales Territory on a basis consistent with good industry practice which DISTRIBUTOR acknowledges is a minimum of five (5) days of service per week. In furtherance of the foregoing and by way of illustration, and not by way of limitation, DISTRIBUTOR agrees to maintain an adequate and fresh supply of all Products in all Outlets in the Sales Territory, to maintain a computer-assisted record-keeping system to record all transactional sales and distribution information consistent with the methodology and standards established by TASTY from time to time, to rotate properly all Products in Outlets in the Sales Territory, to remove promptly all damaged or Overcode Products from the Outlets in the Sales Territory, to maintain and store

all Products in a safe and sanitary manner free from adulteration and contamination, to cooperate with TASTY in its marketing and promotional programs, including but not limited to use of TASTY's shelf configuration models for Products, to achieve reasonable sales and/or distribution objectives as may be established by TASTY from time to time, in order to develop the market and maximize the sale of Products, to maintain the confidentiality of TASTY's proprietary information, to comply with the delivery, administrative and billing requirements imposed by any Outlets on its vendors and suppliers, to observe high standards of customer relations and customer service at each Outlet, to have all persons performing any duties under this Agreement maintain a neat and well-groomed appearance, and to maintain proper service and delivery to all Outlets in the Sales Territory requesting service, except those proven consistently to be unprofitable. The profitability of any Outlet which is a part of any commonly-owned group or chain of Outlets shall be determined by TASTY in its reasonable discretion in view of the profitability of the group or chain as a whole. In the event that TASTY determines that in order to maintain the business relationship with a commonly-owned group or chain of Outlets, it is necessary for DISTRIBUTOR to continue to service such Outlet(s) in its Sales Territory even though not profitable, DISTRIBUTOR shall be obligated to continue to service such Outlet(s).

§3.2 SPECIAL SHIPMENT PROGRAMS: In the event TASTY distributes Products pursuant to a Special Shipment Program directly to any Outlet in the Sales Territory, DISTRIBUTOR will, as may be required with respect to each Special Shipment Program: (a) promptly "check-in" the delivery of the Products once delivered to an Outlet and move the Products to a display on the Outlet's selling floor, (b) service and maintain Products in the display in a manner consistent with service provided to comparable Outlets in the Sales Territory and in accordance with Section 3.1 and the terms of the Special Shipment Program as negotiated by TASTY; (c) be charged the regular price for the Products as delivered by TASTY, subject to any promotional or special pricing then in effect for the Special Shipment Program or otherwise; and (d) be charged and pay a delivery fee in accordance with applicable TASTY policy as may be in effect from time to time.

§3.3 CHANGE IN DELIVERY METHOD: In the event any Outlet elects to require or accept delivery of the Products by a method other than direct store delivery and advises either party of its election, then the notified party shall immediately advise the other party in writing of the terms of the new service requirements for the Outlet (the "Service Requirements"). In the event that the Service Requirements continue to involve delivery within the Sales Territory, then DISTRIBUTOR shall have the first right to deliver the Products to the Outlet pursuant to the Service Requirements, provided that it gives TASTY ten (10) days' advance written notice of the Service Requirements and DISTRIBUTOR's method of meeting the Service Requirements. In the event DISTRIBUTOR elects not to meet, or fails to meet, the Outlet's Service Requirements or delivery of the Products must be made outside of the Sales Territory pursuant to the Service Requirements, then (i) TASTY shall have the right to make other arrangements to serve the Outlet, (ii) such service shall not violate DISTRIBUTOR's Distribution Rights hereunder, and (iii) DISTRIBUTOR shall not be entitled to any proceeds from TASTY's service of the Outlet. Notwithstanding the foregoing, DISTRIBUTOR shall continue to own the Distribution Rights to the Outlet.

§3.4 INSURANCE: DISTRIBUTOR shall maintain throughout the term of this Agreement insurance policies from reputable and established insurance companies licensed to do business in the state(s) in which the Sales Territory is located and naming TASTY as an additional insured on all such insurance policies for the following coverages:

(i) Vehicle coverage for collision and comprehensive casualty and loss for the full market value of any and all delivery vehicles operated by DISTRIBUTOR with a deductible amount of no more than \$1,000 for property damage with a minimum limit of \$300,000, and for personal injury with minimum limits of \$1,000,000/\$1,000,000;

(ii) Comprehensive general liability coverage, including contractual liability coverage specifying the Distributor's Agreement, and product liability coverage, with a combined single limit for property damage and bodily injury of a minimum of \$1,000,000; and

(iii) Worker's compensation coverage for any and all employees of DISTRIBUTOR in compliance with all requirements and laws of the state or states in which DISTRIBUTOR operates.

§3.4.1 DISTRIBUTOR shall indemnify, defend and hold TASTY harmless from and against any and all losses, claims, damages, settlements, liabilities and expenses (including reasonable attorneys' fees) and other caused of action relating to wages, payroll, unemployment compensation, employee benefits, personal injury, death, property damage, loss or theft, either directly or indirectly, caused by or resulting from the acts or omissions of DISTRIBUTOR or its directors, officers, employees, contractors, agents, representatives or helpers, or by or as a result of the service of the Sales Territory, operation of any vehicle or equipment owned or used by Distributor or its directors, officers, employees, contractors, agents, representatives or helpers, or failure to perform or observe any term, condition or undertaking contained in this Agreement and any and all losses, damages, claims, settlements, liabilities and expenses (including reasonable attorneys fees) incurred by TASTY resulting therefrom notwithstanding anything in this Agreement to the contrary. This section 3.4.1 shall survive any termination or expiration of this Agreement.

§3.4.2 DISTRIBUTOR shall provide Tasty with proof of insurance required under this Section 3.4 annually. In addition, DISTRIBUTOR shall require its insurance company to provide TASTY with thirty (30) days written notice in advance of any change, termination or modification of the insurance required in this Section 3.4.

§3.4.3 The parties agree that the provisions of this Section 3.4 may be modified from time to time by TASTY in its reasonable discretion to increase the amount of insurance coverages required or to add additional insurance requirements to reflect inflation, changes in applicable laws, changes in insurance markets and/or products, or changes in industry standards.

§3.5 NO COMPETITION: DISTRIBUTOR agrees that while this Agreement remains in effect, neither it nor any principal or affiliate of DISTRIBUTOR will sell, distribute or deliver, or solicit orders for the sale or delivery of, either directly or indirectly, any merchandise or goods that are competitive to the Products. All pies, cakes, danish, donuts, pretzels, cookies, sweet snacks, and/or similar products shall be deemed to be "competitive to the Products." In the event of a violation of this Section 3.5, in addition to all other remedies that TASTY may have under this Agreement, at law or in equity, TASTY shall be entitled to an immediate injunction permanently restraining DISTRIBUTOR, its principals and affiliates from violating the provisions of this Section. If any provision of this Section is

held to be unenforceable because of the area covered, duration or scope, then the court making such determination shall have the power to modify the area, duration and/or scope, and this Section shall then be enforceable in its modified form.

- §3.6 **NON-COMPLIANCE:** Failure to carry out the conditions listed in this Article 3 shall be considered a material breach of this Agreement and shall entitle TASTY to terminate this Agreement as more specifically set forth in Article 10 hereof.

ARTICLE 4 INDEPENDENT CONTRACTOR

- §4.1 **METHOD OF OPERATION:** DISTRIBUTOR acknowledges that the strong motivation and incentive present with an owner-operated business are an essential part of the consideration flowing to TASTY for the execution of this Agreement. However, nothing herein shall be deemed to require that DISTRIBUTOR engage specific individuals to perform any of the distribution services required by this Agreement. DISTRIBUTOR shall be free to retain and employ, at its sole cost and expense, such persons as it deems appropriate to perform DISTRIBUTOR's obligations hereunder. DISTRIBUTOR shall have the exclusive right to select, fix the compensation of, discharge and otherwise manage, supervise and control all persons retained or employed by DISTRIBUTOR. DISTRIBUTOR shall be responsible for compliance with all the terms and conditions of this Agreement and all applicable laws, regulations and ordinances, including but not limited to, labor and employment laws, workers' compensation, unemployment compensation, and tax laws.
- §4.2 **INDEPENDENT CONTRACTOR RELATIONSHIP:** The parties intend to create pursuant to this Agreement an independent contractor relationship. DISTRIBUTOR shall not be considered or deemed in any way to be a partner, joint venturer or agent of TASTY, and neither party has the right or power, express or implied, to do any act or thing that would bind the other, except as herein specifically provided. TASTY has no obligation to, and does not, provide worker's compensation, unemployment compensation, pension, health insurance, disability insurance, life insurance or any other benefit to or on behalf of any of DISTRIBUTOR's principals, employees or subcontractors, if any, and DISTRIBUTOR expressly waives, to the extent permitted by applicable law, the right to make any claims for any such benefits or claims under any such law, policy or plan.
- §4.3 **TAX INDEMNITY:** DISTRIBUTOR shall be exclusively responsible for all employment taxes and taxes on its revenue, whether income, gross receipts, capital stock, franchise or other taxes, and shall indemnify and hold harmless TASTY from and against any and all taxes, interest, penalties and costs and expenses of defending any tax claim, arising out of, or in any way relating to, DISTRIBUTOR's income, employment of others, or performance under this Agreement.

ARTICLE 5 DUTIES OF TASTY

- §5.1 **OBLIGATIONS OF TASTY:** TASTY shall use best efforts to manufacture and deliver to DISTRIBUTOR sufficient quantities of the Products to fill DISTRIBUTOR's orders in a reasonable and timely fashion to supply Outlets requesting service in the Sales Territory, to assist in the development of new accounts and authorizations, to preserve and develop the

quality and marketability of the Products, and to assist and cooperate with DISTRIBUTOR in its sales efforts. In the event of any job action, shortages of materials or supplies, failure of machinery or equipment, lockout, war, fire, explosion, riot, restrictions by governmental authority, Act of God, or any circumstance beyond the control of TASTY, TASTY shall be responsible for filling orders or otherwise performing its obligations under this Agreement, only to the extent and on such basis as circumstances then reasonably permit.

