Minnesota Disclosure Addendum

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Huddle House, Inc. for use in the State of Minnesota shall be amended to include the following:

1. The Commissioner of Commerce of the State of Minnesota requires that all initial fees paid to Huddle House, Inc. by the franchisee be held in escrow until Huddle House, Inc. has completed its pre-opening obligations to the franchisee. The escrow agreement between Huddle House, Inc. and Minnesota National Bank, as the Escrow Agent, is on file at the Commissioner of Commerce.

2. Item 13, "Trademarks," shall be amended by the addition of the following paragraph at the end of the Item:

> Pursuant to Minnesota Stat. Sec. 80C.12 (Subd. 1(g)), we are required to protect any rights which you have to use our Licensed Marks.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs:

> With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a licensee be given 90 days' notice of termination with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the license not be unreasonably withheld.
>
> Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.
>
> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 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 Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5

4. The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause under Minnesota law. Certain liquidated damages clauses are unenforceable.

~~5~~5. Non-Sufficient Funds checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

6. No release language set forth in the Franchise Agreement shall relieve us or any other person directly or indirectly from liability imposed by the laws concerning franchising in the State of Minnesota.

~~6~~7. The following language is added to Item 22:

> The Acknowledgements, which is included as Exhibit A-3 of this disclosure document, is deleted. It is not for use and will not apply in the state of Minnesota.
>
> The Franchisee Questionnaire, which is included as Exhibit G of this disclosure document, is deleted. The Franchisee Questionnaire is not for use and will not apply in the state of Minnesota.

~~7~~8. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the Disclosure Document.

(d) Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 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.

7. Notwithstanding **Section 22(b)(v)**, under the heading "Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers", in the event that a claim is brought pursuant to Minn. Stat. § 80C.17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn. Stat. § 80C.17 (Subd. 5). The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

8. **Sections 24(a) through 24(e)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

~~9.~~9. Non-Sufficient Funds checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

10. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By:______________________________

Name: ____________________________

Title: _____________________________

Minnesota Market Development Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Huddle House, Inc. Market Development Agreement (the "**Agreement**") agree as follows:

1. **Section 3(a)** of the Agreement, under the heading "Development Fees," shall be amended by the addition of the following language:

> The Commissioner of Commerce of the State of Minnesota requires that the Development Fees paid to Company by Developer be held in escrow until Company has completed its pre-opening obligations under this Agreement to Developer and Developer opens its first Huddle House Restaurant to be developed under this Agreement. The escrow agreement between Company and Minnesota National Bank, as the Escrow Agent, is on file at the Commissioner of Commerce.

2. **Section 13** of the Agreement, shall be supplemented by the addition of the following new **Section 13(f)**:

> (f) Minnesota law provides franchisees with certain transfer rights. In sum, Minn. Stat. § 80C.14 (Subd. 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld.

3. **Section 8** of the Agreement, under the heading "Termination," shall be supplemented by the following new **Section 8(c)**:

> (c) Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (Subd. 3) currently requires, 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.

4. **Section 15** of the Agreement, under the heading "Miscellaneous Provisions", shall be supplemented by the following **Section 15(m)**, which shall be considered an integral part of the Agreement:

> (m) Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 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.

5. Notwithstanding **Section 15.e(v)** of this Agreement, under the heading "Miscellaneous Provisions", in the event that a claim is brought pursuant to Minn. Stat. § 80C.17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn. Stat. § 80C.17 (Subd. 5). The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

6. **Sections 16(a)** of the Agreement, under "Acknowledgments," shall be deleted in its entirety, and shall have no force or effect.

~~7.~~7. Non-Sufficient Funds checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

8. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

[SIGNATURE PAGE TO FOLLOW]