

- \* Local competition
- \* Economic conditions
- \* Food trends
- \* Marketing and promotional efforts
- \* Length of time in operation
- \* Weather
- \* Ongoing property acquisition and maintenance expenses.

4) Cost of food, beverages, and labor costs will vary from business to business. Factors which may cause material differences in these costs include but are not necessarily limited to the following:

- \* Chosen supplier or distributor of products and pricing
- \* Shipping costs
- \* Local prevailing wage rates, including local minimum wage
- \* Availability of labor
- \* State laws concerning employee costs

You should carefully consider the above Explanatory Notes and other factors in evaluating this information and in making any decision to purchase a franchise.

You should make your own independent investigation into the possible revenue, costs and profit potential of the Franchised Business. You should seek the advice of appropriate financial, business and legal advisors in connection with the use of the information contained in this financial performance representation and in considering what your experience may be in operating a Buona Business.

~~The above data reflects the operation of 19 specific affiliate owned units, and should not be considered as the actual or probable results that will be realized by any given franchise.~~

**Some outlets have earned this much. Your individual results may differ. There is no assurance that you will earn as much.**

Written substantiation for this statement will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Joseph Buonavolanto III at 7075 Veterans Blvd., Burr Ridge, IL 60527, (708) 749-2333 Ext. 264, the Federal Trade Commission and the appropriate state regulatory agencies.

**CHICAGO'S ORIGINAL ITALIAN BEEF FRANCHISING LLC  
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

The Chicago's Original Italian Beef Franchising LLC Franchise Disclosure Document for use in the State of Minnesota is modified in accordance with the following:

1. Items 5 and 7 of the Franchise Disclosure Document are amended by the following:

Payment of all initial franchise fees shall be deferred until Franchisee opens for business.

2. Item 6 of the Franchise Disclosure Document is amended by the following:

In no event will the then-current non-sufficient funds fee charged by Franchisor exceed the maximum fee allowed by Minnesota Statute Section 604.113, which is currently \$30.

3. Item 13 of the Franchise Disclosure Document on "Trademarks" is amended by the addition of the following language:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;
- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

4. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language:

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement."

5. Item 17.c. and 17.m. of the Franchise Disclosure Document are amended by the addition of the following language:

"The execution of a general release upon renewal or transfer shall be inapplicable to claims arising under the Minnesota Franchises law."

6. Item 17.u. and 17.v. of the Franchise Disclosure Document are amended by the addition of the following language:

"Minnesota Statutes, Section 80C.21 and Minn. Rule Part 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 can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum or

**CHICAGO'S ORIGINAL ITALIAN BEEF FRANCHISING LLC  
ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

This addendum to the Franchise Agreement is agreed to between Chicago's Original Italian Beef Franchising LLC (Franchisor) and \_\_\_\_\_ (Franchisee) to amend said Agreement as follows:

1. Section 2.2 of the Franchise Agreement on Renewal and Section 16 of the Franchise Agreement on Termination is amended by the addition of the following language to the original language that appears therein:

"Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 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. These provisions of Minnesota law are hereby incorporated by reference in this Agreement."

2. Section 2.2 of the Franchise Agreement on Renewal and Section 15.3 of the Franchise Agreement on Conditions to Transfer by Franchisee are each amended by the addition of the following language to the original language that appears therein:

"The execution of a general release upon renewal or transfer shall be inapplicable to claims arising under the Minnesota Franchises law."

3. Section 5 of the Franchise Agreement on Proprietary Marks and System is amended by the addition of the following language to the original language that appears therein:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;
- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

4. Section 14.3 of the Franchise Agreement on Post-Termination Covenant Not to Compete is amended by the addition of the following language to the original language that appears therein:

"These provisions may not be enforceable under Minnesota law."

5. Sections 24.5 of the Franchise Agreement on Governing Law/Consent to Jurisdiction and Section 24.9 of the Franchise Agreement on Damages are each amended by the addition of the following language to the original language that appears therein:

"Minnesota Statutes, Section 80C.21 and Minn. Rule Part 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 can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

6. Section 24.8 of the Franchise Agreement on Limitation of Claims is amended by the addition of the following language to the original language that appears therein:

"Notwithstanding the foregoing, any claim brought under the Minnesota Franchises Law shall not be barred unless an arbitration or legal proceeding is commenced within three (3) years after the cause of action accrues."

7. Section 24.7 of the Franchise Agreement on Specific Performance; Injunctive Relief is amended in part to provide that the court will determine if a bond will be posted.

8. Section 3.6 of the Franchise Agreement is amended in part by the addition of the following:

"In no event will the then-current non-sufficient funds fee charged by Franchisor exceed the maximum fee allowed by Minnesota Statute Section 604.113."

9. Section 16.9 on Monetary Fees for Non-Compliance and Section 24.11 on Liquidated Damages are each amended by the addition of the following language:

"These provisions are not enforceable under Minnesota law."

10. This Addendum does not act as a release or waiver by the franchisee of an otherwise applicable provision of the Minnesota Franchise Act that is omitted, misstated, or whose legal effect is misconstrued herein.

11. Section 3.1 of the Franchise on Initial Franchise Fee shall be amended by the addition of the following language to the original language that appears therein:

All initial fees and payments owed by franchisees shall be deferred until Franchisee opens for business.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

**FRANCHISOR:**  
**CHICAGO'S ORIGINAL ITALIAN BEEF**  
**FRANCHISING LLC**  
An Illinois limited liability company

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**  
\_\_\_\_\_  
Franchisee  
Date: \_\_\_\_\_

\_\_\_\_\_  
Franchisee  
Date: \_\_\_\_\_

OR if Franchisee is an entity:  
A \_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**CHICAGO'S ORIGINAL ITALIAN BEEF FRANCHISING LLC  
ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT  
FOR THE STATE OF MINNESOTA**

This Addendum to the Area Development Agreement is agreed to between Chicago's Original Italian Beef Franchising LLC (Franchisor) and \_\_\_\_\_ (Developer) to amend said agreement as follows:

1. Section 7 of the Area Development Agreement on Default and Termination is amended by the addition of the following language to the original language that appears therein:

"Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 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. These provisions of Minnesota law are hereby incorporated by reference in this Agreement."

2. Section 9 of the Area Development Agreement on Post-Termination Covenants is amended by the addition of the following language to the original language that appears therein:

"These provisions may not be enforceable under Minnesota law."

3. Sections 12.6 of the Area Development Agreement on Governing Law/Consent to Jurisdiction and Section 12.4 of the Area Development Agreement on Scope of Arbitration are each amended by the addition of the following language to the original language that appears therein:

"Minnesota Statutes, Section 80C.21 and Minn. Rule Part 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 can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

4. Section 12.9 of the Area Development Agreement on Limitation of Actions is amended by the addition of the following language to the original language that appears therein:

"Notwithstanding the foregoing, any claim brought under the Minnesota Franchises Law shall not be barred unless an arbitration or legal proceeding is commenced within three (3) years after the cause of action accrues."

5. Section 12.2 of the Area Development Agreement on Specific Performance; Injunctive Relief is amended in part to provide that the court will determine if a bond will be posted.

6. This Addendum does not act as a release or waiver by the franchisee of an otherwise applicable provision of the Minnesota Franchise Act that is omitted, misstated, or whose legal effect is misconstrued herein.

7. Section 2 of the Area Development Agreement on Fees shall be amended by the addition of the following language to the original language that appears therein:

All initial fees and payments owed by Developer shall be deferred until Franchisee opens for business.