

**FLICKO'S FRANCHISE CORP., INC.**

**ADDENDUM TO THE OFFERING CIRCULAR AND**

**FRANCHISE AGREEMENT**

EXHIBIT G TO THE OFFERING CIRCULAR

**ADDENDUM TO THE  
FLICKO'S FRANCHISE CORP., INC.  
UNIFORM FRANCHISE OFFERING CIRCULAR  
AND FRANCHISE AGREEMENT**

**ADDITIONAL STATE DISCLOSURES**

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provision in the Uniform Franchise Offering Circular ("UFOC")<sup>1</sup>, and Franchise Agreement will be amended as follows:

**CALIFORNIA**

Effective date of registration in California: 2/1/06

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

1. Item 3 is supplemented by the addition of the following language:  
" Neither the franchisor, or any person identified in Item 2 of the UFOC is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 USCA 78a, et seq., suspending or expelling such persons from membership in that association or exchange."
  
2. Item 17 is amended by the addition of the following language to the original language:
  - A. The following language is added as a 2nd paragraph before the chart/columns.

"THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON RENEWAL OR TRANSFER OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 PROVIDES THAT ANY CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THAT LAW OR ANY RULE OR ORDER THEREUNDER IS VOID."

B. "California Business and Professions Code Sections 20000 through 20043 provides rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control."

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<sup>1</sup>Addenda provisions to the Uniform Franchise Offering Circular ("UFOC") also are amendments to all Exhibits attached as listed in the UFOC Table of Contents and Receipt Pages.

C. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

D. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

E. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

F. The Franchise Agreement requires litigation. The litigation will occur in Jefferson County, Kentucky, with the costs being borne by (each party). This provision may not be enforceable under California law.

G. The Franchise Agreement requires application of the laws of Kentucky. This provision may not be enforceable under California law.

H. The Franchise Agreement requires binding arbitration. The arbitration will occur at Jefferson County, Kentucky, with the costs being borne by the unsuccessful party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.”

3. The RECEIPT Pages (“LAST PAGE”), is amended to add the following language:

“THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF CORPORATIONS NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.”

“THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE PROSPECTUS.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this California-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

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

Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## CONNECTICUT

Effective date of registration in Connecticut: \_\_\_\_\_

1. Item 3 of the Offering Circular is amended to read as follows:

Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Offering Circular, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgement, or been the subject of any material complaint or other legal proceeding where such felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which such order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

Neither Company nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling such persons from membership in such association or exchange.

2. Item 4 is amended to read as follows:

During the 10 year period immediately before the date of the Offering Circular neither Company nor Affiliate, or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of Company held this position in the debtor company.

3. Item 11 of the Offering Circular is amended by the following language:

The "Training and Assistance" Section is amended by the addition of the following language to the original language that appears therein:

"The required training shall commence no more than sixty (60) days after execution of this Agreement"

The "Confidential Operations Manual" Section is amended by the addition of the following language to the original language that appears therein:

"Company will provide the Confidential Operations Manual to you no later than thirty (30) days after execution of this Agreement"

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Connecticut-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**FLORIDA**

Exemption date: July 21, 2006

Advertising Identification Number: BF46418

“The State of Florida has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Florida-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**GEORGIA**

“The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Georgia-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

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

Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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



## **HAWAII**

1. Item 17 of the Offering Circular is amended by the addition of the following language to the original language:

“Upon termination or refusal to renew the franchise, you will be compensated for the fair market value, at the time of the termination or expiration of the franchise, of your inventory, supplies, equipment and furnishings purchased from Company or a supplier designated by Company; provided that personalized materials which have no value to Company need not be compensated for. If Company refuses to renew a franchise for the purpose of converting your business to one owned and operated by Company, Company, in addition to the remedies provided in this paragraph, will compensate you for the loss of goodwill. Company may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due Company.”

2. Item 20 of the Offering Circular is amended by the addition of the following language to the original language:

A. “No FLICKO’S FRANCHISE CORP., INC. franchises have been terminated by Company, there are no franchises which have not been renewed by Company and there are no franchises which have been transferred or sold by Company to persons other than a corporation or other business entity controlled by the transferring or selling Company.”

B. “This registration is not currently effective in any state.”

C. “This proposed registration is on file with or will shortly be on file with the states of California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Nebraska, New York, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.”