ARTICLE 6 PAYMENT FOR PRODUCTS AND OTHER CHARGES

- §6.1 SETTLEMENT OF ACCOUNT:** On or before Wednesday of each week, or such other day as designated by TASTY, DISTRIBUTOR will remit to TASTY the purchase price of all Products delivered to DISTRIBUTOR in the preceding week(s) in accordance with the terms established by TASTY from time to time, less credit for (a) any merchandise which is returned in accordance with Section 2.4 and Section 2.5 above, (b) charge slips or other evidence of payment authorization satisfactory to TASTY in its sole discretion delivered in accordance with Section 6.2 below, and (c) other chargebacks, credits and adjustments between the parties where appropriate. DISTRIBUTOR will remit to TASTY at the same time (a) a weekly fee for maintenance of handheld computer equipment, supplies and other administrative costs, which fee is subject to change from time to time in TASTY's sole discretion and (b) an interest payment at the rate of one (1%) percent per month or the highest rate permitted by law, whichever is lower, on any balance past due by fourteen (14) days. DISTRIBUTOR will provide TASTY with an electronic settlement of account on a daily basis in format as designated by TASTY from time to time.
- §6.2 NON-CASH SALES:** In cases where Products are sold and distributed to Outlets which do not pay cash and which have been approved by TASTY for credit and in its sole discretion, TASTY will accept electronic data with corresponding proof of delivery, charge slips, Outlet-generated authorizations or other forms of payment authorizations as may be required by the Outlet or TASTY (including but not limited to, authorizations signed by the Outlet's authorized representative, such as the store manager, or his designee) in lieu of cash, and credit DISTRIBUTOR's account therefor, provided DISTRIBUTOR fully complies with TASTY's credit policies as established from time to time. In the event DISTRIBUTOR fails to comply with TASTY's credit policy, fails to provide complete documentation as required by the Outlet or TASTY, or falsifies any documentation or credit information, TASTY shall be entitled to charge DISTRIBUTOR's account for any credit extended to DISTRIBUTOR resulting therefrom without limiting any other remedies available to TASTY.
- §6.3 SECURITY INTEREST:** To secure the prompt payment and timely performance of all indebtedness, obligations and liabilities of DISTRIBUTOR to TASTY under this Agreement or any other agreement between TASTY or its affiliates and DISTRIBUTOR, whether now existing or hereafter arising, DISTRIBUTOR hereby grants and conveys to TASTY a presently existing and continuing security interest in the Distribution Rights, in this Agreement, in all Products now or hereafter in DISTRIBUTOR's possession, in all accounts now or hereafter arising out of the sale by DISTRIBUTOR of Products, and in all proceeds thereof. DISTRIBUTOR agrees that this security interest attaches immediately upon execution of this Agreement by DISTRIBUTOR and that TASTY has all of the rights of a secured party under the applicable Uniform Commercial Code, as amended from time

to time. DISTRIBUTOR expressly authorizes TASTY to file and refile, in all appropriate offices, Uniform Commercial Code financing statements necessary to perfect the security interests granted hereunder.

§6.4 **DEFAULT:** Nothing herein shall be deemed to require TASTY to fill an order of DISTRIBUTOR during the time when DISTRIBUTOR has failed to make any payment due to TASTY in a timely fashion. Failure to carry out the conditions listed in this Article 6 shall be considered a material breach of this Agreement and shall entitle TASTY to terminate this Agreement as more specifically set forth in Article 10 hereof.

ARTICLE 7 TRANSFER OF RIGHTS

§7.1 **CONDITIONS OF ASSIGNABILITY:** The Distribution Rights are owned by the DISTRIBUTOR and may be sold in whole or in part by DISTRIBUTOR, subject to the prior written approval of TASTY and TASTY's right of first refusal provided in Section 7.2 below. TASTY's prior written approval shall not be unreasonably withheld in the event of a sale of all of DISTRIBUTOR's Distribution Rights under this Agreement; however, TASTY's prior written approval may be withheld, in TASTY's sole and absolute discretion, upon a proposed sale of less than all of DISTRIBUTOR's Distribution Rights under this Agreement. TASTY's right of approval in this Section 7.1 shall expire if not exercised within thirty (30) days after the later of (a) receipt by TASTY of written notice from DISTRIBUTOR of its intent to sell to a named bona fide purchaser on terms and conditions fully set forth in such notice, and (b) a personal interview by TASTY of the principals and officers of such purchaser. The transfer, whether in one or a series of transactions, of a majority of the ownership or voting interests in the Securities of DISTRIBUTOR, whether by operation of law or otherwise, shall constitute a sale, subject to the prior written approval of TASTY for purposes of this Section 7.1.

§7.2 **RIGHT OF FIRST REFUSAL:** Notwithstanding the foregoing, any sale of the Distribution Rights, in whole or in part, shall be subject to a right of first refusal on the part of TASTY. TASTY shall exercise its rights hereunder by giving written notice of its exercise to DISTRIBUTOR within the time period specified in Section 7.1 above, and shall promptly pay the purchase price and satisfy the other terms and conditions of sale set forth in DISTRIBUTOR's notice, all subject to delivery by DISTRIBUTOR of satisfactory transfer documents and the releases provided in Section 7.3 below.

§7.3 **TRANSFER AND RELEASE:** In the event of any sale of the Distribution Rights, in whole or in part, DISTRIBUTOR agrees to surrender and transfer all rights under this Distributor's Agreement and, in the event of a sale to a third party, TASTY agrees to enter into a new Distributor's Agreement in the form then existing for new distributors, with a qualified and approved purchaser. Further, DISTRIBUTOR shall execute and deliver to TASTY and its affiliates a release of all its interests and claims to and in such Distribution Rights and all of its interests under or arising out of this Agreement, together with a general release of claims against TASTY and its affiliates.

**ARTICLE 8
SERVICE FAILURES**

- §8.1 **PARTIAL ABANDONMENT:** If DISTRIBUTOR fails to provide satisfactory service within any portion of the Sales Territory or to any Outlet therein, or is prohibited by an Outlet from servicing the Outlet for any reason, if not remedied within ten (10) days after receipt of written notice thereof, such failure or prohibition shall be deemed a material breach of this Agreement and, in addition to any other rights or remedies TASTY may have, TASTY may, at its election, deem such portion of the Sales Territory or Outlet permanently abandoned and no longer subject to this Agreement, and may make other arrangements for service thereof, or terminate this Agreement for DISTRIBUTOR's breach.
- §8.2 **TEMPORARY SERVICE:** Notwithstanding any other provision of this Agreement, if DISTRIBUTOR is not able to or does not perform its obligations under this Agreement for any reason, and/or there is a partial abandonment pursuant to Section 8.1 above, DISTRIBUTOR shall make other adequate provision for such performance at its own expense. If no such provision is made by DISTRIBUTOR, TASTY, in its sole discretion, may (but shall not be obligated to) serve the Sales Territory, or such portion thereof with respect to a partially abandoned area, for the account of DISTRIBUTOR in accordance with TASTY's policy, as established from time to time. DISTRIBUTOR shall reimburse TASTY for its costs and expenses incurred in operating the Distribution Rights (or such portion thereof). Such temporary operation by TASTY shall not relieve DISTRIBUTOR of any of the obligations imposed on it by this Agreement nor act to cure any default by DISTRIBUTOR. If such temporary operation of the Distribution Rights, or any portion thereof, by TASTY exceeds the time period established by TASTY policy, then TASTY shall have the right to terminate this Agreement pursuant to Section 10.4 below.

**ARTICLE 9
DISCLAIMERS AND LIMITATION ON DAMAGES**

- §9.1 **LIMITATION ON DAMAGES:** TASTY shall in no event be responsible for special, incidental or consequential damages caused by any defective Products sold hereunder or otherwise arising out of this Agreement, whether on theories of breach of contract, breach of warranty, express or implied, or tort or any other legal theory. DISTRIBUTOR hereby expressly agrees and acknowledges that any damages relating to any claim alleging tort or breach of contract by TASTY in connection with the termination of its Distribution Rights under this Agreement shall be limited to no more than the fair market value of the Distribution Rights which in no event shall exceed twenty five (25x) times the average net weekly sales for the prior twelve (12) month period. In no event shall any party to this Agreement be liable to the other for punitive or exemplary damages.
- §9.2 **NO GUARANTY OF SALES OR PROFITS:** TASTY makes no representation or guaranty regarding the sales volume or profits which DISTRIBUTOR may derive from the sale of Products in the Sales Territory pursuant to this Agreement. Neither party, in entering into this Agreement, has relied on any representation, warranty or promise made by the other party, or any agent or employee thereof, other than the representations and warranties contained expressly in this Agreement.

**ARTICLE 10
TERMINATION**

- §10.1 PERFORMANCE:** TASTY shall not have the right to terminate or cancel this Agreement, provided DISTRIBUTOR faithfully carries out the terms hereof. In the event DISTRIBUTOR fails to perform its obligations under this Agreement, then in addition to any other rights or remedies which it may have, TASTY may terminate this Agreement after notice and upon the terms set forth below.
- §10.2 NON-CURABLE BREACH:** In the event that DISTRIBUTOR's failure of performance or any other act or omission by DISTRIBUTOR involves criminal activity, poses a threat to public health or safety, or threatens substantial harm to TASTY's business, trademarks or commercial reputation, TASTY may terminate this Agreement upon twenty-four (24) hours written notice and DISTRIBUTOR shall have no right to cure.
- §10.3 DEATH OF MAJORITY SHAREHOLDER OF DISTRIBUTOR:** In the event of the death of the sole shareholder, majority shareholder or president of the DISTRIBUTOR, this Agreement shall immediately terminate, without notice, subject to the provisions of Section 10.5 hereof.
- §10.4 CURABLE BREACH:** In the event of any other failure of performance by DISTRIBUTOR, TASTY shall give DISTRIBUTOR written notice thereof, specifying in reasonable detail the nature of DISTRIBUTOR's failure of performance. If DISTRIBUTOR fails to cure such failure of performance within ten (10) days of receipt of such notice, TASTY may thereafter terminate this Agreement and DISTRIBUTOR shall have no further right to cure. The parties further agree that more than two (2) notices under this Section 10.4 in a period of twelve (12) consecutive months shall constitute substantial harm to TASTY's business, and in such event TASTY shall be entitled to terminate this Agreement pursuant to Section 10.2.
- §10.5 ACTIONS FOLLOWING TERMINATION:** Upon termination under Sections 10.2, 10.3 or 10.4 above, TASTY shall use reasonable efforts, recognizing the limited personnel TASTY has for such purpose, to operate the Distribution Rights for the account of the DISTRIBUTOR, in accordance with TASTY policy, as established from time to time. DISTRIBUTOR shall reimburse TASTY for all costs and expenses incurred by TASTY in the operation of the Distribution Rights.
- §10.5.1 RESOLUTION PROCESS:** Upon any termination of this Agreement by TASTY and upon a written notice to TASTY within five (5) days of such termination notice, DISTRIBUTOR may request a face-to-face meeting with TASTY's Vice President of Sales to attempt in good faith to resolve any disagreements they may have regarding DISTRIBUTOR's performance under this Agreement. If after such meeting TASTY elects to rescind the termination, the DISTRIBUTOR shall be immediately permitted to recommence operation of the Distribution Rights, and this Agreement shall remain in full force and effect as if such termination had not occurred. If TASTY determines not to rescind the termination, then TASTY shall continue to operate the Distribution Rights for the account of the DISTRIBUTOR, deducting its costs and expenses in connection with the operation thereof.

