

EDITED VERSION OF SECTION 1.28 OF THE SETTLEMENT AGREEMENT

1.28 "Released Claims" shall mean any and all claims of any nature whatsoever (including claims for any and all losses, damages, unjust enrichment, attorneys' fees, disgorgement of fees, litigation costs, injunction, declaration, contribution, indemnification or any other type or nature of legal or equitable relief), against any of the Defendant Releasees, whether accrued or not, whether already acquired or acquired in the future, whether known, unknown, or unsuspected, in law or equity, as well as any claim or right obtained by assignment, brought by way of demand, complaint, cross-claim, counterclaim, third party claim or otherwise, arising out of or in any way related to, directly or indirectly, any or all of the acts, omissions, facts, matters, transactions or occurrences during the Class Period that are, were or could have been alleged, asserted, or set forth in any complaint Plaintiffs could have sought to file in this case at any time, arising out of or related in any way to the acts, omissions, facts, matters, transactions, or occurrences that have been alleged or referred to in the Action, including but not limited to: (a) claims that Defendants breached fiduciary duties to Plaintiffs and the other participants and beneficiaries of the Plans in connection with the acquisition and holding of Company stock by the Plans or Plans' participants; (b) claims that the Company and Director Defendants failed to appoint and/or adequately monitor Plan fiduciaries; (c) claims that the Defendants violated any ERISA duties related to the acquisition, disposition, or retention of stock by the Plans; (d) ~~claims arising from~~ challenging the merger of the KSOP and the RSP, as provided in this Settlement Agreement; (e) ~~any conduct by any Company entity or individuals related to the calculation of benefits under the~~ the implementation of a Court-approved Plan of Allocation or the direction to allocate specific amounts to plan participants in accordance with the terms of the Plan; (f) claims that that would be barred by principles of res judicata had the claims asserted in any complaint Plaintiffs could have sought to file in this case at any time and/or arising out of or related in any way to the acts, omissions, facts, matters, transactions, or occurrences that have been alleged or referred to in the Action been fully litigated and resulted in a final judgment or order. Released Claims shall not include: (a) claims relating to the covenants or obligations set forth in this Settlement Agreement; (b) claims that have been or could be asserted by any member of the Settlement Class, the Plan, or any other Party in any state or federal securities litigation against any Defendant; or (c) any ERISA claim by any Plan participant or beneficiary for individual, and/or vested benefits, including claims for improper calculation of a benefit received as a result of this settlement agreement, asserted pursuant to ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B), ~~where such claims are unrelated to any matter asserted in this litigation.~~

SECTION 1.28 OF THE SETTLEMENT AGREEMENT AS AMENDED

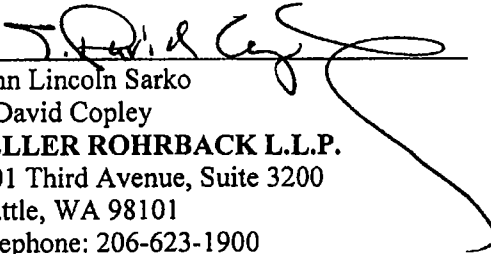
1.28 "Released Claims" shall mean any and all claims of any nature whatsoever (including claims for any and all losses, damages, unjust enrichment, attorneys' fees, disgorgement of fees, litigation costs, injunction, declaration, contribution, indemnification or any other type or nature of legal or equitable relief), against any of the Defendant Releasees, whether accrued or not, whether already acquired or acquired in the future, whether known, unknown, or unsuspected, in law or equity, as well as any claim or right obtained by assignment, brought by way of demand, complaint, cross-claim, counterclaim, third party claim or otherwise, arising out of or in any way related to, directly or indirectly, any or all of the acts, omissions,

facts, matters, transactions or occurrences during the Class Period that are, were or could have been alleged, asserted, or set forth in any complaint Plaintiffs could have sought to file in this case at any time, arising out of or related in any way to the acts, omissions, facts, matters, transactions, or occurrences that have been alleged or referred to in the Action, including but not limited to: (a) claims that Defendants breached fiduciary duties to Plaintiffs and the other participants and beneficiaries of the Plans in connection with the acquisition and holding of Company stock by the Plans or Plans' participants; (b) claims that the Company and Director Defendants failed to appoint and/or adequately monitor Plan fiduciaries; (c) claims that the Defendants violated any ERISA duties related to the acquisition, disposition, or retention of stock by the Plans; (d) claims challenging the merger of the KSOP and the RSP, as provided in this Settlement Agreement; (e) the implementation of a Court-approved Plan of Allocation in accordance with the terms of the Plan; (f) claims that that would be barred by principles of res judicata had the claims asserted in any complaint Plaintiffs could have sought to file in this case at any time and/or arising out of or related in any way to the acts, omissions, facts, matters, transactions, or occurrences that have been alleged or referred to in the Action been fully litigated and resulted in a final judgment or order. Released Claims shall not include: (a) claims relating to the covenants or obligations set forth in this Settlement Agreement; (b) claims that have been or could be asserted by any member of the Settlement Class, the Plan, or any other Party in any state or federal securities litigation against any Defendant; or (c) any ERISA claim by any Plan participant or beneficiary for individual and/or vested benefits, including claims for improper calculation of a benefit received as a result of this settlement agreement, asserted pursuant to ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B).

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Class Action Settlement Agreement on the dates set forth below.

This 3rd of November, 2006.

ON BEHALF OF THE PLAINTIFFS:

By 
Lynn Lincoln Sarko
T. David Copley
KELLER ROHRBACK L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101
Telephone: 206-623-1900
Facsimile: 206-623-3384

Class Counsel

This 6th of November, 2006.

ON BEHALF OF THE DEFENDANTS:

By Howard Shapiro

Howard Shapiro
René E. Thorne

PROSKAUER ROSE LLP

LL&E Tower

909 Poydras Street, Suite 1100

New Orleans, LA 70112-4012

Telephone: (504) 310-4088

Facsimile: (504) 310-2022

*Counsel for Defendants Krispy Kreme
Doughnut Corporation, Randy Casstevens, Ken
Hudson, Frank Murphy, Michael C. Phalen,
Sherry Luper, Sherry Polonsky, Pam Petro-Ott,
John N. McAleer, and Jeff Thielen*

This 6th of November, 2006.

By Paul Blankenstein

Paul Blankenstein

GIBSON, DUNN & CRUTCHER LLP

1050 Connecticut Avenue N.W.

Washington, D.C. 20036

Telephone: (202) 955-8500

Facsimile: (202) 530-9592

Counsel for Defendant Scott Livengood