D. “There are no states which have refused, by order or otherwise, to register these franchises.”

E. “There are no states which have revoked or suspended the right to offer these franchises.”

3. The Receipt Pages are amended to add the following language:

“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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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 AND 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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Hawaii-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **ILLINOIS**

Effective Date of registration in Illinois: 8/2/05

The Agreement is amended by an additional "Miscellaneous" Section to the end of the original language that appears therein:

**"The conditions under which a franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20."**

1. "Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a Franchise Agreement which designates jurisdiction or venue in a forum outside of this state is void with respect to any cause of action which otherwise is enforceable in this state."
2. "Any governing law or choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act. Therefore, the Franchise Agreement will be interpreted and construed under the Illinois Franchise Disclosure Act."
3. "Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."
4. "Section 5 of the Illinois Franchise Disclosure Act states that it is unlawful for any person to offer or sell any franchise which is required to be registered under this Act without first providing to the prospective franchisee at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt by such person of any consideration, whichever occurs first, a copy of a disclosure statement meeting the requirements of this Act and registered by the Administrator, together with a copy of all proposed agreements relating to the sale of the franchise."

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

1. The eighth recital beginning "WHEREAS, Franchisor expressly disclaims. . . " is not applicable.
2. The first sentence of Paragraph XXVI. ("Entire Agreement") is amended to read "This Agreement, any exhibit attached hereto, the documents referred to herein, and the Offering Circular to which this Agreement is an exhibit, shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements.
3. Paragraph XXVIII. ("Applicable Law"), is amended by the addition of the following language to the original language that appears therein:
  - A. "Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a Franchise Agreement which designates jurisdiction or venue in a forum outside of this state is void with respect to any cause of action which otherwise is enforceable in this state."
  - B. "Any governing law or choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act. Therefore, the Franchise Agreement will be interpreted and construed

under the Illinois Franchise Disclosure Act.”

C. Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

4. Paragraph XXXII. (“Caveat”), is amended to delete the final sentence:

“Franchisor does not make any representation or warranty express or implied to the potential success of the business venture contemplated hereby”.

4. Paragraph XXXIII. (“Acknowledgements”), Subparagraph B. is not applicable.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Illinois-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

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

Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **INDIANA**

Effective date of registration in Indiana: 6/18/04

1. The first sentence of the first Risk Factor is amended to read as follows:

**“INDIANA LAW IS CONTROLLING FOR INDIANA FRANCHISEES.”**

2. Item 3 is amended by the addition of the following language to the original language that appears:

“Company is not involved in any pending arbitration and has not, during the ten (10) year period before the date of this Offering Circular, been a party to any arbitration proceeding.”

3. Item 5 is amended by the addition of the following language to the original language that appears:

“Indiana law prohibits franchisors from requiring their franchisees to prospectively agree to a release, assignment, novation, waiver or estoppel that attempts to relieve any person from liability.”

4. Item 6 (“indemnification” reference) is amended by the addition of the following language to the original language as follows:

“(Indiana Code 23-2-2.7-1[5] prohibits this provision)”

5. Item 8 is amended by the addition of the following language to the original language that appears:

“Company retaining any rebates, commissions or other consideration paid by suppliers will not apply to any Indiana franchisee as stated in Indiana Code, Title 23, Article 2, Chapter 2.7-1(4).”

6. Item 14 is amended by the addition of the following language to the original language that appears:

“If there is an alleged breach of Paragraph XV., Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.”

7. Item 17(c) is amended by the addition of the following language to the original language that appears:

“(Indiana Code Title 23-2-2.7-(5) prohibits this provision)”

8. Item 17(m) is amended by the addition of the following language to the original language that appears:

“(Indiana Code Title 23-2-2.7-(5) prohibits this provision)”

9. Item 17(t) is amended by the addition of the following language to the original language that appears:

“(subject to Indiana law)”

10. Item 17(v) is amended by the addition of the following language to the original language that appears:

“(Indiana Code Title 23-2-2.7-1(10) prohibits this provision)”

11. Item 17(w) is amended by the addition of the following language to the original language that appears:

“(subject to Indiana law)”

12. Item 17 is further amended by the addition of the following language to the original language that appears:

“Indiana law prohibits franchisors from requiring their franchisees to prospectively agree to a release, assignment, novation, waiver or estoppel that attempts to relieve any person from liability.”

