

**AMENDMENT TO SANDLER SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Franchise Agreement between _____ (“Franchisee” or “You”) and Sandler Systems, LLC (“SSL”) dated _____ (the “Agreement”) is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. Notwithstanding anything to the contrary contained in Section 3.1 of the Agreement, Franchisee’s payment of the Initial Franchise Fee shall be deferred until SSL has conducted Initial Training, Part I for Franchisee as required by Section 4.1 of the Agreement, and satisfied its obligations to Franchisee under Sections 4.4 and 4.5 of the Agreement. Within three business days from SSL’s completion of the foregoing, Franchisee shall pay SSL the Initial Franchise Fee. The Initial Franchise Fee is fully earned by SSL upon execution of the Agreement in consideration of administrative and other expenses incurred by SSL in entering into the Agreement and for SSL’s lost or deferred opportunity to enter into the Agreement with others.

2. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Minnesota Department of Commerce requires that SSL indemnify Minnesota franchisees against liability to third parties resulting from claims that the Franchisees’ use of the Intellectual Properties infringes trademark rights of the third party. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that a franchisee be given written notice of a SSL’s intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases that a franchisee be given 90 days notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s

requirements and shall have no force or effect.

- d. If the Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- e. If the Agreement and/or the Disclosure Document require(s) that it be governed by a state’s law other than the State of Minnesota or by arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

32. 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.

43. Each provision of this Agreement and/or the Disclosure Document shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independently of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed this Amendment below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

SANDLER SYSTEMS, LLC

Shannon Howell
Secretary

By: _____
Craig Dempster
CEO

Date: _____

[FRANCHISEE COMPANY NAME]

By: _____
Name
Title

Date: _____

SANDLER SYSTEMS, LLC

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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.

Items 5 and 7 of this Disclosure Document is modified to include the following statement:

The Initial Franchise Fee is not due to SSL until SSL has conducted Initial Training, Part I for you, and satisfied its obligations to you under Sections 4.4 and 4.5 of the Franchise Agreement. The Initial Franchise Fee must be paid to SSL within three business days from SSL's completion of the foregoing.