

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and the territory reservation agreement require you to resolve disputes with us by litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Michigan. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in Michigan or a state other than in your own state.

2. **Spousal Liability.** Your spouse must sign a document, such as a guarantee, that makes your spouse liable for your financial obligations under the franchise agreement, even if your spouse does not own any part of the franchise business. If you live in a community property state, your spouse may be liable for your financial obligations even if he or she hasn't signed anything. In either case, both your and your spouse's marital and personal assets, including your house, could be lost if your franchise fails.

3. **Financial Condition.** The affiliate guarantor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

4. **Mandatory Minimum Payments.** [You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.](#)

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state in Exhibit I.

## MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the State of Minnesota and is intended to comply with Minnesota statutes and regulations.

- ~~4~~1. [Item 6: NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \\$30 on service charges.](#)
- ~~2~~. [Item 17.](#) Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes Section 80C.14, subs. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.
- ~~2~~3. [Item 17.](#) No condition, stipulations, or provisions in the Franchise Agreement can abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any forum or remedies provided for by the laws of the jurisdiction. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J may prohibit us from requiring litigation to be conducted outside Minnesota, from requiring waiver of a jury trial, and from requiring you to pay liquidated damages.
- ~~3~~4. [Item 17 and 22.](#) Any release required as a condition of renewal or transfer will not apply to any liability imposed by Minn. Stat. Sections 80C.01-80C.02.
- ~~4~~5. [Item 17 and 22.](#) Any release required as a condition of being granted a new Franchise Agreement for an additional Restaurant will not apply to any liability imposed by Minn. Stat. Sections 80C.01-80C.02 in connection with granting the new Franchise Agreement.
- ~~5~~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.