“Company will not permit a franchise to sell or renew without good cause or in bad faith. However, Indiana law does not prohibit a Franchise Agreement from providing that the agreement is not renewable on expiration or that the agreement is renewable if you meet certain conditions specified in the agreement.”

“Unilateral termination of the franchise is not permitted under Indiana law if the termination is without good cause or in bad faith. Good cause within the meaning of Indiana law includes any material violation of the Franchise Agreement.”

“You agree to indemnify and hold harmless Company and any representative of Franchisor who may act hereunder, from any and all claims arising from the acts and omissions of Company and its representative, excluding any indemnification for liability caused by the Company’s negligence.”

“You will not be required to indemnify Company for claims caused by your proper reliance on or use of procedures or materials provided by Company.”

“You are not responsible for tortious claims from Company’s gross negligence or willful misconduct in the making of or causing of the changes necessary in Company’s protection of its Marks.”

“Indiana prohibits covenants not to compete in an area greater than the Area of Primary Responsibility; therefore, you agree to abide by the covenants not to compete terms within the Designated Area as defined in this Franchise Agreement.”

“If there is an alleged breach of Paragraphs VI. or VII. of the Franchise Agreement, Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.”

“Indiana prohibits the limitation of litigation brought for breach of the Franchise Agreement in any matter. Any terms, which designate jurisdiction or venue or require you to agree to jurisdiction or venue in a forum outside of Indiana is void concerning any cause of action, which is otherwise enforceable in Indiana. The Franchise Agreement and all related agreements will be interpreted and construed under the Indiana Franchise Laws, except to the extent governed by the United States Trademark Act of 1946.”

“If there is an alleged breach of Paragraph XV., Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.”

“Notwithstanding anything to the contrary in this provision, the franchisee does not waive any right under the Indiana statues with regard to prior representations made in the Indiana Uniform Franchise Offering Circular.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Indiana-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **MARYLAND**

Effective date of registration in Maryland: \_\_\_\_\_

The following language is added to the Offering Circular:

1. The first sentence of the "Summary" section of Item 17(c) of the Franchise Agreement chart entitled Requirements for You to Renew or Extend is deleted in its entirety and the following is substituted in its place.

"You must have complied, and continue to comply, with all provisions of all agreements and must execute our then-current form of Franchise Agreement and sign general releases of all claims against us, except for claims arising under the Maryland Franchise Registration and Disclosure Law." (Franchise Agreement, Paragraphs II.B. and C., as amended)

2. The "Summary" section of Item 17(h) entitled "Cause" Defined - Defaults Which Cannot Be Cured, is amended by the addition of the following language:

"Termination upon bankruptcy may not be enforceable under the federal bankruptcy law (11 U.S.C. Section 101 et seq.)." (Franchise Agreement, Paragraph XVI.B., as amended)

3. The "Summary" sections of Item 17(v) and 17(w) entitled Choice of Forum and Choice of Law, respectively, are amended by the addition of the following language:

“, except for claims arising under the Maryland Franchise Registration and Disclosure Law (Section 14-216[25]), including the right to submit matters to the jurisdiction of the courts of Maryland.” (Franchise Agreement, Paragraph XXVIII., as amended)

4. Item 17 of the Offering Circular is further amended by the addition of the following language to the original language:

"Any provision requiring you to sign a general release of claims against FLICKO'S FRANCHISE CORP., INC. will not apply under the Maryland Franchise Registration and Disclosure Law." (Franchise Agreement, Paragraph II., as amended)

### **SPECIFIC PROVISIONS ADDRESSING THE FRANCHISE AGREEMENT:**

"Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this agreement 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."

The Franchise Agreement is amended to effect that, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.



**SPECIFIC REVISION TO EXHIBIT F TO THE OFFERING CIRCULAR (“FRANCHISEE DISCLOSURE QUESTIONNAIRE”):**

The following language is added to the first paragraph:

“These 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.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Maryland-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **MICHIGAN**

Effective date of registration in Michigan: June 18, 2005

The following disclosures are required by the State of Michigan:

1. "THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU."

Each of the following provisions is void and unenforceable if contained in any documents related to a franchise:

- A. A prohibition on the right of a franchisee to join an association of franchisees.
- B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- C. A provision that permits a franchisor to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- F. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration or litigation, to conduct arbitration or litigation at a location outside this state.