§10.5.2 SALE BY DISTRIBUTOR: Promptly after the later of receipt of the termination notice or TASTY's decision not to rescind the termination upon conclusion of the resolution process set forth in Section 10.5.1 above, DISTRIBUTOR shall sell DISTRIBUTOR's Distribution Rights to a qualified and approved purchaser at the best price which can reasonably be obtained within a reasonable period of time after proper notice and advertisement, subject at all times to TASTY's rights of approval and first refusal set forth in Article 7 above.

§10.5.3 SALE BY TASTY: If the DISTRIBUTOR does not sell the Distribution Rights within a reasonable period of time, TASTY shall have the right, but not the obligation, to sell the Distribution Rights to a qualified and approved purchaser at the best price which can reasonably be obtained within a reasonable period of time after proper notice and advertisement.

§10.5.4 PROCEEDS: Any sale of the Distribution Rights shall be for the account of the DISTRIBUTOR, and the proceeds of such sale, after deducting therefrom the cost of removing any overcode or damaged Products on DISTRIBUTOR's route, all costs and expenses incurred by TASTY in the operation of the Distribution Rights, the amount necessary to satisfy all outstanding liens, security interests and other indebtedness to TASTY or its affiliates, and the reasonable costs incurred in effecting the sale, including the Transfer Fee pursuant to Article 11 below, shall be turned over to DISTRIBUTOR (or any creditor of DISTRIBUTOR that has perfected a lien against such rights) within a reasonable time following the closing date in exchange for which the DISTRIBUTOR shall execute and deliver to TASTY and its affiliates a release of all its interests and claims to and in the Distribution Rights and all of its interests under or arising out of this Agreement, together with a general release of claims in favor of TASTY and its affiliates.

ARTICLE 11 TRANSFER FEE

§11.1 PAYMENT OF FEE: In the event of a sale by DISTRIBUTOR, or by TASTY for the account of DISTRIBUTOR, of the Distribution Rights, in whole or in part, the DISTRIBUTOR shall pay a Transfer Fee to TASTY in an amount equal to TWO PERCENT (2%) of the sales price at the time of transfer, in full consideration for the administrative activities undertaken by TASTY in connection therewith.

ARTICLE 12 DISTRIBUTOR'S WARRANTIES AND COVENANTS

§12.1 WARRANTIES: DISTRIBUTOR hereby represents and warrants to TASTY as follows:

- (a) DISTRIBUTOR is a corporation duly organized and validly existing under the laws of the State of _____ and has full power and authority to enter into and perform all of its obligations under this Agreement. Owner shall at all times maintain a controlling interest in the Securities of DISTRIBUTOR. For the purposes of this Agreement, a "controlling interest" shall mean owning or controlling free of all liens and encumbrances more than fifty percent (50%) of the equity and fifty percent (50%) of the power to vote the Securities of DISTRIBUTOR. DISTRIBUTOR shall not sell, transfer or issue any Securities to any person if such issuance shall result in the Owner owning less than a controlling interest in the Securities, unless with the prior written consent of

TASTY pursuant to Article 7 hereof. The books and records of DISTRIBUTOR shall reflect that the issuance and transfer of shares of the Securities are restricted and that all certificates representing all or any portion of such Securities bear a legend, as follows:

“Transfer of the securities represented by this certificate is restricted under the Distribution Agreement between **(Buyer)** and Tasty Baking Company, dated as of the **(Day)** day of **(Month)**, 2007”.

(b) Execution, delivery and performance of this Agreement does not violate any of the constituent documents of DISTRIBUTOR, any agreement by which it is bound, or any judgment, order or decree applicable to DISTRIBUTOR, any of its officers or principals. This Agreement is enforceable against DISTRIBUTOR in accordance with its terms.

§12.2 COVENANTS: DISTRIBUTOR acknowledges as follows:

(a) DISTRIBUTOR will not effect any change in the senior management of DISTRIBUTOR or dissolve, merge, consolidate, combine with, liquidate or divide the DISTRIBUTOR's corporation, or enter into any plan pursuant to which any of the above would result, without the prior written consent of Tasty, which will not be unreasonably withheld.

(b) DISTRIBUTOR will comply with all laws and regulations of the its state of incorporation, all laws and regulations of the state(s) in which DISTRIBUTOR operates the Distribution Rights, and all federal and state laws and regulations relating directly or indirectly to the operation or ownership of distribution rights, as contemplated under this Agreement, including without limitation all motor vehicle, food, drug, health, bioterrorism, security, and sanitary laws and regulations. Failure to comply with all applicable laws and regulations shall be deemed a material breach as specifically set forth in §10.2 herein.

(c) DISTRIBUTOR shall maintain the highest standards of morality, honesty, trustworthiness, diligence and reliability (STANDARDS”). If DISTRIBUTOR fails to maintain such STANDARDS, in TASTY's sole discretion, such failure shall be deemed a material breach as specifically set forth in §10.2 herein.

(d) DISTRIBUTOR shall comply with all applicable work rules and regulations in effect at TASTY's sites including, but not limited to, security, safety, health, fitness of duty, or fire protection. In addition, DISTRIBUTOR shall take additional measures as TASTY may determine to be reasonably necessary for the purpose of providing a safe work environment. Any failure to comply with such rules and regulations or to take reasonable measures when required by TASTY shall be deemed a curable breach as specifically set forth in §10.4 herein.

**ARTICLE 13
TRADEMARKS AND TRADENAMES**

§13.1 PERMISSION FOR USE: TASTY grants DISTRIBUTOR a limited, non-transferable, non-exclusive right to use those trademarks, trade names or other designations used on the packaging or advertising of the Products (collectively, the "Trademarks") within the Sales Territory only for the purpose of identifying the Products and itself as a distributor of the Products. DISTRIBUTOR shall make no use of the Trademarks, nor engage in any program or activity which makes use of or contains any reference to TASTY, its Products or the Trademarks, without the prior written consent of TASTY. DISTRIBUTOR acknowledges that the Trademarks are the exclusive property of TASTY or its affiliates and that it will not dispute or contest their right, title or interest therein. DISTRIBUTOR further agrees that it shall not use the Trademarks in any corporate title or trade name of DISTRIBUTOR or its affiliates.

§13.2 RETURN UPON TERMINATION: Upon termination of this Agreement, the license granted pursuant to §13.1 herein shall be deemed automatically revoked and DISTRIBUTOR shall immediately cease use of the Trademarks including those on DISTRIBUTOR's vehicle(s) and shall deliver to TASTY all advertising, promotional or merchandising materials which contain references to the Trademarks.

§13.3 ADVERTISING ON DISTRIBUTOR'S VEHICLE: If DISTRIBUTOR agrees to permit TASTY to use DISTRIBUTOR's vehicle for advertising TASTY's name and trademarks, TASTY agrees to pay toward the cost of painting DISTRIBUTOR's vehicle, such amount as TASTY shall determine in accordance with the amount or percentage set forth in TASTY's then current vehicle painting policy as amended from time to time. Further, DISTRIBUTOR will not use its vehicle to advertise any other products or services, without the prior written consent of TASTY.

**ARTICLE 14
DELIVERY VEHICLES**

§14.1 INDEPENDENT CONTRACTOR NOTICE: DISTRIBUTOR agrees to have painted in a conspicuous manner on any delivery vehicle owned or leased by it to carry out the terms hereof: "Owned and Operated by (DISTRIBUTOR's name), An Independent Contractor."

**ARTICLE 15
MISCELLANEOUS**

§15.1 NOTICES: Any notice required or permitted under this Agreement shall be deemed properly given and received on the date received if hand delivered; on the next business day after deposit with a nationally recognized overnight courier service for overnight delivery; or five (5) days after deposited in the mails, return receipt requested, registered or certified mail postage pre-paid, addressed:

If to DISTRIBUTOR: (Corporation)
(Name)
(Address)
(City) (State) (Zip)

If to TASTY: Robert V. Brown
 Vice President of Sales
 Tasty Baking Company
 3413 Fox Street
 Philadelphia, PA 19129

or at such other address as either party may designate by written notice duly given in accordance with this Section 15.1.

