

ITEM 6

OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
<p>Advertising and Promotion Obligation (“APO”)</p> <p>National Advertising Fund</p> <p>Regional Advertising Fund or Regional Co-op Fund</p> <p>Local Store Marketing</p>	<p>Your APO will not exceed 5% of Gross Sales</p> <p>Currently 4% of Gross Sales with a voluntary additional contribution of .75% (total = 4.75%)</p> <p>Amount determined by us when Fund or Co-op established</p> <p>Currently 0% of Gross Sales</p>	<p>See below.</p> <p>Same as royalty fees</p> <p>Same as royalty fees</p> <p>Not paid to us</p>	<p>The advertising contributions and advertising funds are further described in Item 11.</p> <p>Your Local Store Marketing expenditures are not paid to us, however, we may require that you participate in certain marketing and advertising programs, the costs of which are not included in your APO. Local Store Marketing monies may be spent only for advertising approved by us. For calendar year 2014, most of our franchisees and all of our corporate owned restaurants have voluntarily agreed to contribute an additional .75% of gross sales towards national advertising (total contribution = 4.75%). See Item 11 – Advertising.</p>
<p>Audit Fees</p>	<p>Deficiency in Royalty Fees, advertising contributions and other amounts owed, plus interest</p>	<p>Within 10 days after receipt of the audit report</p>	<p>Audits are at our expense, unless the audit reveals an understatement of Gross Sales of 1% or more or underpayment of the Royalty Fee of 5% or more.</p>
<p>Base Management Contract Fee</p>	<p>An amount equal to 7% of Gross Sales, which is comprised of a 3% management fee and a 4% standard royalty fee. In addition to the base fee, there is an incentive fee which may vary. Actual fee will be based on actual amount of Gross Sales.</p>	<p>Payable every 30 days</p>	<p>See <u>Exhibit E</u> attached to the Management Contract for Pre-Opening Cost Projection.</p>

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Collection Costs and Expenses	Our costs and expenses	On demand, if required	These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
Costs and Attorneys' Fees	Our costs and expenses	On demand, if required	If we prevail in litigation regarding enforcement of the terms of any agreement, you must pay our attorneys' fees and costs.
"Earn Your Stripes" "Action Plan"	\$10,000.00	On demand, if required	In the event that you fail to comply with the "Earn Your Stripes" validation program (as defined in Item 8) within the time period as agreed, Friday's may implement the EYS Action Plan, which will be individually tailored to the needs of the Restaurant. You may be automatically assessed a training fee of \$10,000 and will also be responsible for the out-of-pocket expenses for any training personnel provided by Friday's.
EcoSure Program	\$276.32 per EcoSure audit; \$276.32 for Training Sessions/Audits	Upon invoice from the vendor	Franchised Restaurants receive at minimum two audits per year. If your Restaurant scores below an 80, then you will receive a re-audit within 2 to 4 weeks. If your restaurant scores below a 66, there will be a separate escalation and remediation process which may ultimately require your restaurant to close for a temporary period, and you will be automatically enrolled for quarterly audits.
Music Program – Mood	\$249.00 equipment purchase price, \$31.15 monthly charge and \$207.00 one-time set up fee	Upon invoice from the vendor	Participation in the music program is mandatory. Our music system covers licensing fees (such as ASCAP, BMI & SECAP) for the music played through the system but not for any other medium such as televisions or other transmissions.

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Indemnification	The losses and expenses incurred by Friday's and our affiliates	As incurred	You must indemnify and hold Friday's and our affiliates harmless in all actions arising out of or resulting from the development or operation of your Restaurant excluding the gross negligence or willful misconduct of Friday's.
Interest	The interest rate is the maximum rate permitted for indebtedness of this nature in the state in which the Restaurant is located not to exceed 1.5% per month (or a portion of a month).	Within 30 days from the date of invoice	Delinquent payments shall bear interest from the due date until received by us.
Late Fees	\$500	Due with payment of the delinquent payment	
Liquidated Damages – Breach of Covenants against Competition	Our then-current Initial Franchise Fee plus 8% of the Gross Sales of the competing restaurant business until the expiration of the two-year post-termination period	Upon demand, if required	
Liquidated Damages – Early Termination of Franchise Agreement	Amount equal to the average monthly Royalty Fees and advertising fund contributions that you owed for the 36 months prior to the termination, multiplied by the lesser of 36 months or the number of months remaining in the term of the Franchise Agreement	Within 30 days following termination	Payable if you default on your obligations and Friday's terminates the Franchise Agreement.

