

FRANCHISE DISCLOSURE DOCUMENT



Panchero's Franchise Corporation
an Illinois Corporation
2475 Coral Court, Suite B
Coralville, Iowa 52241
(888) MEXBEST (639-2378)
pancheros@pancheros.com
www.pancheros.com
www.facebook.com/pancheros
www.twitter.com/pancheros
www.youtube.com/pancherostv
www.linkedin.com/company/217846?trk=tyah

You will operate a PANCHEROS Restaurant featuring burritos, quesadillas, tacos, burrito bowls, salads, rice, salsa, and other food and beverage products.

The total investment necessary to begin operation of a [single unit](#) PANCHEROS franchise ranges from \$680,500 to \$1,387,500. This includes the \$32,000 to \$34,000 that must be paid to the franchisor or affiliate.

If [we grant you acquire area](#) development rights, you must develop at least three Restaurants, and you will sign our Area Development Agreement. Upon signing, you will pay us a development fee equal to \$25,000 for the first franchise and \$10,000 for each additional franchise you commit to develop. [The total investment necessary to begin operation of the first PANCHEROS Restaurant you will develop under an Area Development Agreement for three Restaurants will range from \\$695,500 to \\$1,402,500. This includes \\$45,000 that must be paid to franchisor or its affiliate.](#)

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rachel Garms, Franchise Development & Real Estate Administrator, 2475 Coral Court, Suite B, Coralville, Iowa 52241 at rachelg@pancheros.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: March 20, 2024

PANCHERO'S FRANCHISE CORPORATION
STATE APPENDIX TO DISCLOSURE DOCUMENT

FOR THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

Item 17 is supplemented by the following:

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item 22 is supplemented to add the following:

Item 6 is supplemented by the following:

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

The following sentence supplements and supersedes the last sentence of the ninth paragraph of Item 13:

Pursuant to Minnesota Stat. §80C.21, Subj. 1(g), we are required to protect any rights which you have to use our proprietary marks.

Item 17 of the Disclosure Document is supplemented by the following:

With respect to franchises 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 (1) a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 181.991, which prohibits franchisors from restricting, restraining or prohibiting in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor or of the franchisor. Accordingly, any such restrictions, restraints or prohibitions set forth in this Disclosure Document in violation of Minnesota Statutes, Section 181.991 (including those referenced in Item 17(q) and 17(r) shall be void and of no effect.

Item 22 is supplemented to add the following:

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,

FOR THE STATE OF NEW YORK

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 THAT ANYTHING IN THIS FRANCHISE

**RIDER TO THE PANCHERO'S FRANCHISE CORPORATION
FRANCHISE AGREEMENT FOR USE IN MARYLAND**

THIS RIDER is made this ___day of _____, 20__ by and between **PANCHERO'S FRANCHISE CORPORATION**, an Illinois corporation, having its principal place of business at 2475 Coral Court, Suite B, Coralville, Iowa 52241 ("**Franchisor**"), and _____ ("**Franchisee**").

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland and/or (b) Franchisee's Franchised Restaurant will be located or operated in Maryland.

2. **WITNESSETH.** The following language is added to the end of the sixth paragraph: Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **Releases.** The following language is added to the end of Section 2.B.11. of the Franchise Agreement, entitled **TERM AND RENEWAL**, and Section 16.D.6. of the Franchise Agreement, entitled **TRANSFERABILITY OF INTEREST**:

" , provided, however, that the general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

4. **Bankruptcy.** The following language is added to the end of Section 14.B.10. of the Franchise Agreement, entitled **DEFAULT AND TERMINATION**:

"Termination upon Franchisee's insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.)."

5. **Applicable Law.** Section 26.A. of the Franchise Agreement is supplemented with the following language:

A. This Agreement takes effect upon its acceptance and execution by Franchisor. This Agreement shall be interpreted and construed under the laws of the State of Iowa, which laws shall prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15, U.S.C. sections 1051 et seq.). Despite anything to the contrary stated above, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

B. Franchisee agrees that any action sought to be brought by either party shall be brought exclusively in a state or federal court in the county in which Franchisor maintains its principal place of business as the time the action is initiated; however nothing in this section affects Franchisee's right under the Maryland Franchise Registration and Disclosure Law to sue in Maryland for claims arising under that law. The parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

6. **Limitation of Claims.** Notwithstanding anything to the contrary set forth in the Franchise Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

7. **Acknowledgments.** Sections 24.D, 25.B, 29.A and 30 of the Franchise Agreement shall be deleted in ~~its~~ their entirety. For the avoidance of doubt, the following language shall be added to the end of the Franchise Agreement and replaced with the following:

**RIDER TO THE PANCHERO'S FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made this ____ day of _____, by and between **PANCHERO'S FRANCHISE CORPORATION**, an Illinois corporation, having its principal place of business at 2475 Coral Court, Suite B, Coralville, Iowa 52241 ("**Franchisor**"), and _____ ("**Developer**").