- §15.2 **SURVIVAL:** To the extent expressly permitted hereunder, this Agreement shall be binding upon the successors and assigns of the parties hereto. TASTY expressly reserves the right to assign its rights and obligations under this Agreement to any third party.
- §15.3 **ENTIRE AGREEMENT:** This Agreement and any other written agreements executed simultaneously herewith, sets forth the entire agreement between the parties and supercedes all prior representations, conditions, warranties and covenants between them with respect to this subject matter. This Agreement may be amended or modified only by a writing signed by all parties.
- §15.4 **CONTROLLING LAW:** The validity, interpretation and performance of this Agreement, and any disputes arising therefrom or as a result of the relationship created thereby, shall be controlled by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania (without regard to conflict of laws principles).
- §15.5 **SEVERABILITY:** If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, in this or any jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.
- §15.6 **GENDER AND NUMBER:** Wherever appropriate, gender and number as used in this Agreement shall be deemed modified to be consistent with actual circumstances. Any words used in this Agreement designating a particular gender shall be deemed to refer to all genders regardless of designation.
- §15.7 **LEGAL COUNSEL:** DISTRIBUTOR acknowledges that it has been given a reasonable opportunity to discuss this Agreement with an attorney of its choosing; that it has carefully read and fully understands the provisions of this Agreement, and that it is entering into this Agreement knowingly, voluntarily, and with the intention of being legally bound by all of the terms of this Agreement.
- §15.8 **NO WAIVER; CUMULATIVE REMEDIES:** No course of dealing and no failure or delay of TASTY in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or shall affect any other or future exercise thereof or the exercise of any other right, power or remedy, nor shall any single or partial exercise of any such right, power or remedy or any abandonment or discontinuance of such exercise preclude any other or further exercise thereof or of any other right, power or remedy under this Agreement. The rights, powers and remedies of TASTY in this Agreement are cumulative and not exclusive of any rights, powers, or remedies which TASTY may otherwise have.

§15.9 DISPUTES OVER SALES TERRITORY: Any and all Sales Territory disputes between DISTRIBUTOR and any other TASTY distributor shall be submitted to TASTY for its sole and exclusive determination. All determinations made by TASTY in good faith shall be final, absolute and non-appealable. DISTRIBUTOR will promptly comply with the determination made by TASTY and take whatever action may be reasonably necessary (including revising this Agreement) to effectuate such determination.

§15.10 WAIVER OF JURY TRIAL: DISTRIBUTOR AND TASTY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, OR ANY PROCEEDING IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, AND DISTRIBUTOR AND TASTY AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, TASTY and DISTRIBUTOR have caused this Agreement to be duly executed effective the day and year first above written.

DISTRIBUTOR :

TASTY BAKING COMPANY

(Corporation)

By: _____

By: _____

Name: _____

Robert V. Brown
Vice President of Sales

Title: _____

PERSONAL GUARANTY

In consideration of the foregoing premises, covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, (Buyer), an individual ("Guarantor"), does hereby irrevocably and unconditionally guarantee to TASTY and become surety to TASTY for, the performance and compliance with the terms, conditions and obligations of this Distributor's Agreement entered into by and between (Corporation Name), a (State) corporation ("DISTRIBUTOR"), and Tasty Baking Company ("TASTY"). If any term, condition or obligation of the Distributor's Agreement is not complied with, performed, or paid by DISTRIBUTOR as required therein, including any terms, conditions or obligations due following termination thereof, the Guarantor will, upon TASTY's demand, immediately perform, comply with or pay any amounts due and owing due to DISTRIBUTOR's breach of the Distributor's Agreement or as required by the terms and conditions thereof. Guarantor shall also pay to TASTY upon demand all costs and expenses, including but not limited to reasonable attorney fees, which may be incurred by TASTY in the enforcement and/or collection of monies due hereunder.

DISTRIBUTOR

(Name), an individual

EXHIBIT I TO DISTRIBUTOR'S AGREEMENT

1. VIRGINIA
Mr. Edward R. Parker
5511 Staples Mill Road
Richmond, Virginia 23228
2. MARYLAND:
The Corporation Trust, Inc.
32 South Street
Baltimore, Maryland 21202
3. DELAWARE:
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801
4. WASHINGTON, D.C.:
C T Corporation System
1030 15th Street
Washington, D.C. 20005
5. NEW JERSEY:
The Corporation Trust Company
28 West State Street
Trenton, New Jersey 08608
6. NEW YORK:
C T Corporation System
277 Park Avenue
New York, New York 10017

SCHEDULE A
SALES TERRITORY

Sales Territory:

Exclusions:

Inclusions:

[INSERT LANGUAGE ON INTERPRETATION OF TERRITORY DESCRIPTION.]

SCHEDULE B

OWNER

Name

Address

Corporation
Name, President

Address
City, State, Zip

Exhibit C



TASTY BAKING COMPANY

TASTY BAKING COMPANY
DISTRIBUTOR'S AGREEMENT

AGREEMENT made effective the 30th day of April , 1990 by and between TASTY BAKING COMPANY a Pennsylvania Business Corporation with offices and principal place of business at 2801 Hunting Park Avenue, Philadelphia, Pennsylvania 19129 (herein referred to as "TASTY", whose agent for service of process is as shown on Exhibit I attached hereto) and MARK A. MALONEY , residing at P.O. Box 133, RD #5 , Clarks Summit, Pennsylvania 18411 (herein referred to as "DISTRIBUTOR").

W I T N E S S E T H :

WHEREAS, TASTY has heretofore developed and or acquired the rights to formulae, recipes, trademarks and tradenames through the use of which it manufactures and markets various pies, cakes and other fresh-baked products throughout an area which includes the territory hereinafter set forth; and

WHEREAS, TASTY over the years has developed a reputation for quality and value which has created a strong consumer recognition and approval and continuing consumer demand for its products; and

WHEREAS, DISTRIBUTOR is an independent businessman operating a distribution business and has the ability and experience necessary to successfully sell and distribute TASTY products within a specific geographic area; and

WHEREAS, DISTRIBUTOR has heretofore purchased certain TASTY Distribution Rights in the Sales Area hereinafter described from WILLIAM D. WARDELL and ROBERT H. WALKER, pursuant to a Bill of Sale.

WHEREAS, the parties desire to enter into a written agreement acknowledging that acquisition and describing and setting forth the terms and conditions under which they will do business together;

NOW, THEREFORE, in consideration of these premises and of the covenants and conditions hereinafter set forth, and for other good and valuable consideration given and received, the parties mutually agree as follows:

ARTICLE 1
DEFINITIONS

§1.1 OUTLETS: Shall mean all retail stores whose principal business is the sale of food to the general public and all mass merchandising accounts. Outlets shall also mean all restaurant and institutional accounts except multi-outlet restaurants and institutional accounts requiring bulk shipment to central locations. TASTY reserves the right to sell to any and all vending accounts, provided that those accounts do not re-sell to any retail store.

§1.2 PRODUCTS: Shall mean all fresh baked pies, cakes, donuts, pretzels, soft cookies and/or similar fresh baked products intended to be sold as fresh, and now sold under the name and trademark TASTYKAKE together with such new products as TASTY may develop and add from time to time. Products

shall not include products intended to be sold as frozen, damaged, stale or overcode products and private label or other products produced or distributed under names or labels not owned or developed by TASTY or products which at the time of manufacture possess a shelf life of more than 100 days.

§1.3 **DISTRIBUTION RIGHTS:** Shall mean the exclusive right to sell and distribute Products to Outlets in the Sales Area, which right has been purchased by Distributor as evidenced by the Bill of Sale.

§1.4 **SALES AREA:** Shall mean that geographical area within which DISTRIBUTOR owns the Distribution Rights as more specifically described in Schedule A attached hereto and made a part hereof.

ARTICLE 2

RELATIONSHIP

§2.1 **EXTENT AND DURATION:** Tasty hereby recognizes DISTRIBUTOR'S ownership of the Distribution Rights, said ownership to continue until sold by DISTRIBUTOR or by TASTY for the account of the DISTRIBUTOR in the event of a termination of this Agreement as hereinafter set forth.

§2.2 **NATURE OF RIGHTS:** The parties agree that the Distribution Rights sold to DISTRIBUTOR pursuant to the Bill of Sale can be exercised only pursuant to the terms of this Agreement and that any termination of this Agreement requires DISTRIBUTOR, or TASTY for the account of the DISTRIBUTOR to sell such Distribution Rights.

ARTICLE 3

SALE OF PRODUCTS

- §3.1 TITLE: All Products will be sold to DISTRIBUTOR absolutely and the title and risk of loss will pass to DISTRIBUTOR upon delivery in accordance with §3.2 below.
- §3.2 DELIVERY: TASTY agrees to sell and deliver to DISTRIBUTOR at such location as TASTY may from time to time reasonably designate, and DISTRIBUTOR agrees to buy and accept, sufficient quantities of the Products to adequately and properly supply the Outlets in his Sales Area. TASTY agrees to use its best efforts to fill DISTRIBUTOR'S orders in a reasonable and timely fashion. In case of strike, shortage of materials, breakdown or other cause, TASTY reserves the right to fill orders on such reasonable basis as circumstances then permit.
- §3.3 TERMS: Products will be sold to DISTRIBUTOR on terms and prices as established by TASTY from time to time. In the absence of substantial market-wide change in distribution costs or methods TASTY agrees that the suggested resale price of the Products which are being sold to DISTRIBUTOR on the date of this Agreement and if followed by DISTRIBUTOR, will always result in an average gross margin not less than the SIXTEEN AND ONE-HALF PERCENT (16.5%) average gross margin reflected in the price list in existence on the date of this Agreement.
- §3.4 STALE PRODUCTS: TASTY'S stale policy will always remain as it is on the date of this Agreement. TASTY will give full credit for all stale or overcode merchandise which is promptly returned, provided that DISTRIBUTOR uses his best efforts to maintain his stale at the level established for

him by TASTY, which level may be adjusted by TASTY from time to time.

§3.5 **DAMAGED PRODUCTS:** TASTY will credit the account of DISTRIBUTOR for any damaged Products not damaged due to the negligence or fault of DISTRIBUTOR and which are promptly returned to TASTY.

ARTICLE 4

BEST EFFORTS/DISTRIBUTOR

§4.1 **OBLIGATIONS OF DISTRIBUTOR:** DISTRIBUTOR agrees personally to use his best efforts to develop and maximize the sale of the Products to Outlets within his Sales Area, to service his Area on a basis consistent with good industry practice, to maintain an adequate and fresh supply of Products in all Outlets, to maintain a route book, to properly rotate all Products, to promptly remove all stale or overcode Products, to cooperate with TASTY in its marketing program, to maintain the confidentiality of TASTY'S proprietary information, and to maintain proper service and delivery to all Outlets in his Sales Area requesting service, except those proven consistently to be unprofitable. The profitability of any outlet which is a part of any commonly owned group or chain of outlets shall be judged in view of the profitability of the group or chain as a whole. The parties agree that carrying outside merchandise which is competitive to the Products is inconsistent with the obligations of the DISTRIBUTOR hereunder.

