

## Minnesota Disclosure

1. **Special Risks to Consider About This Franchise.** The following statement is added as an additional risk on the State Cover Page:

**Turnover rate:** During the last 3 years, a large number of franchised outlets (~~418~~148), which is high percentage of franchised outlets more than ~~13.33~~17% were terminated or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

3. ~~2.~~ **Liquidated Damages.** The following statement is added to Item 6:

The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses under Minnesota law. Certain liquidated damages clauses are unenforceable.

4. **EFT NSF Fee.** The following statement is added to Item 6:

We may be limited in the amount of the insufficient funds fee ("EFT NSF Fee") we may charge you as described in Item 6 of this Disclosure Document. The Minnesota Department of Commerce requires us to disclose to you that, currently, the highest such fee permitted under Minnesota Statute 604.113 is \$30. NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

~~3.5.~~ **Notice of Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

6. ~~3.~~ **Trademarks.** The following statements are added to Item 17:

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name. We do not indemnify against the consequences of a franchisee's use of our trademark except in accordance with the requirements of the Franchise Agreement; and, as a condition to indemnification, you must: (i) provide prompt notice to us of any such claim; (ii) tender the defense of the claim to us; and (iii) cooperate with us in the defense against the claim. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

~~4.7.~~ **Choice of Forum and Law; Waiver of Right to Jury Trial or Termination Penalties.** The following statements are added to Item 17:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring

litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

4. **General Release.** The following statement is added to Item 17:

~~Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.~~

Under Minn. Rule 2860.4400D, any general release of claims a transferor may have against us or our directors, officers, shareholders, and employees, including without limitation claims arising under federal, state, and local laws, rules, and ordinances, excludes claims the transferor may have under the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. **Additional Disclosure.** The following statement is added to Item 22:

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The following sentence is added to the end of Sections 2.B(e), 15.C(4), and 16:

Minnesota Rules 2860.4400(D) prohibits Cajun from requiring Franchisee to assent to a general release.

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

2. The following sentence is added to the end of Sections 2.B and 15:

With respect to franchises governed by Minnesota law, Cajun will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

3. 3.—The following sentence is added to the end of Section 3.G:

NSF checks and related interest and attorney's fees are governed by Minnesota Statute Section 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

- 3.4. The following sentence is added to the end of Section 27.F:

Franchisee cannot consent to Cajun obtaining injunctive relief. Cajun may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

5. 4.—The following sentences are added to the end of Section 11:

The Minnesota Department of Commerce requires that Cajun indemnify Franchisee against liability to third parties resulting from claims by third parties that Franchisee's use of Cajun's trademark infringes trademark rights of the third party. Cajun does not indemnify against the consequences of Franchisee's use of Cajun's trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Cajun of any claim within 10 days and tender the defense of the claim to Cajun. If Cajun accepts the tender of defense, Cajun has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

~~4.6.~~ The following sentences are added to the end of Sections 27.A and 27.B:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit Cajun from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statute 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The following sentence is added to the end of Section 27.C:

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

7. ~~6.~~—No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~5.8.~~ Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**ADDENDUM TO THE CHURCH'S TEXAS CHICKEN DEVELOPMENT AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Church's Texas Chicken Development Agreement dated \_\_\_\_\_ ("Development Agreement") between **CAJUN GLOBAL LLC**, d/b/a Church's Texas Chicken a Delaware limited liability company ("Cajun"), and \_\_\_\_\_, a \_\_\_\_\_ formed in \_\_\_\_\_ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The following is added to the end of Sections 14.B and 23.F:

Developer cannot consent to Cajun obtaining injunctive relief. Cajun may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

2. The following sentence is added to the end of ~~Section~~Sections 12.B.(6) and 13:

Minnesota Rules 2860.4400(D) prohibits Cajun from requiring Developer to assent to a general release.

3. The following sentences are added to the end of Section 23:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit Cajun from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Developer's rights as provided for in Minnesota Statute 80C or (2) Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

4. The following sentences are added to the end of Section 24:

With respect to franchises governed by Minnesota law, Cajun will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that Developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

5. ~~5.~~—No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5.6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.