G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- 1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- 2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- 3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- 4) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in subdivision (C).

I. A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless a provision has been made for providing the required contractual services.

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00 the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be direct to:

State of Michigan  
Consumer Protection Division  
Attention: Franchise Bureau  
670 Law Building  
Lansing, MI 48913  
(517) 373-3800

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Michigan-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **MINNESOTA**

Effective date of registration in Minnesota: 1/6/06

1. **Risk Factors:** The second **Risk Factor** is amended by the addition of the following language at the end thereof:

“MINNESOTA STATUTE SECTION 80C.21 AND MINNESOTA RULE PART 2860.4400J PROHIBIT FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE OFFERING CIRCULAR OR AGREEMENTS CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDY PROVIDED FOR BY THE LAWS OF THE JURISDICTION.”

2. The following paragraph is added at the end of Item 13:

“The Minnesota Department of Commerce requires that the Company indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the Company’s trademark infringes trademark rights of the third party. The Company does not indemnify against the consequences of the franchisee’s use of the Company’s trademark except in accordance with the requirements of the franchise, and, as a condition to indemnification, the franchisee must provide notice to the Company of any claim within ten (10) days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has 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.”

3. The first sentence of the “Summary” section of Item 17(c) entitled Requirements for You to Renew or Extend is deleted in its entirety and the following is substituted in its place:

“You must have complied, and continue to comply, with all provisions of all agreements and must execute our then-current form of Franchise Agreement and sign general releases of all claims against us, provided however, that such general releases shall not apply to any claims arising under the Minnesota Franchise Law.”

4. All franchise contracts or agreements, and any other device or practice of a Company other than those classifications of franchises specifically recognized by the Commissioner will conform to the following provisions. It is an unfair and inequitable practice for any Company to:

A. Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the franchisee at least ninety (90) days in advance of termination or cancellation, and the franchisee fails to correct the reasons stated for termination or cancellation in the notice within sixty (60) days of receipt of the notice. However, the notice will be effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (i) Voluntary abandonment of the franchise relationship by the franchisee;
- (ii) The conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or

(iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Company's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure at least twenty-four (24) hours in advance thereof;

B. Terminate or cancel a franchise except for good cause. "Good cause" means failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed upon him by the Company including, but not limited to:

- (i) The bankruptcy or insolvency of the franchisee;
- (ii) Assignment for the benefit of creditors or similar disposition of the assets of the franchised business;
- (iii) Voluntary abandonment of the franchised business;
- (iv) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchised business; or
- (v) Any act by or conduct of the franchisee which materially impairs the goodwill associated with the Company's trademark, trade name, service mark, logotype or other commercial symbol; or

C. Except for failure to renew a franchise for good cause as defined in Paragraph 2 above, and the franchisee has failed to correct reasons for termination as stated in Paragraph 1 above, no person may fail to renew a franchise unless:

- (i) The franchisee has been given written notice of the intention not to renew at least one hundred eighty (180) days in advance of the expiration of the franchise; and
- (ii) The franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a growing concern, as determined and measured from the date of the failure to renew. No Company may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the Company for its own account.

D. Unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular Company.

5. Requirements for you to renew or extend: "Minnesota Rules, 1989, Department of Commerce, Chapter 2860, Section 4400D prohibits a Company from requiring a Franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, section 80C.01 to 80C.22; provided, that this part shall not bar the voluntary settlement of disputes."

6. "Minn. Rule 2860.4400J. states that it is unfair and inequitable for a franchisor to require a franchisee to waive his rights to any forum provided for by the laws of jurisdiction. Any language found in the Offering Circular contrary to this rule is amended so that it does not apply to Minnesota franchisees."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Minnesota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**NEW YORK**

The Offering Circular is amended as follows:

1. All references made herein to an Offering Circular shall be amended to Offering Prospectus.

The UFOC Cover Page is amended as follows:

**“REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS OFFERING CIRCULAR. IF YOU LEARN THAT ANYTHING IN THIS OFFERING CIRCULAR IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK, 10271-0332.”**

**“THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.”**

“Effective date of this Offering Prospectus is: \_\_\_\_\_”

2. Item 3 is amended by the addition of the following language:

“Neither Company, its predecessors, nor any person identified in Item 2 has any administrative, criminal or civil action pending against them alleging: a felony; a violation of franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, Neither Company, its predecessors, nor any person identified in Item 2 has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.”

