

STATE OF MINNESOTA
ADDENDUM TO DISCLOSURE DOCUMENT

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

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

With respect to the franchises 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 franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

[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 Franchise 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 franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of Taco Bell's trademark infringes on the trademark rights of the third party. Taco Bell will provide such indemnity only if the franchisee's use of Taco Bell's trademarks is in accordance with the requirements of the franchise. As a condition to indemnification, the franchisee must provide notice to Taco Bell of any infringement claim within ten days of the franchisee's receipt of the 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 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.

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

**ADDENDUM TO THE FRANCHISE 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 FRANCHISE 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 Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of Franchisor's trademark infringes trademark rights of the third party. Franchisor will provide such indemnity only if Franchisee's use of Franchisor's trademarks is in accordance with the requirements of the franchise. As a condition to indemnification, Franchisee must provide notice to Franchisor of any infringement claim within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the