§4.2 **NON-COMPLIANCE:** Failure to carry out the conditions listed in §4.1 above shall be considered a material breach of this Agreement and shall entitle TASTY to terminate as more specifically set forth in Article 11 hereof.

ARTICLE 5
PERSONAL SERVICE

§5.1 **OWNER OPERATION:** DISTRIBUTOR acknowledges that the strong motivation and incentive present with an owner operated business are an essential part of the consideration flowing to TASTY for the execution of this Agreement. DISTRIBUTOR agrees to personally perform and carry out the obligations imposed upon him by this Agreement and to personally use his best efforts to see to the full performance of its terms. Nothing herein shall be deemed to prevent DISTRIBUTOR from hiring part-time, temporary employees to help him accommodate seasonal or short term fluctuations in demand for Products in his Sales Area, subject however, to TASTY'S prior approval of said employees' qualifications, which approval will not be unreasonably withheld; and provided that DISTRIBUTOR shall be and remain personally responsible to insure that such temporary, part time employees effect service in full compliance with all the terms and conditions of this Agreement.

ARTICLE 6

BEST EFFORTS/TASTY

§6.1 OBLIGATIONS OF TASTY: TASTY shall use its best efforts to manufacture and deliver to DISTRIBUTOR sufficient quantities of the Products to supply Outlets requesting service in his Sales Area, to assist in the development of new accounts and authorizations, to develop new products, to preserve and develop the quality and marketability of the Products and to assist and cooperate with DISTRIBUTOR in his sales efforts.

ARTICLE 7

PAYMENT FOR PRODUCTS

§7.1 SETTLEMENT OF ACCOUNT: On or before Wednesday of each week, DISTRIBUTOR will remit to TASTY the purchase price of all Products delivered to DISTRIBUTOR in the preceding week, less credit for any merchandise which is returned in accordance with §3.4 and §3.5 above, for slips delivered in accordance with §7.2 below and other credits and adjustments between the parties where appropriate.

§7.2 NON-CASH SALES: In cases where Products are sold and distributed to Outlets whose managers are not permitted to pay cash and which have been approved by TASTY for credit, TASTY, at the request and for the convenience of DISTRIBUTOR will accept slips signed by the store manager, or his designee, in lieu of cash and credit DISTRIBUTOR'S account therefor. Once DISTRIBUTOR has delivered a correctly prepared slip, he shall have no further liability or responsibility for collection or payment. DISTRIBUTOR agrees to remit all such slips to TASTY daily.

§7.3 **SECURITY INTEREST:** To secure the payment of any indebtedness or liability of DISTRIBUTOR to TASTY now or hereafter arising, DISTRIBUTOR hereby grants and conveys to TASTY a security interest in his Distribution Rights and in his rights hereunder and all Products in DISTRIBUTOR'S possession, and grants to TASTY the rights of a secured party under the Uniform Commercial Code.

§7.4 **DEFAULT:** Nothing herein shall be deemed to require TASTY to fill an order of DISTRIBUTOR during the time when DISTRIBUTOR is in default of any payment to TASTY.

ARTICLE 8

TRANSFER OF RIGHTS

§8.1 **CONDITIONS OF ASSIGNABILITY:** The Distribution Rights are owned by the DISTRIBUTOR and may be sold in whole or in part by DISTRIBUTOR or, in the event of his death, by a representative of his estate, subject to the prior written approval of TASTY, which approval will not be unreasonably withheld and which right of approval shall expire if not exercised within ten (10) days after the later of, a) receipt by TASTY of written notice of intent to sell to a named bona fide purchaser on terms and conditions fully set forth in such notice, and b) a personal interview by TASTY of the proposed purchaser. In the event of any such sale, DISTRIBUTOR (or his estate) agrees to surrender his rights under this Distributor's Agreement and TASTY agrees to enter into a new Distributor's Agreement in form substantially similar to this Agreement, with the individual who has purchased DISTRIBUTOR'S Distribution Rights.

§8.2 **DEATH OR DISABILITY:** In the event of the death or prolonged disability (a disability in excess of six months or a disability which by its nature will exceed six months) of DISTRIBUTOR, TASTY may require the DISTRIBUTOR or his estate to sell the Distribution Rights TASTY will make every effort to assist in finding a buyer. If the estate or the DISTRIBUTOR, as the case may be, does not sell such Distribution Rights within a period of ninety (90) days from the date on which TASTY requires him and or it to do so, TASTY shall have the right and obligation to sell the same to a qualified purchaser at the best price obtainable after reasonable notice and advertisement.

§8.3 **PROCEEDS:** Such sale shall be for the account of DISTRIBUTOR or his estate, and the proceeds of the sale, after deducting therefrom any monies owed by DISTRIBUTOR to TASTY, the cost of removing any overcode or damaged Products on DISTRIBUTOR'S route, and the reasonable costs incurred in effecting the sale, including the satisfaction of any out standing liens, security interests and the like, shall be turned over to DISTRIBUTOR or his estate in exchange for which the DISTRIBUTOR or his estate shall execute and deliver to TASTY a release of all his interests and claims to and in the Distribution Rights and all his interests under or arising out of this Agreement, together with a general release of claims.

ARTICLE 9
SERVICE FAILURES

§9.1 PARTIAL ABANDONMENT: In addition to any other rights or remedies TASTY may have, if DISTRIBUTOR fails to maintain satisfactory service within any segment of the Sales Area or to any Outlet therein and such failure is not remedied within ten (10) days after receipt of written notice thereof, then it may deem such segment or Outlet permanently abandoned and make other arrangements for the service thereof.

§9.2 TEMPORARY SERVICE BY TASTY: Notwithstanding the language of any other Article herein, if DISTRIBUTOR or his estate, as the case may be, is not able to or does not personally perform his obligations under this Agreement, by reason of short term illness, emergency or reasonable vacation or holiday, he or it shall make other adequate provision for such performance at his or its own expense. If no such provision is made, TASTY may operate the business for the account of DISTRIBUTOR, deducting from the revenues generated the reasonable expenses of such operation and delivering the balance, if any, to DISTRIBUTOR or his estate. In no event will the charge imposed by TASTY for such operation exceed the gross profit generated. Such temporary operation by TASTY shall not relieve DISTRIBUTOR or his estate of any of the obligations imposed by this Agreement nor act to cure any default which may exist on the part of DISTRIBUTOR.

ARTICLE 10

INDEPENDENT BUSINESSMAN

§10.1 ESSENTIAL TERM: The parties intend to create an independent contractor relationship and it is of the essence of this Agreement that DISTRIBUTOR is a self-employed independent businessman. DISTRIBUTOR shall not be considered or deemed in any way to be an employee of TASTY and neither party has the right or power, express or implied, to do any act or thing that would bind the other, except as herein specifically provided.

ARTICLE 11

TERMINATION

§11.1 PERFORMANCE: TASTY shall never terminate or cancel this Agreement, provided DISTRIBUTOR faithfully carries out the terms hereof. In the event DISTRIBUTOR fails to perform his obligations under this Agreement, then in addition to any other rights or remedies which it may have under this Agreement, TASTY may terminate it as set forth below.

§11.2 NON-CURABLE BREACH: In the event that the failure of performance by DISTRIBUTOR involves criminal activity, threatens public health or safety, or threatens to do substantial harm to TASTY'S business, TASTY may terminate upon twenty four (24) hours written notice and DISTRIBUTOR shall have no right to cure.

§11.3 CURABLE BREACH: In any other event of failure of performance by DISTRIBUTOR, TASTY must give DISTRIBUTOR ten (10) business days written notice within which DISTRIBUTOR may cure his failure of performance. If DISTRIBUTOR fails to

take reasonable steps to cure such failure of performance within said ten (10) day period, TASTY may thereafter terminate this Agreement and DISTRIBUTOR shall have no further right to cure; provided, further, that the parties agree that repeated violations constitute a chronic failure of performance and threaten substantial harm to TASTY business, and in such event TASTY shall be entitled to terminate this Agreement and DISTRIBUTOR shall have no further right to cure.

§11.4 **ACTIONS FOLLOWING TERMINATION:** Termination under either §11.2 or §11.3 above shall require TASTY, within the limits of its ability to do so, to operate the business for the account of the DISTRIBUTOR, deducting its reasonable expenses in connection with the operation thereof, and to immediately schedule a face-to-face meeting between the DISTRIBUTOR and TASTY'S Vice President of Sales. If after such meeting the Vice President of Sales elects to rescind the termination the DISTRIBUTOR shall be immediately permitted to recommence operation of his business. If the Vice President of Sales determines not to rescind the termination, then TASTY shall continue to operate the business for the account of the DISTRIBUTOR, deducting its reasonable expenses in connection with the operation thereof and to sell DISTRIBUTOR'S Distribution Rights and Other Assets to a qualified purchaser at the best price which can reasonably be obtained after proper notice and advertisement. Said sale shall be for the account of the cancelled DISTRIBUTOR, and the proceeds of such sale, after deducting therefrom the cost of removing any overcode or damaged Products on DISTRIBUTOR'S route, and the reasonable costs incurred in effecting the sale, including the satisfaction of any out standing liens,

security interests and the like, shall be turned over to DISTRIBUTOR or his estate in exchange for which the DISTRIBUTOR or his estate shall execute and deliver to TASTY a release of all his interests and claims to and in the Distribution Rights and all his interests under or arising out of this Agreement, together with a general release of claims.

ARTICLE 12

TRANSFER FEE

§12.1 PAYMENT OF FEE: In the event of a sale by DISTRIBUTOR, or by TASTY for the account of DISTRIBUTOR, of DISTRIBUTOR'S Distribution Rights, the selling DISTRIBUTOR shall pay a Transfer Fee to TASTY in an amount equal to TWO (2%) PER CENT of the sales price, in full consideration for the administrative activities undertaken by TASTY in connection therewith.