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Liquidated Damages – Early Termination of Development Agreement	Amount equal to two times the average of the total annual Royalty Fees and advertising contributions owed under Franchise Agreements over the prior three year period multiplied by the number of restaurants that remain to be developed pursuant to the Development Schedule	Within 30 days following termination	Payable if you default on your obligations and Friday’s terminates the Development Agreement.
Manager Training - Management Skills Training (Leadership That Rocks)	\$655 plus airfare and incidentals per management trainee	Upon management trainee's registration for the course	Each new hire manager is required to attend this training at our Support Center. The cost includes course materials, facilitator costs and salaries, hotel expenses and airport transfers. The fee does not include transportation or out of pocket expenses.
Manager Training – Restaurant Management Essentials	\$1,000 per management trainee	Upon management trainee's registration for program	Each new hire manager is required to participate in the training, which must be completed in a Center of Excellence training restaurant and includes both online and hands-on training. The cost includes all materials for the course, the food safety exam and a chef coat, as well as a \$500 training bonus to the training GM.
Manager Transfer Fee (Note 2)	\$25,000	Upon transfer of trained manager	We have a policy of permitting trained managers to transfer between and among corporate owned and franchised Restaurants with the agreement of the respective employers and payment of this fee, unless the manager is moving out of the market and would be leaving their current restaurant. However, if no agreement is obtained from the respective employers, then the transfer fee is double the managers’ salary.
Post-Termination or Post-Expiration Expense	\$1,000 to \$25,000	Within 30 days from date of invoice	Among other things, if we do not acquire the Restaurant site after your Franchise Agreement terminates or expires, you must de-identify the premises. If you do not de-identify the premises, we may do so at your expense.

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Purchasing Fees	<p>Restaurant kitchen equipment & furniture: 8% of our cost to act as agent; or 4% administration fee.</p> <p>Restaurant products & inventory items: .55% per case ordered</p>	<p>See Item 5</p> <p>See Item 8</p>	<p>If we act as your agent for purchasing kitchen equipment or furniture, you will be charged 8% of the purchase price for purchasing services (or 4% of purchase price if you purchase direct from supplier);</p> <p>A standard markup of <u>.55%</u> is applied as a purchasing fee to all products delivered through our approved distributors as a fee for their services.</p>
Reimbursement of Insurance Costs	Our out-of-pocket costs of obtaining coverage	Immediately upon receipt of invoice	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you.
Relocation	\$5,000	Payable when you submit relocation request	You may not relocate the Franchised Restaurant without our prior written consent. If we approve your request, we also have the right to charge you a royalty fee during the period when the Restaurant is closed equal to the average monthly royalty fee owed during the 12 months preceding the closure.
<p>Royalty Fee*</p> <p>Subject to applicable Development Incentives, if any, set forth in Item 1.</p>	4% of Gross Sales	7 days after the end of each fiscal period (which currently is a calendar month)	Your Royalty Fee will increase to 4.5% of Gross Sales during your first successor term and 4.75% of Gross Sales during your second successor term. "Gross Sales" includes the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales of food, beverages, merchandise, promotional items and services at or from the Restaurant. See Section 6.C. of the Franchise Agreement for additional information regarding what we include and exclude from the definition of Gross Sales.
Securities Offerings	\$15,000	Payable when you submit offering documents	At least 30 days before any public offering or private placement of securities or partnership interests in you are made available to potential investors, you must deliver a copy of the offering documents to us for our review along with opinions of counsel selected by you and counsel selected by us to ensure that the that the offering documents properly use the Proprietary Marks and accurately describe your relationship with Friday's and/or our affiliates.

