

Special Risks to Consider About *This* Franchise

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

1. ~~1.~~ **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

**ADDENDUM TO UBIF FRANCHISING CO DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

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.

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 PROSPECTIVE 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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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.

1. Cover Page, Risk Factors 1 and 2 are amended by the addition of the following language:

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 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.

2. Item 5 and Item 7 of this disclosure document is modified to include the following language:

The Minnesota Department of Commerce requires us: if you are a franchisee, to defer payment of the Initial Franchise Fee, the Initial Training Fee, and other amounts owed for goods and services you receive from us before your Store or Mobile Unit opens, until we have satisfied all of our pre-opening obligations to you; and if you are an area developer, to defer payment of the Development Fee and other amounts for goods and services you receive from us before your first franchised Store or Mobile Unit under the area development agreement opens, until we have satisfied all of our pre-opening obligations to you for that first Store or Mobile Unit.

3. Item 6, “Charges for unpaid checks, drafts or electronic payments” shall be amended by the addition of the following paragraph:

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of thirty dollars (\$30) on an NSF check. This applied to everyone in Minnesota who accepts checks except banks.

**ADDENDUM TO UBIF FRANCHISING CO FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

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.

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 PROSPECTIVE 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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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

THIS ADDENDUM is entered into as of _____, 20____ between UBIF FRANCHISING CO, a Florida corporation (“UBIF”) and _____ (“Franchisee”), with reference to the following:

(a) UBIF and Franchisee have entered into a UBIF FRANCHISING CO Franchise Agreement dated as of _____, 20____, (the “Franchise Agreement”).

(a) The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

Section 4.1 is amended to add the following language:

The Minnesota Department of Commerce requires Company to defer payment of the Initial Franchise Fee, the Initial Training Fee, and other amounts owed for goods and services received by Franchisee from Company before the Store or Mobile Unit opens, until Company has satisfied all of its pre-opening obligations to Franchisee under this Agreement.

The Franchise Agreement at Section 19.2 provides that UBIF FRANCHISING CO will be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of the Franchise Agreement. Minnesota law was

amended effective May 20, 1990, to prohibit a person from seeking injunctive relief without posting a bond. To the extent the Franchise Agreement, at Section 19.2 is inconsistent with Minnesota law, Minnesota law will control.

Except as provided in the paragraph above, the Franchise Agreement provides at Section 19.3 that any controversy or claim arising out of or related to the Franchise Agreement, or a breach thereof, will be settled by arbitration. Arbitration will be conducted in Orlando, Florida. The decision of the arbitrator(s) in these cases will be final and binding upon the Franchisee, non-appealable and enforceable in any court of competent jurisdiction. Unless otherwise determined by the arbitrators, the fees and expenses for such arbitration shall be shared by UBIF and Franchisee.

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 Agreement can abrogate or reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C., or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, UBIF will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Franchise Agreement.

Sections 3.4.6, 13.2.3(e), 13.4.1(j), and 18.3.1 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

No general release that Franchisee is required to assent to shall relieve Company from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

[\[Signature page follows\]](#)

**ADDENDUM TO UBIF FRANCHISING CO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF MINNESOTA**

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.

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 PROSPECTIVE 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 PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT 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.

THIS ADDENDUM is entered into as of _____, 20____ between UBIF FRANCHISING CO, a Florida corporation (“UBIF”) and _____ (“Franchisee”), with reference to the following:

(a) UBIF and Franchisee have entered into a UBIF FRANCHISING CO Area Development Agreement dated as of _____, 20____, (the “Area Development Agreement”).

(b) The parties wish to modify the Area Development Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Area Development Agreement as follows:

Sections 5.1 and 5.2 are amended to add the following language:

The Minnesota Department of Commerce requires Company to defer payment of the Development Fee and other amounts for goods and services received by Franchisee from Company before the first franchised Store or Mobile Unit under this Agreement opens, until Company has satisfied all of its pre-opening obligations to Franchisee for that first franchised Store or Mobile Unit.

The Area Development Agreement at Section 10.18 provides that UBIF FRANCHISING CO will be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of the Franchise

Agreement. Minnesota law was amended effective May 20, 1990, to prohibit a person from seeking injunctive relief without posting a bond. To the extent the Area Development Agreement, at Section 10.17 is inconsistent with Minnesota law, Minnesota law will control.

Except as provided in the paragraph above, the Area Development Agreement provides at Section 10.19 that any controversy or claim arising out of or related to the Franchise Agreement, or a breach thereof, will be settled by arbitration. Arbitration will be conducted in Orlando, Florida. The decision of the arbitrator(s) in these cases will be final and binding upon the Franchisee, non-appealable and enforceable in any court of competent jurisdiction. Unless otherwise determined by the arbitrators, the fees and expenses for such arbitration shall be shared by UBIF and Franchisee.

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 Area Development Agreement can abrogate or reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C., or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Sections 4.4.5, 6.3.4, 7.2.2(j), and 12.4.5 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein

No general release that Franchisee is required to assent to shall relieve Company from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22.

Except as set forth herein, the Area Development Agreement shall be valid and enforceable between the parties in accordance with its terms.

[Signature page follows]