

## Special Risks 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 arbitration and/or litigation only in Massachusetts. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Massachusetts than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.
3. **Financial Condition.** [The franchisor's financial condition, as reflected in its financial statements \(see Item 21\), calls into question the franchisor's financial ability to provide services and support to you.](#)
4. **Negative Net Worth.** The franchisor's liabilities exceed its assets. Due to this, the franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

## ILLINOIS

### ADDENDUM TO DISCLOSURE DOCUMENT

1. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.
2. Illinois law governs the Franchise Agreement.
3. 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.
4. The following language is added as the last paragraph of the “Initial Franchise Fee” section of Item 5:

**DEFERRAL OF INITIAL FEES.** Franchisor shall defer Franchisee’s payment of all initial franchise fees owed to Franchisor or its affiliates until Franchisor has met all of Franchisor’s pre-opening obligations and Franchisee has opened its franchise business. The Illinois Attorney General’s Office has imposed this deferral requirement due to Franchisor’s financial condition.

5. Your rights upon Termination and Non-Renewal of an agreement are set forth in ~~section~~[sections 19 and 20](#) of the Illinois Franchise Disclosure Act.
6. 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.
7. 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.

## ILLINOIS

### AMENDMENT TO FRANCHISE AGREEMENT

**The Franchise Agreement is specifically amended as follows:**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement (the “**Agreement**”) agree as follows:

1. Illinois law governs the Agreement.
2. 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.
3. The following language is added as the last paragraph in Section 4.1 of the Agreement:

**DEFERRAL OF INITIAL FEES:** We shall defer your payment of all initial franchise fees owed by you to us or our affiliates until we have met all of our pre-opening obligations under this Agreement and you have opened your franchise business. The Illinois Attorney General’s Office has imposed this deferral requirement due to Franchisor’s financial condition.

4. ~~The third sentence of Section 18.8 of the Agreement is amended to state:~~

~~Notwithstanding the foregoing, nothing in this or in any related Agreement entered into before the Effective Date is intended to disclaim representations SVNIPBC made to Franchisee in the Franchise Disclosure Document or in any related document that SVNIPBC heretofore furnished to Franchisee.~~

5. ~~Your rights upon Termination and Non-Renewal of the Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

65. 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.

76. No statement, questionnaire or acknowledgement signed or agreed to by 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 Franchisor or any franchise seller or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Addendum.~~

~~[SIGNATURES ON FOLLOWING PAGE]~~

## MINNESOTA

### ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. The “Initial Franchise Fee” section of Item 5 is amended with the addition of the following as the last paragraph:

DEFERRAL OF INITIAL FEES. Based upon our most recent audited financial statements, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial franchise fees owed by you to us or our affiliates shall be deferred until we complete our pre-opening obligations to you under the Franchise Agreement and you are open for business.

2. Item 13 **Trademarks** is amended by adding the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

23. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

- A. **Renewal and Termination**

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 you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Agreement.

- B. **Choice of Forum**

Nothing in the Disclosure Document or 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.

- C. **Releases**

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

34. **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.**

**45. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

## MINNESOTA

### AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement ("Agreement") agree as follows:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 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 of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

"Minn. Statutes §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or 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.

2. [The following language is added as the last paragraph in Section 4.1 of the Franchise Agreement:](#)

[DEFERRAL OF INITIAL FEES: Based upon Franchisor's most recent audited financial statements, the Minnesota Department of Commerce has required Franchisor to defer Franchisee's payment of initial franchise fees until Franchisor has met all of Franchisor's pre-opening obligations under the Franchise Agreement and Franchisee has opened its Franchised Business.](#)

3. **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.**

34. **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT-**

OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

*[SIGNATURES ON FOLLOWING PAGE]*

### **18.3 Survival of Covenants**

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever, including but not limited to Articles 17 and 18.

### **18.4 Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of SVNIPBC and shall be binding upon and inure to the benefit of Franchisee and Franchisee's heirs, executors, administrators, successors and assigns, subject to the restrictions on transfer or Assignment contained herein.

### **18.5 Joint and Several Liability**

If Franchisee consists of more than one person or Business Entity, or a combination thereof, the obligations and liabilities of each such person or Business Entity to SVNIPBC shall be joint and several in each and every respect.

### **18.6 General Release**

If Franchisee has a currently-effective franchise agreement with SVNIPBC, or if Franchisee was at any time a salesperson of SVNIPBC or its Related Parties, then it shall be a condition precedent to the obligations of SVNIPBC under this Agreement that Franchisee has executed and delivered to SVNIPBC a general release, in a form prescribed by SVNIPBC, of all existing claims against SVNIPBC and its Related Parties arising out of those former agreements to the fullest extent permitted by law.

### **18.7 Governing Law**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, or the United States Arbitration Act (9 U.S.C. § 1 et seq.), this Agreement shall be governed by and construed in accordance with the laws of the state of Massachusetts without giving effect to any conflict of laws, except that (i) the provisions of any Massachusetts law regarding franchises will not apply unless jurisdictional, definitional and other requirements for the application of such statute or law are met independently of this Section, and (ii) the provisions of Article 10 shall be construed and enforced in accordance with the laws of the state where the breach of said Article occurs.

### **18.8 Entire Agreement**

This Agreement (including all schedules, exhibits and appendixes hereto) contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations are merged herein and superseded hereby. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations ~~SVNIPBC made to Franchisee made~~ in the Franchise Disclosure Document ~~or in any related document that SVNIPBC heretofore furnished to Franchisee~~. Once executed, this Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto; provided, that SVNIPBC independently can modify the Manuals as expressed in Appendix 1. Franchisee represents that there are no contemporaneous\_

agreements or understandings relating to the subject matter hereof between the parties-

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	<del>Pending</del> <a href="#">April 8, 2026</a>
Illinois	<del>Pending</del> <a href="#">March 31, 2026</a>
Indiana	Pending
Maryland	<del>Pending</del> <a href="#">April 9, 2026</a>
Michigan	March 31, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	<del>Pending</del> <a href="#">April 7, 2026</a>
South Dakota	Pending
Virginia	<del>Pending</del> <a href="#">April 7, 2026</a>
Washington	<del>Pending</del> <a href="#">April 7, 2026</a>
Wisconsin	March 31, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.