

## MINNESOTA STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 13 is amended to add the following:
  1. We protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.
- (2) Item 17, Summary columns for (c) and (m) are amended to add the following:
  2. Any release signed as a condition of renewal or transfer or to receive a refund of the initial franchise fee under the circumstances outlined in Item 5, will not apply to any claims you may have under the Minnesota Franchises Act, Minnesota Statutes, Chapter 80C.
- (3) Item 17 of this disclosure document is modified to include the following paragraphs at the end of the chart:
  3. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Chapter 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 nonrenewal of the franchise agreement.
  4. Minn. Stat. Chapter 80C.21 and Minn. Rule ~~2860.4400J~~2860.4400(J) 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 Franchises Act, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
- (4) NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- (5) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, 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.

- (6) Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- (7) The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). Also, a court will determine if a bond is required.
- (8) The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
- (9) Minn. Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

## MINNESOTA STATE RIDER TO FRANCHISE AGREEMENT

Minn. Stat. Sec. 80C.21 and Minn. Rule ~~2860.4400J~~2860.4400(J) prohibit Franchisor from requiring arbitration to be conducted outside Minnesota.

Nothing in the disclosure document or the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchises Act, Minnesota Statutes, Chapter 80C 17, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. The period of limitation for claims under the Minnesota Franchises Act is 3 years after the cause of action accrues.

Regarding the releases referenced in Subsections 10.1 A.1, 10.1.A.2, 10.1. A.3, 15.3 H, and 16.3 of the Franchise Agreement, the releases will exclude any and all claims that may arise under the Minnesota Franchises Act, if that law applies to Franchisee or its owners.

Regarding Section 14 of the Franchise Agreement and renewal, 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 for nonrenewal of a franchise.

Regarding Section 16 of the Franchise Agreement and termination, 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 for nonrenewal of a franchise.

Regarding Subsection 19.7 of the Franchise Agreement and injunctive relief, Franchisor will not be automatically entitled to the entry of injunctive relief against Franchisee, but Franchisor will be entitled to seek injunctive relief.

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

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, 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.

Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Minn. Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

**FRANCHISEE:**

{NAME OF FRANCHISEE}

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

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISOR:**

**ANNEX BRANDS, INC.**

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

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_