

that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the 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.

F. No statement, questionnaire or acknowledgement 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.

G. The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

**New York FDD Amendment**  
Amendments to the Terrace Up  
Franchise Disclosure Document

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1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K. of the Franchise Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

14. The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

15. No statement, questionnaire or acknowledgement 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.

~~[SIGNATURE PAGE TO FOLLOW]~~

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to Terrace Up Franchising Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:**

Terrace Up Franchising Inc.

**Franchisee:**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated