

## **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 and Development Agreement require you to resolve disputes with us by litigation in Texas. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with us in Texas than in your own state.
2. **Turnover Rate:** During the last 3 years, a large number of franchised outlets (71), which is a high percentage of franchised outlets (more than 46.71%) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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.

**ADDITIONAL DISCLOSURES  
REQUIRED BY THE STATE OF ILLINOIS**

1. Item 5 of the Disclosure Document is amended to state the following:

Based upon the franchisor's financial condition, the Illinois Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the development agreement opens.

12. Illinois law governs the agreements between the parties to this franchise.

23. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

34. Section 41 of the Illinois Franchise Disclosure Act provides that 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.

45. Your right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

56. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

67. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

This Amendment (“Amendment”) to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into simultaneously with the execution of the Franchise Agreement.

1. The following sentence is added to the end of Section 3.01:

Based upon Franchisor’s financial condition, the Illinois Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement and the Franchisee has commenced business operations.

12. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the Restaurant will be located in the State of Illinois.

23. 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.

34. The following sentence is added to the end of Section 20.02:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

45. The following sentence is added to the end of Section 20.04:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

56. The following sentence is added to the end of Section 20.08:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

67. The following sentence is added to the end of Section 28:

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 the Act is void.

78. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

89. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the day and year first above written.

**FRANCHISOR:**

**FRANCHISEE:**

**TGI FRIDAYS FRANCHISOR, LLC**

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT

This Amendment (“Amendment”) to the Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into simultaneously with the execution of the Development Agreement.

1. The following sentence is added to the end of Section 4A:

Based upon Franchisor’s financial condition, the Illinois Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by Developer shall be deferred until such time the Franchisor completes its pre-opening obligations under the Development Agreement and the first franchise developed under the Development Agreement is operational.

2. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: (a) the offer or sale of a franchise to Developer was made in the State of Illinois; (b) Developer is a resident of the State of Illinois; and/or (c) part or all of the Territory is located in the State of Illinois.

3. The Development 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.

4. The following sentence is added to the end of Section 12.B.:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

5. The following sentence is added to the end of Section 12.D.:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

6. The following sentence is added to the end of Section 12.H.:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the developer becomes aware of the underlying facts or circumstances or 90 days after delivery to the developer of a written notice disclosing the violation.

7. The following sentence is added to the end of Section 20:

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 the Act is void.

78. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Development Agreement.

89. Except as expressly modified by this Amendment, the Development Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the day and year first above written.

**FRANCHISOR:**

**DEVELOPER:**

**TGI FRIDAYS FRANCHISOR, LLC**

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ADDITIONAL DISCLOSURES  
REQUIRED BY THE STATE OF MINNESOTA**

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and the Franchise Agreement and Development Agreement as follows:

1. Item 5 of the Disclosure Document is amended to state the following:

Based upon the franchisor's financial condition, the Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the development agreement opens.

12. Item 13 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.

23. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Disclosure Document.

34. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

45. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.

56. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

67. The appropriate sections of the Franchise Agreement and Development Agreement are hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

78. Section 20.08 of the Franchise Agreement and Section 12.H. of the Development Agreement regarding limitations of claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

89. The following statement is added to Item 6 of the Disclosure Document:

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

910. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Development Agreement are hereby amended accordingly.

~~1011.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment (“Amendment”) to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because: (a) the offer or sale of a franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the Restaurant will be located in the State of Minnesota.

2. The following sentence is added to the end of Section 3.01:

Based upon Franchisor’s financial condition, the Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement and the Franchisee has commenced business operations.

23. Sections 20.02, 18.02.B., and 20.07 of the Franchise Agreement are amended by the addition of the following language:

Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

34. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

45. Section 2.03.C. (regarding renewal) and Section 16.02.B. (regarding transfer) are amended by the addition of the following language:

Minn. Rule 2860.4400D prohibits Franchisor from requiring Franchisee to assent to a general release.

56. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.

67. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

78. Under Minn. Rule 2860.440J, Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. A court will determine if a bond is required. Sections 15.02.F., 18.04, and 20.06 of the Franchise Agreement are hereby amended accordingly.

89. The following sentence is added to the end of Section 20.08.

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

910. 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.

1011. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

1112. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the day and year first above written.

**FRANCHISOR:**

**FRANCHISEE:**

**TGI FRIDAYS FRANCHISOR, LLC**

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## MINNESOTA AMENDMENT TO DEVELOPMENT AGREEMENT

This Amendment (“Amendment”) to the Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between TGI Fridays Franchisor, LLC (“Franchisor”), a Delaware limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Development Agreement. This Amendment is being executed because: (a) the offer or sale of a franchise to Developer was made in the State of Minnesota; (b) Developer is a resident of the State of Minnesota; and/or (c) part or all of the Territory is located in the State of Minnesota.

2. Sections 12.B., 12.G., and 10.E. of the Development Agreement are amended by the addition of the following language:

Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

3. No release language set forth in the Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Section 8.B. (regarding transfer) is hereby amended by the addition of the following language:

Minn. Rule 2860.4400D prohibits Franchisor from requiring Developer to assent to a general release.

5. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that Developer be given 90 days notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Development Agreement.

6. Franchisor will protect Developer’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

7. Under Minn. Rule 2860.440J, Developer cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. A court will determine if a bond is required. Sections 10.C., 10.D., and 12.F. of the Development Agreement are hereby amended accordingly.

8. The following sentence is added to the end of Section 12.H.

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

9. The Development 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.

10. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

11. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

12. The following sentence is added to the end of Section 4A:

Based upon Franchisor's financial condition, the Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Developer shall be deferred until such time the Franchisor completes its pre-opening obligations under the Development Agreement and the first franchise developed under the Development Agreement is operational.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the day and year first above written.

**FRANCHISOR:**

**DEVELOPER:**

**TGI FRIDAYS FRANCHISOR, LLC**

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_