ARTICLE 13

INCORPORATION

§13.1 CONSENT TO INCORPORATION: If DISTRIBUTOR desires to conduct business in a corporate capacity, TASTY will consent to the assignment of this Agreement to a corporation provided:

(a) DISTRIBUTOR is the sole shareholder of all stock in such corporation, (nothing herein shall prevent DISTRIBUTOR from transferring stock in the corporation to members of his immediate family so long as DISTRIBUTOR, at

all times, retains at least 51% of the outstanding stock and meets the other conditions set forth in this Article);

(b) The books and records of the corporation reflect that the issuance and transfer of shares of stock are restricted and that all stock certificates shall bear a legend giving notice of such restriction and referring the reader to the terms of this Agreement;

(c) DISTRIBUTOR acts as such corporation's principal officer and continues to personally meet and guarantee the obligations imposed hereunder; and

(d) DISTRIBUTOR executes any other consents or documents reasonably required by TASTY in connection with such approval.

ARTICLE 14

TRADEMARKS AND TRADENAMES

§14.1 PERMISSION FOR USE: DISTRIBUTOR shall make no use of TASTY trademarks or tradenames, nor engage in any program or activity which makes use of or contains any reference to TASTY, its products, trademarks or tradenames, except with the prior written consent of TASTY.

§14.2 RETURN UPON TERMINATION: Upon termination of this Agreement, DISTRIBUTOR shall cease use of TASTY trademarks and tradenames shall deliver to TASTY any advertising, promotional or merchandising materials.

§14.3 ADVERTISING ON DISTRIBUTOR'S VEHICLE: If DISTRIBUTOR agrees to permit TASTY to use his truck panels for advertising its name and trademarks, TASTY agrees to pay toward the cost of painting DISTRIBUTOR'S truck as TASTY shall determine need

requires, the amount or percentage set forth in TASTY's then current truck painting policy as amended from time to time.

ARTICLE 15

DELIVERY VEHICLES

§15.1 **INDEPENDENT CONTRACTOR NOTICE:** DISTRIBUTOR agrees to have painted in a conspicuous manner on any delivery vehicle owned or leased by him to carry out the terms hereof: "Owned and Operated by [DISTRIBUTOR'S name], An Independent Contractor".

ARTICLE 16

MISCELLANEOUS

§16.1 **NOTICES:** Any notice required or permitted under this Agreement shall be deemed properly given when personally received, or five (5) days after deposit in the mails, return receipt requested, first class postage pre-paid, addressed to the party to be notified at the address above stated in this Agreement or at such other address as either party may designate by written notice duly given in accordance with this Section 16.1.

§16.2 **SUPVIVAL:** This Agreement shall be binding upon heirs, personal representatives, successors or assigns of the parties hereto.

§16.3 **INCORPORATION BY REFERENCE:** This Agreement is subject to and affected by the terms and conditions of a certain Bill of Sale executed by the parties simultaneously herewith which said Bill of Sale is incorporated herein by reference as though fully set forth in this Agreement.

§16.4 **ENTIRE AGREEMENT:** This Agreement, together with the Bill of Sale referred to in 16.3 above and any other written agreements executed simultaneously herewith, sets forth the entire agreement between the parties and supersedes all prior representations, conditions, warranties and covenants between them with respect to this subject matter. Unless set forth herein, no party shall be liable for any representation made to any other. This Agreement may be amended or modified only by a writing signed by all parties.

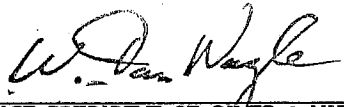
§16.5 **CONTROLLING LAW:** The validity, interpretation and performance of this Agreement shall be controlled by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

§16.6 **SEVERABILITY:** If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, in this or any jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.

§16.7 **GENDER AND NUMBER:** Wherever appropriate, gender and number as used in this Agreement shall be deemed modified to be consistent with actual circumstances.

IN WITNESS WHEREOF, TASTY and DISTRIBUTOR have caused this Agreement to be duly executed effective the day and year first above written.

TASTY BAKING COMPANY

By: 
VICE PRESIDENT OF SALES & MARKETING


DISTRIBUTOR

EXHIBIT I TO DISTRIBUTOR'S AGREEMENT

1. VIRGINIA: Mr. Edward R. Parker
5511 Staples Mill Road
Richmond, Virginia, 23228
2. MARYLAND: The Corporation Trust, Inc.
32 South Street
Baltimore, Maryland, 21202
3. DELAWARE: The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware, 19801
4. WASHINGTON
D.C.: C T Corporation System
1030 15th Street
Washington, D.C. 20005
5. NEW JERSEY The Corporation Trust Company
28 West State Street
Trenton, New Jersey, 08608
6. NEW YORK C T Corporation System
277 Park Avenue
New York, New York, 10017

TERRITORIAL DESCRIPTION

NO: BINGHAMTON 2301

Unless otherwise indicated, only the inside (side facing the interior of the territory) of all city, town or state lines, rivers or other natural boundaries or border streets and highways is included in the territory, and, also, unless otherwise indicated, the total of this territory is the named cities and towns in their entirety with no exclusions or exceptions unless noted.

IN THE STATE OF NEW YORK, THE FOLLOWING PORTIONS OF BROOME COUNTY:

1. That portion of the city of Binghamton, which is north and west of a line formed by beginning at a point where the Susquehanna River enters the city of Binghamton from Vestal Township, proceeding east on the river to the Chenango River and northeast on the Chenango River to the Binghamton city limits.

2. That portion of the Town of Vestal and Vestal Township, that lies south and east of a line formed beginning at the intersection of The Vestal boundary and the CFJ Memorial Bridge, proceeding northwest along the border to the intersection with the Conrail Line, proceed west along the Conrail Line to the intersect with Jensen Road, proceed south on Jensen Road to the New York and Pennsylvania border.

EXCEPTIONS: All properties located within the Vestal Plaza Shopping Center in Vestal Township, New York.

3. That portion of the city of Johnson City that lies north and east of a line formed beginning at the intersect of Route 201 and Harry L. Drive, proceeding west on Harry L. Drive to Cut Off Road, proceeding north and east around the perimeter of the city of Johnson City to the city of Binghamton border.

4. That portion of the Town of Endwell that lies north of a line beginning at the intersect of Harry L. Drive and the Endwell border, proceeding west on Harry L. Drive to the intersect of Harry L. Drive and Watson Blvd., proceeding west on Watson Blvd. to the intersect with Hooper Road, proceeding south on Hooper Road to the intersect of Hooper Road and Main Street, proceeding west on Main Street to North Street, proceeding west on North Street to the Endwell border, proceeding north and east around the perimeter of the town of Endwell to the point of origin.

5. That portion of the city of Endicott that lies north of a line formed beginning at the intersect of North Street and the Endicott border, proceeding west on North Street to the intersect of North Street and Nanticoke Avenue, proceed west on Nanticoke Avenue to the Endicott border, proceeding north and east around the perimeter of the city of Endicott to the point of origin.

6. That portion of Union Township that lies north of a line formed beginning at the intersect of Nanticoke Avenue and the city of Endicott border, proceeding along Nanticoke Avenue, a.k.a. Route 26, to the intersect of Nanticoke Avenue and Day Hollow Road, proceeding west on Day Hollow Road to the Tioga County, NY border, proceeding north and east along the perimeter of Union Township to the point of origin.

EXCEPTIONS: Both sides of Route 305, North Street, Nanticoke Avenue, and Cut Off Road.

TERRITORIAL DESCRIPTION - BINGHAMTON #2301 (Continued)

CHENANGO COUNTY, NEW YORK:

Greene Township
The Town of Greene
Coventry Township
Afton Township
The Town of Afton
Bainbridge Township
The Town of Bainbridge
Dickinson Township

DELAWARE COUNTY, NEW YORK:

The Town of Sidney

BROOME COUNTY, NEW YORK:

Windsor Township
The Town of Windsor
Colesville Township
The Town of Windsor
The Town of Chenango Forks
Port Dickinson Boro
Fenton Township
Dickinson Township

EXCEPTIONS: In the Town of Dickinson, beginning at a point where U.S. Route 11, a.k.a. Front Street, and the Town of Dickinson meet, proceed north on U.S. Route 11 to the intersect of U.S. Route 11 and Route 12 and 12A, a.k.a. River Road. Includes both sides of U.S. Route 11, Route 12, Front Street.

I have read the description above and find it to be accurate and complete.

Mark A. Maloney
DISTRIBUTOR

Exhibit D



TASTY BAKING COMPANY

Page 1.2

TASTY BAKING COMPANY
DISTRIBUTOR'S AGREEMENT

AGREEMENT made effective the 4th day of June , 1990 by and between TASTY BAKING COMPANY a Pennsylvania Business Corporation with offices and principal place of business at 2801 Hunting Park Avenue, Philadelphia, Pennsylvania 19129 (herein referred to as "TASTY", whose agent for service of process is as shown on Exhibit I attached hereto) and W. JAY WESCOTT , residing at 420 Macassar Drive , Pittsburgh, Pennsylvania 15236 (herein referred to as "DISTRIBUTOR").

WITNESSETH:

WHEREAS, TASTY has heretofore developed and or acquired the rights to formulae, recipes, trademarks and tradenames through the use of which it manufactures and markets various pies, cakes and other fresh-baked products throughout an area which includes the territory hereinafter set forth; and

WHEREAS, TASTY over the years has developed a reputation for quality and value which has created a strong consumer recognition and approval and continuing consumer demand for its products; and .

WHEREAS, DISTRIBUTOR is an independent businessman operating a distribution business and has the ability and experience necessary to successfully sell and distribute TASTY products within a specific geographic area; and

WHEREAS, DISTRIBUTOR has heretofore purchased certain TASTY Distribution Rights in the Sales Area hereinafter described from WAYNE G. WESCOTT, pursuant to a Bill of Sale.

WHEREAS, the parties desire to enter into a written agreement acknowledging that acquisition and describing and setting forth the terms and conditions under which they will do business together;

NOW, THEREFORE, in consideration of these premises and of the covenants and conditions hereinafter set forth, and for other good and valuable consideration given and received, the parties mutually agree as follows:

ARTICLE 1
DEFINITIONS

§1.1 **OUTLETS:** Shall mean all retail stores whose principal business is the sale of food to the general public and all mass merchandising accounts. Outlets shall also mean all restaurant and institutional accounts except multi-outlet restaurants and institutional accounts requiring bulk shipment to central locations. TASTY reserves the right to sell to any and all vending accounts, provided that those accounts do not re-sell to any retail store.