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I.T. Service and Support Fee	\$1,650 per quarter per restaurant. If a restaurant's Point of Sale (POS) system is not on the AERO platform by April 1, 2014, the \$1,650 fee increases to \$2,040 per quarter.	To be invoiced and paid quarterly (in advance) in January, April, July and October	This covers: <ul style="list-style-type: none"> • Help Desk Services (24x7x365) • Point of Sale Services • IT Planning (purchasing, invoicing, research, disputes) • Communications/Reporting • Security & Compliance We reserve the right to change the fee structure as new services /platforms and technologies are added.
Back Office Software – SAILOR	Currently Waived	N/A	Initial license fee and the yearly maintenance and support fee currently waived pending replacement
Back Office Software – MenuLink	\$140 per month (plus tax)	Upon receipt of invoice	Hosting Fees Product currently in development; estimated release date TBD 2014
Kitchen Management	\$60 per quarter (plus tax)	To be invoiced and paid quarterly (in arrears) in January, April, July and October	Software Maintenance Fee
Network and Guest Wifi	\$400 annually (plus tax)	To be invoiced annually	Firewall Services for 2 devices
Network and Guest Wifi	\$72 per month	Invoiced monthly	Network Monitoring and Management
Network and Guest Wifi	\$14 per month	Invoiced Monthly	Hardware Maintenance (Spares Pool)
Learning Management	\$165 annually	Invoiced annually in advance	Netbook Hardware Maintenance
Point of Sale	\$650-\$1,500	Annually in advance	System Enhancement License; billed directly by provider
Point of Sale	\$275 (beginning with year 2)	Annually in Advance	Transaction Vault for credit card processing; billed directly by provider
Micros iCare (Software)	\$600	Annually in Advance	Micros iCare Hosting for "Give Me More Stripes" Loyalty Program; billed directly by provider; you may elect a different billing cycle than annually but at an increased cost. (See Item 11)
MyMicros	\$625	Annually in Advance	MyMicros Hosting for "Give Me More Stripes" Loyalty Program; billed directly by provider; you may elect a different billing cycle than annually but at an increased cost. (See Item 11)
Hardware	\$2,400	Annually in advance	Billed directly by provider; you may

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Maintenance			elect a different billing cycle than annually but at an increased cost.
Successor Fee	50% of our then-current Initial Franchise Fee for the first successor term and 30% of our then-current Initial Franchise Fee for the second successor term	When the Successor Franchise Agreement is signed.	We may offer to you a successor franchise if you meet our qualifications to remain a franchisee for two five-year successor terms. The Successor Fee is in addition to any costs for remodeling that we may require as a condition of entering into a successor franchise agreement with us after the term of your Franchise Agreement expires.
Supplier Inspection and Testing	Reasonable fee for inspection, including the actual cost of testing	As incurred	You may submit to us a written request for consent to use other suppliers. As a condition of our consent, we are permitted to inspect the supplier's facilities and take samples of the items proposed for testing at your expense.
Supplier Payments	Our costs in paying any supplier that you fail to pay	Upon receipt of invoice	If you fail to promptly pay one or more suppliers as required, we may, but are not required to, pay such supplier(s) on your behalf, and you must reimburse us for such payment.
Taxes	Assessed amount	Within 30 days from date of invoice	You must pay us the amount of any sales, gross receipts, excise, license or similar tax imposed on us that are associated with payments to us under the Franchise Agreement.
New Franchisee Training and Interview Costs	All costs and expenses related to training (including the previously listed Manager Training). Currently, we estimate this amount to be \$80,000 to \$150,000 (part of Item 5 "Initial Fees").	Within 30 days from date of invoice	Except for the cost of instructors and facilities for training, you must pay all training related costs. You must also pay the costs of making available to us your prospective managers whom we decide to interview.
Training Equipment	\$5,000	Within 30 days from date of invoice	This fee includes the two netbooks and WiFi access required for online team member training. To cover training needs in the Restaurant, we strongly recommend you purchase between two and five netbooks. Additional netbooks beyond the requisite two are \$500 each.

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Transfer Fee	\$5,000 or such greater amount as necessary to reimburse us for all out-of-pocket expenses associated with the Transfer	Within 30 days from date of invoice	
Reimage Program Requirements	\$100,000 - \$750,000	June 2016 for Fridays' franchisees' units to complete reimage.	The franchise agreement requires a franchisee to remodel and upgrade the premises at certain intervals and expenditure levels. Fridays' current Reimage Program and Reimage Incentives anticipate completion of Reimage requirements by June 2016. See Item 1 – Reimage Program and Reimage Incentives.

Notes:

(Note 1) Except as noted in the preceding chart, all fees and expenses described in this Item 6 are non-refundable, are imposed by and payable to us. Generally, all fees are uniformly imposed on our franchisees, however, in certain circumstances, we may adjust a fee for a particular franchisee for various business purposes. During our last fiscal year, we adjusted fees identified in Item 6. Except as specifically stated above, these amounts may be subject to increase based on changes in market conditions, our cost of providing services and future policy changes. Currently, we have no plans to increase payments over which we have control.

(Note 2) When trained management personnel transfer under this policy, the owner of the Restaurant that obtains the trained manager must pay the manager's former employer a fee based on the costs of salary and benefits during the training period of the average management trainee, plus the cost of hiring. If trained management personnel are hired without the current employer's agreement in violation of the Franchise Agreement, then the policy described above does not apply. Instead, such activity will constitute an event of default under the Franchise Agreement and will entitle the former employer to damages equal to 200% the employee's annual salary.