“Neither Company, its predecessors, nor any other person identified in Item 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.”

“Neither Company, its predecessors, nor any person identified in Item 2 is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.”



3. Item 4 is amended to read as follows:

“During the 10 year period immediately before the date of the Offering Circular neither Company nor Affiliate, its predecessors or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.”

4. Item 5 is amended by the addition of the following language at the end of the time:

“The Franchise Fee shall be used to compensate Company for its costs in providing training materials, evaluating the site, and other services Company provides to you prior to and as you begin operating your business.”

5. Item 7 is amended by the addition of the following language:

“There are no other direct or indirect payments to Company in conjunction with the purchase of the Franchise.”

6. Item 17 is amended as follows:

(the following paragraph shall replace/become the only paragraph before the table):

“THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS OFFERING PROSPECTUS.”

7. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” the subsection entitled “Assignment of Contract by Company” will be amended to include the following language:

“However, no assignment will be made except to an assignee who, in the good faith judgment of Company, is able to assume Company’s obligations under the Agreement.”

8. Item 17(w), “Choice of Law” subsection is be amended to include the following language:

“Choice of law should not be considered a waiver of any right conferred upon the Franchisee by the General Business Law (“GBL”) of the State of New York, Article 33.”

9. Franchisor has the right to modify or revise lists of specifications, the Confidential Operations Manual, or any part of the System, provided that any revisions or modifications will not unreasonably increase Franchisee’s obligation or place an excessive and unreasonable economic burden on the Franchisee’s operations.

10. New York franchisees shall attend all training programs at Franchisor’s headquarters in Louisville, Kentucky.

11. Each provision for general releases to be executed by Franchisee is subject to the following:

"All rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

12. Franchisee is required to indemnify Franchisor from all claims arising out of Franchisee's operation of the Franchised Business, except that Franchisee is not required to indemnify Franchisor for claims arising from Franchisor's negligence or misconduct.

13. Franchisee's agreement to Franchisor's right to obtain injunctive and other relief in the event of Franchisee's breach of covenants not to compete and non-disclosure covenants contemplates only Franchisor's right to obtain injunctive and other relief only after the proper proofs are made and the appropriate judicial or arbitratative authority grants such relief. Nothing within said provisions shall constitute a waiver by Franchisee of Franchisee's right to defend any action.

14. Each provision for applicable law is subject to the following:

"The foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Art. 33 of the General Business Law of the State of New York."

**"THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT."**

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this New York-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**NORTH CAROLINA**

Effective date of registration in North Carolina: June 18, 2005

The Uniform Franchise Offering Circular is amended by the addition of the following language:

**DISCLOSURE REQUIRED  
BY  
NORTH CAROLINA LAW**

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**and**

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five (45) days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this North Carolina-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

## **NORTH DAKOTA**

Effective registration date in North Dakota is: \_\_\_\_\_

1. Item 5 is amended by the addition of the following language to the original language:

“Refund and cancellation provisions will be inapplicable to franchises operating under the North Dakota Franchise Investment Law. If Company elects to cancel this Agreement, Company will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 17 of the Offering Circular and corresponding Sections of the Franchise Agreement are amended by the addition of the following language to the original language or deleted as indicated:

A. “Requirements for you to renew or extend” (Item 17.c. and Sections II.B., C. and XVII.). “The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.”

B. “Your obligations on termination/non-renewal” (Item 17.i. and Section XVII. of the Franchise Agreement) are amended to delete any reference to a North Dakota franchisee consenting to liquidated damages.

C. “Your obligations on termination/non-renewal” (Item 17.i. and Section XVII. of the Franchise Agreement) are amended to read:

“the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney fees.”

D. “Covenants not to compete upon termination or expiration of the Franchise Agreement is generally unenforceable in the State of North Dakota except in limited instances as provided by law.”

E. “Choice of Forum” (Item 17.v. and Section XXVIII.B. of the Franchise Agreement) are amended with the following language:

“Any action will be brought in the appropriate state of federal court in North Dakota.”