§1.2 **PRODUCTS:** Shall mean all fresh baked pies, cakes, donuts, pretzels, soft cookies and/or similar fresh baked products intended to be sold as fresh, and now sold under the name and trademark TASTYKAKE together with such new products as TASTY may develop and add from time to time. Products

shall not include products intended to be sold as frozen, damaged, stale or overcode products and private label or other products produced or distributed under names or labels not owned or developed by TASTY or products which at the time of manufacture possess a shelf life of more than 100 days.

§1.3 **DISTRIBUTION RIGHTS:** Shall mean the exclusive right to sell and distribute Products to Outlets in the Sales Area, which right has been purchased by Distributor as evidenced by the Bill of Sale.

§1.4 **SALES AREA:** Shall mean that geographical area within which DISTRIBUTOR owns the Distribution Rights as more specifically described in Schedule A attached hereto and made a part hereof.

ARTICLE 2
RELATIONSHIP

§2.1 **EXTENT AND DURATION:** Tasty hereby recognizes DISTRIBUTOR'S ownership of the Distribution Rights, said ownership to continue until sold by DISTRIBUTOR or by TASTY for the account of the DISTRIBUTOR in the event of a termination of this Agreement as hereinafter set forth.

§2.2 **NATURE OF RIGHTS:** The parties agree that the Distribution Rights sold to DISTRIBUTOR pursuant to the Bill of Sale can be exercised only pursuant to the terms of this Agreement and that any termination of this Agreement requires DISTRIBUTOR, or TASTY for the account of the DISTRIBUTOR to sell such Distribution Rights.

ARTICLE 3

SALE OF PRODUCTS

§3.1 **TITLE:** All Products will be sold to DISTRIBUTOR absolutely and the title and risk of loss will pass to DISTRIBUTOR upon delivery in accordance with §3.2 below.

§3.2 **DELIVERY:** TASTY agrees to sell and deliver to DISTRIBUTOR at such location as TASTY may from time to time reasonably designate, and DISTRIBUTOR agrees to buy and accept, sufficient quantities of the Products to adequately and properly supply the Outlets in his Sales Area. TASTY agrees to use its best efforts to fill DISTRIBUTOR'S orders in a reasonable and timely fashion. In case of strike, shortage of materials, breakdown or other cause, TASTY reserves the right to fill orders on such reasonable basis as circumstances then permit.

§3.3 **TERMS:** Products will be sold to DISTRIBUTOR on terms and prices as established by TASTY from time to time. In the absence of substantial market-wide change in distribution costs or methods TASTY agrees that the suggested resale price of the Products which are being sold to DISTRIBUTOR on the date of this Agreement and if followed by DISTRIBUTOR, will always result in an average gross margin not less than the SIXTEEN AND ONE-HALF PERCENT (16.5%) average gross margin reflected in the price list in existence on the date of this Agreement.

§3.4 **STALE PRODUCTS:** TASTY'S stale policy will always remain as it is on the date of this Agreement. TASTY will give full credit for all stale or overcode merchandise which is promptly returned, provided that DISTRIBUTOR uses his best efforts to maintain his stale at the level established for

him by TASTY, which level may be adjusted by TASTY from time to time.

§3.5 DAMAGED PRODUCTS: TASTY will credit the account of DISTRIBUTOR for any damaged Products not damaged due to the negligence or fault of DISTRIBUTOR and which are promptly returned to TASTY.

ARTICLE 4

BEST EFFORTS/DISTRIBUTOR

§4.1 OBLIGATIONS OF DISTRIBUTOR: DISTRIBUTOR agrees personally to use his best efforts to develop and maximize the sale of the Products to Outlets within his Sales Area, to service his Area on a basis consistent with good industry practice, to maintain an adequate and fresh supply of Products in all Outlets, to maintain a route book, to properly rotate all Products, to promptly remove all stale or overcode Products, to cooperate with TASTY in its marketing program, to maintain the confidentiality of TASTY'S proprietary information, and to maintain proper service and delivery to all Outlets in his Sales Area requesting service, except those proven consistently to be unprofitable. The profitability of any outlet which is a part of any commonly owned group or chain of outlets shall be judged in view of the profitability of the group or chain as a whole. The parties agree that carrying outside merchandise which is competitive to the Products is inconsistent with the obligations of the DISTRIBUTOR hereunder.

§4.2 **NON-COMPLIANCE:** Failure to carry out the conditions listed in §4.1 above shall be considered a material breach of this Agreement and shall entitle TASTY to terminate as more specifically set forth in Article 11 hereof.

ARTICLE 5

PERSONAL SERVICE

§5.1 **OWNER OPERATION:** DISTRIBUTOR acknowledges that the strong motivation and incentive present with an owner operated business are an essential part of the consideration flowing to TASTY for the execution of this Agreement. DISTRIBUTOR agrees to personally perform and carry out the obligations imposed upon him by this Agreement and to personally use his best efforts to see to the full performance of its terms. Nothing herein shall be deemed to prevent DISTRIBUTOR from hiring part-time, temporary employees to help him accommodate seasonal or short term fluctuations in demand for Products in his Sales Area, subject however, to TASTY'S prior approval of said employees' qualifications, which approval will not be unreasonably withheld; and provided that DISTRIBUTOR shall be and remain personally responsible to insure that such temporary, part time employees effect service in full compliance with all the terms and conditions of this Agreement.

ARTICLE 6

BEST EFFORTS/TASTY

§6.1 OBLIGATIONS OF TASTY: TASTY shall use its best efforts to manufacture and deliver to DISTRIBUTOR sufficient quantities of the Products to supply Outlets requesting service in his Sales Area, to assist in the development of new accounts and authorizations, to develop new products, to preserve and develop the quality and marketability of the Products and to assist and cooperate with DISTRIBUTOR in his sales efforts.

ARTICLE 7

PAYMENT FOR PRODUCTS

§7.1 SETTLEMENT OF ACCOUNT: On or before Wednesday of each week, DISTRIBUTOR will remit to TASTY the purchase price of all Products delivered to DISTRIBUTOR in the preceding week, less credit for any merchandise which is returned in accordance with §3.4 and §3.5 above, for slips delivered in accordance with §7.2 below and other credits and adjustments between the parties where appropriate.

§7.2 NON-CASH SALES: In cases where Products are sold and distributed to Outlets whose managers are not permitted to pay cash and which have been approved by TASTY for credit, TASTY, at the request and for the convenience of DISTRIBUTOR will accept slips signed by the store manager, or his designee, in lieu of cash and credit DISTRIBUTOR'S account therefor. Once DISTRIBUTOR has delivered a correctly prepared slip, he shall have no further liability or responsibility for collection or payment. DISTRIBUTOR agrees to remit all such slips to TASTY daily.

§7.3 **SECURITY INTEREST:** To secure the payment of any indebtedness or liability of DISTRIBUTOR to TASTY now or hereafter arising, DISTRIBUTOR hereby grants and conveys to TASTY a security interest in his Distribution Rights and in his rights hereunder and all Products in DISTRIBUTOR'S possession, and grants to TASTY the rights of a secured party under the Uniform Commercial Code.

§7.4 **DEFAULT:** Nothing herein shall be deemed to require TASTY to fill an order of DISTRIBUTOR during the time when DISTRIBUTOR is in default of any payment to TASTY.

ARTICLE 8

TRANSFER OF RIGHTS

§8.1 **CONDITIONS OF ASSIGNABILITY:** The Distribution Rights are owned by the DISTRIBUTOR and may be sold in whole or in part by DISTRIBUTOR or, in the event of his death, by a representative of his estate, subject to the prior written approval of TASTY, which approval will not be unreasonably withheld and which right of approval shall expire if not exercised within ten (10) days after the later of, a) receipt by TASTY of written notice of intent to sell to a named bona fide purchaser on terms and conditions fully set forth in such notice, and b) a personal interview by TASTY of the proposed purchaser. In the event of any such sale, DISTRIBUTOR (or his estate) agrees to surrender his rights under this Distributor's Agreement and TASTY agrees to enter into a new Distributor's Agreement in form substantially similar to this Agreement, with the individual who has purchased DISTRIBUTOR'S Distribution Rights.

§8.2 **DEATH OR DISABILITY:** In the event of the death or prolonged disability (a disability in excess of six months or a disability which by its nature will exceed six months) of DISTRIBUTOR, TASTY may require the DISTRIBUTOR or his estate to sell the Distribution Rights TASTY will make every effort to assist in finding a buyer. If the estate or the DISTRIBUTOR, as the case may be, does not sell such Distribution Rights within a period of ninety (90) days from the date on which TASTY requires him and or it to do so, TASTY shall have the right and obligation to sell the same to a qualified purchaser at the best price obtainable after reasonable notice and advertisement.

§8.3 **PROCEEDS:** Such sale shall be for the account of DISTRIBUTOR or his estate, and the proceeds of the sale, after deducting therefrom any monies owed by DISTRIBUTOR to TASTY, the cost of removing any overcode or damaged Products on DISTRIBUTOR'S route, and the reasonable costs incurred in effecting the sale, including the satisfaction of any outstanding liens, security interests and the like, shall be turned over to DISTRIBUTOR or his estate in exchange for which the DISTRIBUTOR or his estate shall execute and deliver to TASTY a release of all his interests and claims to and in the Distribution Rights and all his interests under or arising out of this Agreement, together with a general release of claims.

ARTICLE 9
SERVICE FAILURES

§9.1 PARTIAL ABANDONMENT: In addition to any other rights or remedies TASTY may have, if DISTRIBUTOR fails to maintain satisfactory service within any segment of the Sales Area or to any Outlet therein and such failure is not remedied within ten (10) days after receipt of written notice thereof, then it may deem such segment or Outlet permanently abandoned and make other arrangements for the service thereof.

§9.2 TEMPORARY SERVICE BY TASTY: Notwithstanding the language of any other Article herein, if DISTRIBUTOR or his estate, as the case may be, is not able to or does not personally perform his obligations under this Agreement, by reason of short term illness, emergency or reasonable vacation or holiday, he or it shall make other adequate provision for such performance at his or its own expense. If no such provision is made, TASTY may operate the business for the account of DISTRIBUTOR, deducting from the revenues generated the reasonable expenses of such operation and delivering the balance, if any, to DISTRIBUTOR or his estate. In no event will the charge imposed by TASTY for such operation exceed the gross profit generated. Such temporary operation by TASTY shall not relieve DISTRIBUTOR or his estate of any of the obligations imposed by this Agreement nor act to cure any default which may exist on the part of DISTRIBUTOR.