1. **Background.** Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) Developer is a resident of Maryland and/or (b) the Franchised Restaurant(s) will be located or operated in the State of Maryland.

2. **WITNESSETH.** The following language is added at the end of Section 20.(g):

"Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

3. **Releases.** The following language is added to the end of Section 8.(d) of the Area Development Agreement, entitled **TRANSFERABILITY**:

" , provided, however, that the general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

4. **Bankruptcy.** The following language is added to the end of Section 7.(b) of the Area Development Agreement, entitled **DEFAULT AND TERMINATION**:

"Termination upon Developer's insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.)."

5. **Applicable Law.** Section 17.(a) and Section 17.(b) of the Area Development Agreement are supplemented with the following language:

(a) This Agreement takes effect upon its acceptance and execution by Franchisor. This Agreement shall be interpreted and construed under the laws of the State of Iowa, which laws shall prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.). Despite anything to the contrary stated above, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

(b) Developer agrees that any action sought to be brought by either party shall be brought and maintained exclusively in the state or federal court in the county in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision and the parties, further, agree to waive trial by jury; however nothing in this section affects Developer's right under the Maryland Franchise Registration and Disclosure Law to sue in Maryland for claims arising under that law.

6. **Limitation of Claims.** Notwithstanding anything to the contrary set forth in the Area Development Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

7. **Acknowledgments.** 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. Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.” Accordingly, t

he following language shall be deleted from the Area Development Agreement in its entirety:

a) The last recital on the first page that reads:

“WHEREAS, Franchisor expressly disclaims the making of and Developer acknowledges that it has not received nor relied upon any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. Developer acknowledges that it has read this Agreement and Franchisor's franchise disclosure document and that it has no knowledge of any representations by Franchisor, or its officers, directors, shareholders, employees or agents that are contrary to the statements made in Franchisor's franchise disclosure document or to the terms herein.”

b) Section 3(f) that reads:

Developer acknowledges and agrees that it has conducted an independent investigation of the business contemplated under this Agreement, that Developer fully understands its obligations under this Agreement, and that Developer recognizes and assumes all associated risks. In addition, Developer acknowledges that Franchisor makes no representation: (i) that the Development Area contains a sufficient number of acceptable locations to meet the number of Restaurants to be developed under the Development Schedule; nor (ii) that the Development Area is sufficient to economically support the number of Restaurants to be developed under the Development Schedule. Developer further acknowledges that it has performed all related and necessary due diligence before its execution of this Agreement and that, accordingly, Developer assumes the risk of identifying a sufficient number of acceptable locations within the Territory and the economic risk of developing the number of Restaurants set forth in the Development Schedule.

c) Section 19 that reads:

CAVEAT

THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY DEVELOPER BY VIRTUE OF THIS AGREEMENT IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY OF DEVELOPER AS AN INDEPENDENT BUSINESSPERSON, AND HIS/HER ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS AS WELL AS OTHER FACTORS. FRANCHISOR DOES NOT MAKE ANY REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREBY.

d) ~~Section~~Section20 -that reads:

21. ACKNOWLEDGMENTS

(a) Developer represents and acknowledges that it has received, read and understood this Agreement and Franchisor's franchise disclosure document; and that Franchisor has fully and adequately explained the provisions of each to Developer's satisfaction; and that Franchisor

has accorded Developer ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

(b) Developer has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Developer has either consulted with such advisors or has deliberately declined to do so.

(c) The covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer, since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

(d) Developer affirms that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, with Developer expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

(e) Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, an investment in a PANCHEROS Franchised Restaurant involves business risks and that the success of the venture is primarily dependent upon the business abilities and efforts of Developer.

