

Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risk(s) to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Michigan. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Michigan than in your own state.
2. **Governing Law.** The franchise agreement and multi-unit agreement state that they are governed by Michigan law, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.
3. **Personal Guaranty.** We require you to sign a personal guaranty. Your spouse must also sign a personal guaranty making your spouse individually liable for your financial obligations under the marital and personal assets as risk if your franchise fails.
4. **Franchisor's Assets.** Please note that 70.2% of franchisor's assets are intangible. You may want to take this into consideration when making a decision to purchase this franchise opportunity.
5. **Mandatory Minimum Payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.**

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.