

**ADDENDUM TO THE CARL'S JR. RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations.

1. The following statement is added to Items 5 and 7:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

12. Minnesota Statutes, Section 80C.21 and Minnesota Rules 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(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

23. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld.

34. The franchisor 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.

45. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

56. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

67. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

78. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5. If the Franchise Agreement contains a limitations period for bringing claims against

Franchisor which is shorter than the limitations period provided under the Minnesota Act, the Franchise Agreement shall be modified to conform to the Minnesota Act.

9. 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.

**ADDENDUM TO THE CARL'S JR. RESTAURANT
DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Carl's Jr. Restaurant Development Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Minnesota; (B) Developer is a resident of the State of Minnesota; and/or (C) part or all of the Development Territory is located in the State of Minnesota.

2. [The following statement is added to the end of Section 4:](#)

[Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.](#)

23. The following sentence is added to the end of Sections 10.B.(5) and 11:

Notwithstanding the foregoing, Developer 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.

34. Section 12.B.(9) is deleted and replaced with the following statement:

Developer's use or duplication of the Carl's Jr. System or any part of the Carl's Jr. System in any other business, or disclosure of any part of the Carl's Jr. System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including the right to seek injunctive relief.

45. The following sentence is added to the end of Section 13.A.:

With respect to franchises governed by Minnesota law, CJR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which requires, except in certain 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 agreements.

56. The following sentences are added to the end of Sections 22.A.-B.:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit CJR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Developer's rights as provided for in Minnesota

**ADDENDUM TO THE CARL'S JR. RESTAURANT
FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Carl's Jr. Restaurant Franchise Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Minnesota; (B) Franchisee is a resident of the State of Minnesota; and/or (C) the Franchised Restaurant will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2.B.(2)(e), 15.B.(5) and 16:

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.

3. The following sentence is added to the end of Sections 2.B. and 18:

With respect to franchises governed by Minnesota law, CJR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of franchise agreements.

4. [The following statement is added to the end of Section 3.A:](#)

[Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens.](#)

45. The following sentence is added at the end of Section 11:

Notwithstanding the foregoing, CJR will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of a Proprietary Mark infringes trademark rights of a third party; provided, that CJR will not indemnify against the consequences of Franchisee's use of the Proprietary Marks unless the use is in accordance with the requirements of this Agreement and the System.

56. Section 17.B.(9) is deleted and replaced with the following statement:

Franchisee's use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including the right to seek injunctive relief.

67. The following sentences are added to the end of Sections 27.A.-B.:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit CJR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of 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.

78. The second sentence of Section 27.D. is deleted and replaced with the following sentence:

Franchisee and CJR waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

89. The second sentence of Section 28.E. is deleted and replaced with the following sentence:

Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, CJR shall be entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond or security must be posted.

910. Section 29.M. is deleted.

1011. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

1112. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Statute are met independently of this Addendum.

13. 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.

1214. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

CJR:
CARL'S JR. RESTAURANTS LLC

By: Danell Caron

Print Name: Vice President, Legal

Title: _____

Date: _____