(f) Developer further acknowledges that Franchisor makes no representation: (i) that Developer's Development Area contains a sufficient number of acceptable locations to meet the number of Franchised Restaurants to be developed under the Development Schedule; or (ii) that Developer's Development Area is sufficient to economically support the number of Franchised Restaurants to be developed under the Development Schedule. Developer acknowledges that Developer has performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, Developer assumes the risk of identifying a sufficient number of acceptable locations within the Development Area, and the economic risk of developing the agreed-upon number of Franchised Restaurants within the Development Area.

(g) Developer understands and acknowledges that all representations of fact contained herein are made solely by Franchisor. All documents, including Developer's Area Development Agreement and franchise disclosure document and all exhibits thereto, have been prepared solely in reliance upon representations made and information provided by Franchisor, its officers and its directors.

20 of the Area Development Agreement shall be deleted in its entirety

and replaced as follows:

~~“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. Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”~~

**RIDER TO THE PANCHERO'S FRANCHISE CORPORATION
FRANCHISE AGREEMENT FOR USE IN MINNESOTA**

THIS RIDER is made this ___ day of _____, 20__ by and between **PANCHERO'S FRANCHISE CORPORATION**, an Illinois corporation, having its principal place of business at 2475 Coral Court, Suite B, Coralville, Iowa 52241 ("**Franchisor**"), and _____ ("**Franchisee**").

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee's Franchised Restaurant will be located or operated in Minnesota and/or (b) the offer or sale of the franchise for the Franchised Restaurant that Franchisee will operate under the Franchise Agreement was made in the State of Minnesota.

2. **Releases.** The following language is added to the end of Section 2.B.11. of the Franchise Agreement, entitled **TERM AND RENEWAL**, and Section 16.D.6. of the Franchise Agreement, entitled **TRANSFERABILITY OF INTEREST**:

"provided, however, that such general releases will not apply to the extent prohibited by applicable law with respect to claims which arise under Minn. Rule 2860.4400D."

3. The following language is added to the end of Sections 2.C. of the Franchise Agreement, entitled **TERM AND RENEWAL**, and Article 14 of the Franchise Agreement, entitled **DEFAULT AND TERMINATION**:

"WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, FRANCHISOR WILL COMPLY WITH MINN. STAT. §80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT 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. [The following language is added to the end of Section 4.H. of the Franchise Agreement:](#)

["NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \\$30 on service charges."](#)

5. [The third sentence of Section 6.C. of the Franchise Agreement, entitled PROPRIETARY MARKS, is deleted and replaced with the following:](#)

"Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor and/or LDIP shall, to the extent required by Minnesota Stat. §80C.12, Subd. 1(g), protect any rights Franchisee may have to use the proprietary marks."

6. [Section 13\(c\)\(2\) shall be deleted from the Franchise Agreement in its entirety as required by Minnesota Statutes, Section 181.991, which prohibits franchisors from restricting, restraining or prohibiting in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor or of the franchisor.](#)

7. **Applicable Law.** The following language is added to the end of Sections 26.A. and 26.B. of the Franchise Agreement:

"MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF FRANCHISEE'S RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES,

**RIDER TO THE PANCHERO'S FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT FOR USE IN MINNESOTA**

THIS RIDER is made this ____ day of _____, by and between **PANCHERO'S FRANCHISE CORPORATION**, an Illinois corporation, having its principal place of business at 2475 Coral Court, Suite B, Coralville, Iowa 52241 ("**Franchisor**"), and _____ ("**Developer**").

1. Background. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Restaurant(s) that Developer will develop under the Area Development Agreement was made in the State of Minnesota and/or (b) the Restaurant(s) will be located or operated in the State of Minnesota.

2. Assignment. The following language is added to the end of Section 8.(d) of the Area Development Agreement, entitled **TRANSFERABILITY**:

"provided, however, that such general releases will not apply to the extent prohibited by applicable law with respect to claims which arise under Minn. Rule 2860.4400D."

3. Covenants. [Section 9\(c\)\(ii\) shall be deleted from the Area Development Agreement in its entirety as required by Minnesota Statutes, Section 181.991, which prohibits franchisors from restricting, restraining or prohibiting in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor or of the franchisor. In addition, the last sentence of Section \(9\)\(d\) of the Area Development Agreement that reads: "Developer also covenants not to hire Franchisor's or Affiliate's employees during this two \(2\) year period" shall also be deleted in its entirety in accordance with the same statutory section.](#)

4. Applicable Law. The following language is added to the end of Section 17.(a) and Section 17.(b) of the Area Development Agreement:

"MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF DEVELOPER'S RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR DEVELOPER'S RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Rider in duplicate on the day and year first above written.