ARTICLE 10

INDEPENDENT BUSINESSMAN

§10.1 ESSENTIAL TERM: The parties intend to create an independent contractor relationship and it is of the essence of this Agreement that DISTRIBUTOR is a self-employed independent businessman. DISTRIBUTOR shall not be considered or deemed in any way to be an employee of TASTY and neither party has the right or power, express or implied, to do any act or thing that would bind the other, except as herein specifically provided.

ARTICLE 11

TERMINATION

§11.1 PERFORMANCE: TASTY shall never terminate or cancel this Agreement, provided DISTRIBUTOR faithfully carries out the terms hereof. In the event DISTRIBUTOR fails to perform his obligations under this Agreement, then in addition to any other rights or remedies which it may have under this Agreement, TASTY may terminate it as set forth below.

§11.2 NON-CURABLE BREACH: In the event that the failure of performance by DISTRIBUTOR involves criminal activity, threatens public health or safety, or threatens to do substantial harm to TASTY'S business, TASTY may terminate upon twenty four (24) hours written notice and DISTRIBUTOR shall have no right to cure.

§11.3 CURABLE BREACH: In any other event of failure of performance by DISTRIBUTOR, TASTY must give DISTRIBUTOR ten (10) business days written notice within which DISTRIBUTOR may cure his failure of performance. If DISTRIBUTOR fails to

take reasonable steps to cure such failure of performance within said ten (10) day period, TASTY may thereafter terminate this Agreement and DISTRIBUTOR shall have no further right to cure; provided, further, that the parties agree that repeated violations constitute a chronic failure of performance and threaten substantial harm to TASTY business, and in such event TASTY shall be entitled to terminate this Agreement and DISTRIBUTOR shall have no further right to cure.

§11.4 **ACTIONS FOLLOWING TERMINATION:** Termination under either §11.2 or §11.3 above shall require TASTY, within the limits of its ability to do so, to operate the business for the account of the DISTRIBUTOR, deducting its reasonable expenses in connection with the operation thereof, and to immediately schedule a face-to-face meeting between the DISTRIBUTOR and TASTY'S Vice President of Sales. If after such meeting the Vice President of Sales elects to rescind the termination the DISTRIBUTOR shall be immediately permitted to recommence operation of his business. If the Vice President of Sales determines not to rescind the termination, then TASTY shall continue to operate the business for the account of the DISTRIBUTOR, deducting its reasonable expenses in connection with the operation thereof and to sell DISTRIBUTOR'S Distribution Rights and Other Assets to a qualified purchaser at the best price which can reasonably be obtained after proper notice and advertisement. Said sale shall be for the account of the cancelled DISTRIBUTOR, and the proceeds of such sale, after deducting therefrom the cost of removing any overcode or damaged Products on DISTRIBUTOR'S route, and the reasonable costs incurred in effecting the sale, including the satisfaction of any out standing liens,

security interests and the like, shall be turned over to DISTRIBUTOR or his estate in exchange for which the DISTRIBUTOR or his estate shall execute and deliver to TASTY a release of all his interests and claims to and in the Distribution Rights and all his interests under or arising out of this Agreement, together with a general release of claims.

ARTICLE 12

TRANSFER FEE

§12.1 PAYMENT OF FEE: In the event of a sale by DISTRIBUTOR, or by TASTY for the account of DISTRIBUTOR, of DISTRIBUTOR'S Distribution Rights, the selling DISTRIBUTOR shall pay a Transfer Fee to TASTY in an amount equal to TWO (2%) PER CENT of the sales price, in full consideration for the administrative activities undertaken by TASTY in connection therewith.

ARTICLE 13

INCORPORATION

§13.1 CONSENT TO INCORPORATION: If DISTRIBUTOR desires to conduct business in a corporate capacity, TASTY will consent to the assignment of this Agreement to a corporation provided:

(a) DISTRIBUTOR is the sole shareholder of all stock in such corporation, (nothing herein shall prevent DISTRIBUTOR from transferring stock in the corporation to members of his immediate family so long as DISTRIBUTOR, at

all times, retains at least 51% of the outstanding stock and meets the other conditions set forth in this Article);

(b) The books and records of the corporation reflect that the issuance and transfer of shares of stock are restricted and that all stock certificates shall bear a legend giving notice of such restriction and referring the reader to the terms of this Agreement;

(c) DISTRIBUTOR acts as such corporation's principal officer and continues to personally meet and guarantee the obligations imposed hereunder; and

(d) DISTRIBUTOR executes any other consents or documents reasonably required by TASTY in connection with such approval.

ARTICLE 14

TRADEMARKS AND TRADENAMES

§14.1 PERMISSION FOR USE: DISTRIBUTOR shall make no use of TASTY trademarks or tradenames, nor engage in any program or activity which makes use of or contains any reference to TASTY, its products, trademarks or tradenames, except with the prior written consent of TASTY.

§14.2 RETURN UPON TERMINATION: Upon termination of this Agreement, DISTRIBUTOR shall cease use of TASTY trademarks and tradenames shall deliver to TASTY any advertising, promotional or merchandising materials.

§14.3 ADVERTISING ON DISTRIBUTOR'S VEHICLE: If DISTRIBUTOR agrees to permit TASTY to use his truck panels for advertising its name and trademarks, TASTY agrees to pay toward the cost of painting DISTRIBUTOR'S truck as TASTY shall determine need

requires, the amount or percentage set forth in TASTY's then current truck painting policy as amended from time to time.

ARTICLE 15

DELIVERY VEHICLES

§15.1 INDEPENDENT CONTRACTOR NOTICE: DISTRIBUTOR agrees to have painted in a conspicuous manner on any delivery vehicle owned or leased by him to carry out the terms hereof: "Owned and Operated by [DISTRIBUTOR'S name], An Independent Contractor".

ARTICLE 16

MISCELLANEOUS

§16.1 NOTICES: Any notice required or permitted under this Agreement shall be deemed properly given when personally received, or five (5) days after deposit in the mails, return receipt requested, first class postage pre-paid, addressed to the party to be notified at the address above stated in this Agreement or at such other address as either party may designate by written notice duly given in accordance with this Section 16.1.

§16.2 SUPVIVAL: This Agreement shall be binding upon heirs, personal representatives, successors or assigns of the parties hereto.

§16.3 INCORPORATION BY REFERENCE: This Agreement is subject to and affected by the terms and conditions of a certain Bill of Sale executed by the parties simultaneously herewith which said Bill of Sale is incorporated herein by reference as though fully set forth in this Agreement.

§16.4 ENTIRE AGREEMENT: This Agreement, together with the Bill of Sale referred to in 16.3 above and any other written agreements executed simultaneously herewith, sets forth the entire agreement between the parties and supersedes all prior representations, conditions, warranties and covenants between them with respect to this subject matter. Unless set forth herein, no party shall be liable for any representation made to any other. This Agreement may be amended or modified only by a writing signed by all parties.

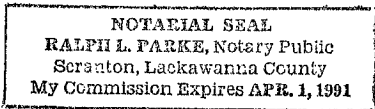
§16.5 CONTROLLING LAW: The validity, interpretation and performance of this Agreement shall be controlled by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

§16.6 SEVERABILITY: If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, in this or any jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.

§16.7 GENDER AND NUMBER: Wherever appropriate, gender and number as used in this Agreement shall be deemed modified to be consistent with actual circumstances.

IN WITNESS WHEREOF, TASTY and DISTRIBUTOR have caused this Agreement to be duly executed effective the day and year first above written.

TASTY BAKING COMPANY



6-4-90
[Signature]

By: *W. Dan Wayne*
VICE PRESIDENT OF SALES & MARKETING

[Signature] *WJW*
DISTRIBUTOR

EXHIBIT I TO DISTRIBUTOR'S AGREEMENT

1. VIRGINIA: Mr. Edward R. Parker
5511 Staples Mill Road
Richmond, Virginia, 23228
2. MARYLAND: The Corporation Trust, Inc.
32 South Street
Baltimore, Maryland, 21202
3. DELAWARE: The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware, 19801
4. WASHINGTON
D.C. C T Corporation System
1030 15th Street
Washington, D.C. 20005
5. NEW JERSEY The Corporation Trust Company
28 West State Street
Trenton, New Jersey, 08608
6. NEW YORK C T Corporation System
277 Park Avenue
New York, New York, 10017

TERRITORIAL DESCRIPTION

NO: SCRANTON 3904

Unless otherwise indicated, only the inside (side facing the interior of the territory) of all city, town or state lines, rivers or other natural boundaries or border streets and highways is included in the territory, and, also, unless otherwise indicated, the total of this territory is the named cities and towns in their entirety with no exclusions or exceptions unless noted.

In Lackawanna County, Pennsylvania:

- A. In the city of Scranton, Lackawanna County, Pennsylvania, beginning at a point where Leggetts Creek enters the city of Scranton from Dickson City boro, proceed south on Leggetts Creek to Rockwell Avenue. Proceed west on Rockwell Avenue to West Market Street. Proceed southeast on West Market Street (not including either side of West Market Street) to East Market Street. Proceed southeast on East Market Street to Sanderson Avenue (not including either side of East Market Street or Sanderson Avenue). Proceed north on Sanderson Avenue to the Lackawanna River. Proceed northeast on the Lackawanna River to East Parker Street. Proceed east on East Parker Street to Olyphant Avenue. Proceed northeast on Olyphant Avenue to the city limits. Proceed northwest along the city limits to Leggetts Creek, or the point of beginning.

- B. All of: Dickson City Boro
 Throop Boro
 Olyphant Boro
 Jessup Boro
 Blakely Boro
 The Community of Packville, PA

I have read the description above and find it to be accurate and complete.

NOTARIAL SEAL
 RALPH L. FANKE, Notary Public
 Scranton, Lackawanna County
 My Commission Expires APR. 1, 1991

[Signature]
 DISTRIBUTOR

6-4-90
[Signature]