F. The “Choice of Law” (Item 17.w.) is amended to read as follows:

“This Agreement takes effect upon its acceptance and execution by Company in North Dakota.”

4. “Applicable Law” (Section XXVIII. of the Franchise Agreement) is amended to read as follows:

A. Paragraph A. shall be deleted and amended to read as follows:

“This Agreement takes effect upon its acceptance and execution by Franchisor in North Dakota.”

B. Paragraph B. shall be deleted in its entirety.

5. "Acknowledgement" (Section XXXIII. of the Franchise Agreement) is amended by the addition of the following language to the original language that appears therein to read as follows:

"Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed."

6. "Covenants" (Section XV. of the Franchise Agreement) is amended by the addition of the following language to the original language that appears therein:

"Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law."

7. "Cost of Enforcement" (Section XXV. of the Franchise Agreement) is deleted in its entirety.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this North Dakota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**RHODE ISLAND**

Effective date of registration in Rhode Island: \_\_\_\_\_

1. The "Renewal, Termination, and Dispute Resolution" (Item 17) is amended by the addition of the following language to the original language:

"§19-28.1-14 OF THE Rhode Island Franchise Investment Act provides that [A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.]"

2. Item 17(v) is amended as follows:

"This Paragraph is invalid under Rhode Island General Law Section (19.28.1-4)"

3. Item 17(w) is amended as follows:

"This paragraph is invalid under Rhode Island General Law Section (19-28.1-14)"

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rhode Island-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

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

Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**SOUTH CAROLINA**

Effective date of registration in South Carolina: June 21, 2004

**DISCLOSURE REQUIRED  
BY  
SOUTH CAROLINA LAW**

The State of South Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

1. In the State of South Carolina, if the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.
2. Franchisor does not guarantee that the Franchisee will derive income from the business opportunity which exceeds the price paid for the business opportunity.
3. Franchisor does not guarantee that it will refund all or part of the price paid by Franchisee for the business opportunity.
4. Franchisor does not guarantee that he will repurchase any of the products, equipment, supplies or chattels supplied by Franchisor if Franchisee is unsatisfied with the business opportunity.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this South Carolina-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**SOUTH DAKOTA**

Effective date of registration in South Dakota: \_\_\_\_\_

1. Item 5 is amended by the addition of the following language to the original language that appears therein:

“Liquidated damages provisions shall be inapplicable to franchises operating under the laws of South Dakota.”  
If Franchisor seeks to terminate the contract after Franchisee has submitted two acceptable sites, franchisee will be required to pay Franchisor for its actual expenses in site evaluation and selection activities.

2. The “Summary” section of Item 17(g) entitled “Cause” Defined - Defaults Which Can Be Cured, is deleted in its entirety and the following is substituted in its place:

“If you fail to pay any amounts due to us or our affiliates and do not cure the breach within 30 days’ notice from us, you have 30 days to cure any other default (except those defaults listed in (h).”

3. The “Summary” section of Item 17(r) of the Offering Circular chart entitled Non-Competition Covenants and Section XV. of the Franchise Agreement is amended as follows:

“Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.”

4. The “Summary” sections of Items 17.v and 17.w entitled Choice of Forum and Choice of Law, respectively, are amended by the addition of the following language:

“Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of any other state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.”

“Pursuant to SDCL 37-5A-86, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this South Dakota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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



**TEXAS**

Exemption date: 6/21/04

“The State of Texas has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Texas-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

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

Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**UTAH**

Exemption date: 11/7/05

“The State of Utah has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Utah-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO’S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**VIRGINIA**

Effective date of registration in Virginia: \_\_\_\_\_

The Offering Circular is amended as follows:

Item 8 is amended by the addition of the following language:

A. "Company provides no material benefits to you based on your use of designated or approved suppliers unless otherwise stated."

B. "Rebates will be divided among System franchisees and Company and Affiliate-owned stores on a pro-rata basis linked to the amount of purchases made."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Virginia-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**WASHINGTON**

Effective date of registration in Washington: \_\_\_\_\_

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Washington-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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

**WISCONSIN**

Effective date of registration in Wisconsin: \_\_\_\_\_.

“The State of Wisconsin has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Wisconsin-specific Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FLICKO'S FRANCHISE CORP., INC.

By: \_\_\_\_\_  
Authorized Director/Franchisor

Franchisee: \_\_\_\_\_

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