

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Inventories (Contact Lenses, Optical Frames & Lenses, Supplies)	\$20,000.00 to \$40,000.00	As Incurred	As Incurred	Vendors & Affiliates
Point-of-Sale Computer & Accounting Set-up	\$4,500.00 to \$12,000.00	As Incurred	As Incurred	Vendors and Accounting Professional(s)
Office Equipment and Furniture	\$30,000.00 to \$100,000.00	As Incurred	As Incurred	Suppliers
Prepaid Expenses and Deposits	\$3,000.00 to \$5,000.00	As Incurred	As Incurred	Vendors & Utilities
Practice Development Expenses	\$2,000.00 to \$6,000.00	As Incurred	As Incurred	Suppliers
Insurance (initial premium) (Note 2)	\$2,000.00 to \$3,000.00	As Incurred	As Incurred	Insurance Company
Additional Funds – 3 Months (Note 3)	\$20,000.00 to \$90,000.00	As Incurred	As Incurred	Vendors & Suppliers
Total (Note 4)	\$100,000.00 to \$450,000.00 (Does not include real estate costs, if any)			

YOUR ESTIMATED INITIAL INVESTMENT – EXISTING OFFICE

Type of Expenditures	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	None			
Signage	\$500.00 to \$9,000.00	As Incurred	Prior to Opening	Suppliers
Initial Inventories (Contact Lenses, Optical Frames & Lenses, Supplies)	\$0.00 to \$12,000.00	As Incurred	As Incurred	Vendors & Affiliates
Legal Fees	\$0.00 to \$5,000.00	As Incurred	As Incurred	Attorneys
Practice Development Expenses	\$0.00 to \$2,500.00	As Incurred	As Incurred	Suppliers
Additional Funds – 3 Months (Note 3)	\$0.00 to \$12,000.00	As Incurred	As Incurred	Employees, Vendors & Suppliers
Total (Note 4)	\$500.00 to \$40,500.00 (Does not include real estate costs, if any)			

Notes to both Tables:

Note 1: Premises. You must pay for or provide financing for the leasing or purchase of real property and the construction or conversion of a building. Such variables as property cost, location, cost of construction, and local building codes make it difficult to estimate accurately the rental or purchase cost of real property. Vision Source franchises may have 1,200 to 5,000 or more square feet of leased space.

If the property is owned by a third party and leased, the rent for the first month is estimated to be \$2,500.00 to \$10,000.00 and the security deposit is usually equal to one month's rent. You may also incur site development

4. **[For Vision Source NEXT Program Only]** Article 11 of the Franchise Agreement is amended to include new sub-section (k) as follows:

(k) If Franchisee terminates the Franchise Agreement for any reason during the first thirty-six (36) months of the Extended Term [alternatively, up to eighty-four (84) months of the Extended Term], the Franchisee agrees to pay a Termination Fee in the cumulative amount of all the monthly Franchisor's Credits applied to Franchisee's Royalty payments during the applicable portion of the Extended Term. Franchisee agrees to remit the Termination Fee within thirty (30) days of the Termination Date.

5. **In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to further modify the Franchise Agreement as follows:**

A. Releases. Sections 3.02.5 and 8.06(c) are each amended by adding the following:

Minnesota Statute 80C.21 and Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release, Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01–80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

B. Renewal and Termination. Section 3.02 and Article 10 are each amended by adding the following:

With respect to franchises governed by Minnesota law, the franchiser 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.
- Notwithstanding anything to the contrary in this section, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5 which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

C. Trademarks. Section 9.01 is amended by adding the following:

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 franchiser 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. Franchisor will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of the Names and Marks infringes trademark rights of the third party, provided that Franchisee's use is in accordance with the requirements of the Franchise Agreement and the System.

D. Acknowledgments. Article 16 is amended by adding the following:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser 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. Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C.

E. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22.

F. 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.

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

H. NSF checks are governed by Minnesota Statute 60A.113 Subd. 2(a), which puts a cap of \$30 on service charges.

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 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 with the franchise.

(Signatures on the next page)