

## Special Risks to Consider about *This Franchise*

Certain states require the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The License Agreement requires you to resolve disputes with us by arbitration or litigation only in the state in which our then-current headquarters is located (currently California). Out of state or area arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with us in the location we select than in your own state.
2. **Completion of Training.** If you do not complete training to our satisfaction, or if you do not pass any required testing, we may cancel the License Agreement at our sole discretion. There is no refund if we cancel your License Agreement for these reasons.
3. **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.
4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

for which the remedies at law may be inadequate, and that Licensor shall be entitled to seek injunctive relief to prevent any violations of this Agreement and other appropriate remedies and relief.

~~7.8.~~ 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 with the franchise.

~~8.~~ Item 5 of the Disclosure Document and the License Agreement (including Section 9) is amended to reflect that based upon the franchisor's financial condition, the Minnesota Securities Section of the Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by licensees deferred until the licensor completes its pre-opening obligations under the license agreement. In addition, if the licensee purchases multiple outlets, all initial payments shall be deferred until the first franchise opens.

Dated: \_\_\_\_\_

LICENSOR:

Citadel Panda Express, Inc.  
a California corporation

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

Title: \_\_\_\_\_

LICENSEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Licensee Entity

a \_\_\_\_\_  
(Corporation, LLC or Partnership)

Organized under the laws of:

\_\_\_\_\_  
(Jurisdiction of Formation)

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title