

(F) We may choose to require that you pay a development fee calculated by multiplying the aggregate number of new Units you are required to develop and operate under the Market Build Out Agreement by the sum of \$22,500. We will credit the portion of the development fee attributable to a new Unit against the initial fee for such new Unit so long as such new Unit is opened in accordance with the Market Build Out Agreement. As stated in the above table, in the event that you miss an opening date, payments of \$4,231 for each four- or five -week accounting period of our pertinent financial calendar will be due until the date that you actually open the new Unit or 10 years following the missed opening date, whichever first occurs.

Please refer to Item 11 for additional computer and electronic technology equipment and support fees.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPRESS UNITS

Type of Expenditure (A)	Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Background Check Fee	\$500-\$700 per person	Lump Sum	Upon application	Approved third parties
Initial License Fee	\$22,500	Lump Sum	\$10,000 due upon site registration with balance due on groundbreaking	Us or our designated affiliates
First Unit Construction Services (B)	\$27,250	Lump Sum	As provided in the Development Services Agreement	Approved third parties or YRSG
Optional Real Estate Services (B)	\$10,000 - \$37,250	Lump Sum	As provided in the Development Services Agreement	YRSG
*Permits, Licenses, Security Deposits (D)	\$500 - \$10,000	Lump Sum	As incurred	Various vendors
Real Property – First month’s rent	\$2,100 - \$4,500	Lump Sum	As incurred	Owner/Lessor
Architectural Fees (D)	\$1,500 - \$25,000	As Agreed	As incurred	Vendor
**Building/Site Construction (C)	\$50,000 - \$300,000	As agreed	As agreed	Various Third Parties
**Equipment/Signage/Decor/ POS	\$160,600 - \$400,000	Lump Sum	As incurred	Vendor
*Initial Inventory (E)	\$3,000 - \$8,500	Lump Sum	As incurred	Vendor
*Additional Funds (3 months) (F)	\$10,000 - \$20,000	As agreed	As incurred	Various Third Parties
TOTAL	\$287,395 - \$855,700			

STATE OF MINNESOTA
ADDENDUM TO DISCLOSURE DOCUMENT

These licenses have been registered under the Minnesota Franchise Act. Registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any license in this state which is subject to registration without first providing to the licensee, at least 7 days prior to the execution by the prospective licensee of any binding license or other agreement, or at least 7 days prior to the payment of any consideration, by the licensee, whichever occurs first, a copy of this public offering statement, together with a copy of all proposed agreements relating to the license. This public offering statement contains a summary only of certain material provisions of the license agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the licensor and the licensee.

A provision in a license agreement which requires a licensee to assent to a general release is prohibited under Minnesota Rule 2860.4400D.

With respect to the licenses governed by Minnesota law, Taco Bell will comply with Minnesota Statutes 80C.14 subdivisions 3, 4 and 5 which require except in certain specific cases, that a licensee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the license agreement.

Liquidated damage provisions are void in the state of Minnesota.

[NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \\$30 on service charges.](#)

The Risk Factors section of the State Cover Page is supplemented by the following provision:

Minn. Stat. Sec. 80c.21 and Minn. Rule Part 2860.4400j prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or License Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80c, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The Minnesota Department of Commerce requires that Taco Bell indemnify Minnesota licensees against liability to third parties resulting from claims by third parties that the licensee's use of Taco Bell's trademark infringes on the trademark rights of the third party. Taco Bell will provide such indemnity only if licensee's use of Taco Bell's trademarks is in accordance with the requirements of the license. As a condition to indemnification, licensee must provide notice to Taco Bell of any infringement claim within ten (10) days of licensee's receipt of such claim and tender the defense of the claim to Taco Bell. If Taco Bell accepts the tender of defense, Taco Bell 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.

No statement, questionnaire, or acknowledgment signed or agreed to by a licensee 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 licensor, license seller, or other person acting on behalf of the licensor. This provision supersedes any other term of any document executed in connection with the license.

The State of Minnesota also requires that the following Addendum to License Agreement be included in the FDD:

ADDENDUM TO
LICENSE AGREEMENT FOR THE STATE OF MINNESOTA

In recognition of the requirement of the Minnesota Franchise Act, the parties to the attached TACO BELL FRANCHISOR, LLC LICENSE AGREEMENT (the "Agreement") agree as follows:

1. Section 14 of the Agreement, "Trademarks," shall be supplemented by the following paragraph which shall be considered an integral part of the Agreement:

The Minnesota Department of Commerce requires that Licensor indemnify Minnesota licensees against liability to third parties resulting from claims by third parties that the Licensee's use of Licensor's trademark infringes trademark rights of the third party. Licensor will provide such indemnity only if Licensee's use of Licensor's trademarks is in accordance with the requirements of the license. As a condition to indemnification, Licensee must provide notice to Licensor of any infringement claim within ten (10) days and tender the defense of the claim to Licensor. If Licensor accepts the tender of